



Cedar Textile Limited

Factory Address: Akbarpur Channa, Ludhiana, Malerkotla Road, Ahmedgarh -148021
District - Sangrur Punjab (India), Tel: +91-85588 52200
Email – info@cedaartextile.com | www.cedaartextile.com

Date: - 30.06.2026

To

The Manager - Listing National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra- (East), Mumbai – 400 051.	Company Symbol: CEDAAR ISIN: INE11J101017
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Sub:- Clarification on observations made w.r.t. the Financial Results submitted to the Exchange dated 30-May-2026 for the half year ended on 31-Mar-2026.

Dear Sir/Madam,

This is with respect to the communication received via email dated 25.06.2026 from your good office requesting the clarification on observations made w.r.t. the Financial Results submitted to the Exchange dated 30-May-2026. Please find attached point wise submission:

1. The Certificate of utilisation of IPO proceeds as issued by Statutory Auditors is attached herewith as '**Annexure – A**'

Further, for your ready reference, the audited financial results including Statement of Assets and Liabilities, Profit and Loss account, Cash Flow Statement, Auditor's report for Standalone results, Statement on impact of audit qualification are attached herewith as '**Annexure – B**'

We request you to kindly take same on record.

Yours Faithfully,

For **Cedar Textile Limited**

(Rajesh Mittal)

Managing Director

DIN- 08702551

**INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT
ON THE STATEMENT SHOWING STATEMENT OF DEVIATION OF FUNDS
RAISED FROM PUBLIC ISSUE BY CEDAAR TEXTILE LIMITED.**

To,
The Directors,
Cedaar Textile Limited,
Bangalore.

PRELUDE:

1. This Report is issued in accordance with the terms of letter dated 29-05-2026 with Cedaar Textile Limited having Registered Address at KSSIDC Plot No. B-34, Industrial Estate, Yelahanka New Town, Bangalore, Karnataka, India, 560064 (the "Company").
2. We, H. B. Kalaria & Associates, Chartered Accountants, are Statutory Auditor of the Company and have been requested by the Company to examine Deviation of Funds raised from Public Issue, which has been prepared by the Company (the "Statement").
3. We understand that this report is required as an attachment to the statement showing Deviation of funds by the Company, which is to be submitted to Brickwork Ratings India Private Limited (hereinafter referred to as the "Agency").
4. The Company has produced before us the following documents/papers/records for verification purpose.
 - (i) Bank statement of Public Issue Account for the respective dates.

MANAGEMENT'S RESPONSIBILITY FOR STATEMENTS:

- 2.0 The preparation of the statement is the responsibility of the Company, including the preparation and maintenance of all the accounting and other relevant supporting records and documents. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation of the statement and applying an appropriate basis of preparation, and making estimates that are reasonable in the circumstances.
5. The Company is also responsible for ensuring that they have complied with the requirements of the Agency and provides all relevant information to the said authority.

AUDITOR'S RESPONSIBILITY:

6. Our responsibility is to provide a limited assurance in the form of conclusion based on our examination whether, the funds has been utilized for the said purpose as mentioned in paragraph 2, and have been accurately extracted from the audited books of account of the Company for the Relevant Period and is arithmetically correct.



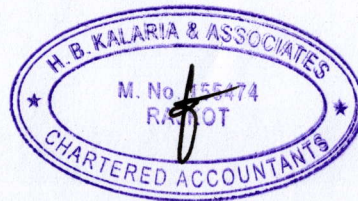
7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
8. We have complied with the relevant applicable requirements of the Standards on Quality Control (SQC) 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Service Engagements.
9. A limited assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the applicable criteria, mentioned in paragraph 2.0 above. The procedures performed vary in nature and timing from, and are less extent than for, a reasonable assurance. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we have performed the following procedures in relation to the Statement:
 - (i) Checked from the audited books of account as produced before us whether the fund has been utilized for the relevant purpose.

CONCLUSION:

10. Based on the procedures performed by us, and according to information and explanation received through management representation letter, nothing has come to our attention that causes us to believe that, the Statement of Deviation has not been prepared on the basis of books of accounts.

RESTRICTION OF USE:

11. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally/judicially determined to have resulted primarily from bad faith or intentional misconduct. We shall not be liable to any other person in respect of this statement.



12. This Report has been issued at the request of the Company, solely in connection with the purpose mentioned above in paragraph 2., and is not to be used or referred to for any other purpose or distributed to anyone other than submission to the Agency. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come.

For, **H.B. Kalaria & Associates**
Chartered Accountants
FRN No. 104571W



Hardik H. Kalaria
Partner
M. No. 155474
UDIN: 26155474RCGFNI8610



Date: 03-06-2026
Place: Rajkot

Annexure to Certificate dated 03-06-2026:

As per report attached on even date, The Company has raised ₹60.90 Crores from Public Offer out of Which ₹60.88 Crores has been Utilized by the Company and the remaining ₹0.02 Crores remain Unutilized as on 31-03-2026.

1. What are the stated purposes and the amount of each purpose as per the offer document and the amount utilised during the quarter ended Sept 2025

(Amt Rs. In Crores)

Description	Proposed Cost	Utilised as on Sep 30, 2025	Utilised as on Mar 31, 2026	Balance as on Mar 31, 2026
Installation of Grid-tied Solar PV Rooftop System for Captive Evacuation	8.00	0	0	8.00
Modernization of the Machines	17.00	0.00	0.00	17.00
Working Capital Requirements	24.90	47.88	6.43	-29.42
General Corporate Purpose	4.91	0.00	0.00	4.91
Issue Expenses	6.09	6.57	0.00	-0.49
Total	60.90	54.45	6.43	0.02

OFS	
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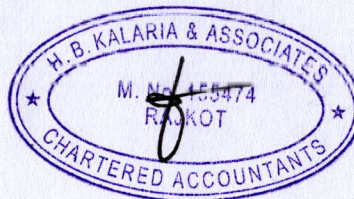
2. The details of utilization of issue proceeds as per the stated purpose in the offer document in the table given below – this is as per the withdrawal entries as per the bank statement: Yes/No

- a. Public Issue Account – No (925020029623383)- or preferential issue account whichever is applicable

Transaction ID	Amount	Narration for nature of transaction
BRN-RTGS-UTIBH25308068137	2,00,00,000.00	Working Capital Utilization, Machine Modernizations, & General Corporate Purpose
BRN-RTGS-UTIBH25318077998	4,32,40,709.00	Working Capital Utilization, Machine Modernizations, & General Corporate Purpose

- b. Fund Monitoring Account No (xxxxx) (Applicable if the funds transferred to fund monitoring account)

Transaction ID	Amount	Narration for each transaction	Purpose as per the offer document
-	-	-	-
-	-	-	-



3. The details of deployment of unutilized issue proceeds:

Sr.no.	Type of instrument and name of entity invested in	Amount Invested	Maturity date	Earning	Return on Investment (%)	Market value as on 12-05-2026
	Public Issue Account - 925020029623383	0	-	-	-	-
	Fund Monitoring Account - XXX	-	-	-	-	-
	FD Certificate - 50301215220373	2,18,566.00	20-05-2026	6355.2	2.75	2,24,921.20
		-	-	-	-	-
		-	-	-	-	-

4. Whether any other purpose has been approved separately by the board? If yes, the purpose and the amount thereof:

UDIN: 26155474RCGFNI8610

Place: Rajkot

Date: 03-06-2026





CEDAAR TEXTILE LIMITED

Akbarpur Channa, Ludhiana-Malerkotla Road, Ahmedgarh - 148021 District, Sangrur, Punjab (India)

e-mail: info@cedaartextile.com | website: www.cedaartextile.com | Ph: +91-85588-52200

CIN: U17299KA2020PTC139070

Company Statement

1. Confirm any relevant information/events affecting investor decision-making- **No**
2. Report any delays in implementing objectives outlined in the offer document- **No**
3. Whether all the relevant statutory/government approval related to the objects(s)/purpose(s) have been obtained?
Yes
4. Are there any favourable/ unfavourable events affecting the viability of these objects/purposes? **No**
5. The total amount utilised till the quarter ended March 31, 2026, is **Rs. 60.88 Crore**, from the **Rs 60.90 Crore** raised through issue of equity shares.
6. The unutilised amount remains **Rs 0.02 Crore** at the end of March 31, 2026.
7. Please fill the below information: Add the Completion date of each object (highlighted in yellow) as the same was not covered /mentioned in the prospectus.

Object(s) Name	Completion Date		Delay	Comments of Board of Directors	
	As per Offer Document	Actual		Reason of Delay	Proposed course of Action
Installation of Grid-tied Solar PV Rooftop system for captive system	October 2025	In Process		-	-
Modernization of machines	January 2026	In Process		We have already placed orders for the machines and awaiting delivery from the suppliers	-
Working Capital Requirements	FY 2025-26	Utilised		-	-
General Corporate Purpose	FY 2025-26	Utilised		-	-
Issue related Expenses	FY 2025-26	Utilised	-	-	-
Any other purpose approved by board	-	-	-	-	-

*As we were not able to finalize the suppliers for the procurement of machinery and upgradation of the solar system within the stipulated utilization period of funds, we utilized the funds for our working capital requirements. In addition, we are still in the process of procuring machinery and carrying out other improvements. We will procure these machineries from our own sources in order to comply with the stated objectives.

For CEDAAR TEXTILE LIMITED


Authorized Signatory

Authorized Signatory
(JAY PRAKASH SINGH)

(Executive Director)

Place:- Ahmedgarh

Date: - 29-05-2026



Cedar Textile Limited

Factory Address: Akbarpur Channa, Ludhiana, Malerkotla Road, Ahmedgarh -148021
District - Sangrur Punjab (India), Tel: +91-85588 52200
Email – info@cedaartextile.com | www.cedaartextile.com

Date: - 30.05.2026

To

The Manager - Listing National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra- (East), Mumbai – 400 051.	Company Symbol: CEDAAR ISIN: INE11J101017
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Subject: Disclosure of Regulation 30 & 33 of SEBI (LODR) Regulations, 2015. Outcome of Board Meeting held on 30.05.2026

Dear Sir/Madam,

In continuation to notice dated 25.05.2026, we wish to inform you that Board of Directors in its meeting held on today 30.05.2026 considered and approved the Audited Financial Results for the half year and financial year ended March 31, 2026.

Pursuant to Regulation 30, 33 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith:

- i. Audited Financial Results for the half year and financial year ended on March 31, 2026 along with the Auditors Report on the Audited Financial Results issued by M/s. H B Kalaria & Associates, Chartered Accountants, Statutory Auditors of the Company.

Further pursuant to the regulation 33 (3) (d) of SEBI (LODR) Regulations, 2015 we hereby declare that the Statutory Auditors of the Company have issued Audit Report with disclaimer of opinion on the audited financial result for the half year and year ended 31.03.2026.

Board Meeting commenced at 04.00 P.M. and concluded at 05.30 P.M. This is for your information please.

This is for your information. We request you to kindly take the same on your record.

For **Cedar Textile Limited**

(Rajesh Mittal)
Managing Director
DIN- 08702551

Regd. Office: KSSIDC Plot No. 34, Yelahanka, New Town, Bengaluru, Karnataka-560064
CIN: U17299KA2020PLC139070

Auditor's Report on Half Yearly and Year to Date Audited Financial Results of Cedaar Textile Limited (formerly Cedaar Textile Private Limited) pursuant to the requirements of Regulations 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

INDEPENDENT AUDITOR'S REPORT

To
The Board of Directors of
Cedaar Textile Limited

Report on the Audit of Financial Results

Disclaimer of Opinion

We were engaged the accompanying statement containing financial results of Cedaar Textile Limited (formerly Cedaar Textile Private Limited) (the "Company"), for the half year and financial year ended March 31, 2026, (the "Statement"), attached herewith, being submitted by the Company pursuant to the requirements of Regulations 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

We do not express an opinion on the accompanying Financial Result of the entity. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements

Basis for Disclaimer of Opinion

We draw attention to the following matters:

- a) As stated in Note 9 to the financial Result The accounting data and financial records of the Company from the beginning of the financial year up to 30 September, 2025 were not available to us due to loss of data from the Company's accounting software system. The said data could not be retrieved from the cloud backup or any other alternative storage. Consequently, the Company's financial records for approximately six months of the financial year, including the opening balances as at 1st April 2025 carried forward from the preceding year, were not available for our verification. In the absence of these records, we have been unable to obtain sufficient appropriate audit evidence regarding transactions, account balances, and disclosures for the said period, the accuracy of the opening balances, and their consequential impact on the Financial Result taken as a whole.
- b) As stated in Note 10 to the financial result, the Company has defaulted in repayment of its borrowings. The Company has not provided us with sufficient information and evidence to evaluate the appropriateness of the going concern assumption underlying the preparation



of these financial result. In the absence of such evidence, we are unable to determine whether the use of the going concern basis of accounting is appropriate and whether any adjustments are required to the carrying amounts of assets and liabilities, and the classification thereof.

- c) The Company has not carried out physical verification of its property, plant and equipment during the year. In the absence of physical verification, we have been unable to obtain sufficient appropriate audit evidence regarding the existence, completeness, and condition of property, plant and equipment as at the balance sheet date.
- d) The Company has not carried out physical verification of its inventories during the year. In the absence of physical verification, we have been unable to obtain sufficient appropriate audit evidence regarding the existence, completeness, condition, and valuation of inventories as at the balance sheet date.
- e) The Company has not carried out reconciliations and confirmations of balances with its trade receivables, trade payables, and parties from whom advances are receivable or payable. In the absence of such reconciliations and balance confirmations, we have been unable to obtain sufficient appropriate audit evidence regarding the accuracy and completeness of trade receivables, trade payables, and advances as at the balance sheet date.
- f) As disclosed in Note 11, the Company liquidated approximately 80-85% of its total inventory as scrap, resulting in a recognized loss of Rs. 84 crore. We were not present to observe the physical condition of the inventory prior to its deterioration, nor could we satisfy ourselves by alternative audit procedures regarding the exact timeline and valuation of the damage that led to this write-down. Additionally, due to the complete halt in the export order pipeline caused by international tariffs and war, management has not been able to provide us with a verifiable, highly probable cash flow forecast. Consequently, we were unable to obtain sufficient appropriate audit evidence regarding the Rs. 84 crore inventory write-down and the appropriateness of management's use of the going concern basis of accounting.

Because of the significance of the matters described above, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial result.

We were engaged to audit the Financial Result in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Result section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Result under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.



Management's Responsibilities for the Standalone Financial Results

The result has been prepared on the basis of the annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other financial information in accordance with the recognition and measurement principles laid down in the Accounting Standard 25, 'Interim Financial Reporting', prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulations 33 of the Listing Regulations.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation, and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that gives a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our responsibility is to conduct an audit of the result in accordance with the Standards on Auditing specified under Section 143(10) of the Act and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial result.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the result under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

Other Matters

The financial statements of the Company for the preceding financial year ended 31st March 2025 were audited by the predecessor auditor, Kapish Jain & Associates, who expressed a qualified of opinion on those financial statements vide their report dated 25 September, 2025. The comparative figures and corresponding amounts for the preceding year presented in these Financial Result are based on such audited financial statements.



Our disclaimer of opinion on the Financial Result for the current year is not modified in respect of this matter.

The Statement includes the Financial results for the year ended 31 March 2026 being the total of figures of half year ended 31 March, 2026 and 30 September, 2025 between the audited figures in respect of the half year ended 31 March 2026 and the published unaudited year-to date figures up to the first half year of the current financial year, which were subjected to a limited review by us, as required under the LODR Regulations.

For **H B Kalaria & Associates**
Chartered Accountants
Firm Reg. No. 104571W



Hardik H. Kalaria
Partner
Mem. No. 155474
UDIN: 26155474GZDBOT7885



Place: Rajkot
Date: 30/05/2026

Cedaar Textile Limited (formerly Cedaar Textile Private Limited)
KSSIDC Plot No. B-34, Industrial Estate, Yelahanka New Town, Bangalore, Karnataka, India, 560064
CIN: U17299KA2020PLC139070
STATEMENT OF AUDITED RESULTS FOR THE HALF YEAR ENDED 31ST MARCH, 2026

(In Rs. Lacs)

Particulars	For the half year ended			Current year Ended	Previous year Ended
	31.03.2026	30.09.2025	31.03.2025	31.03.2026	31.03.2025
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
I. Revenue from operations	8,183.40	8,096.64	12,893.51	16,280.04	20,726.87
II. Other income	76.71	109.39	67.17	186.10	146.03
III. Total revenue (I + II)	8,260.11	8,206.04	12,960.68	16,466.15	20,872.90
IV. Expenses:					
Cost of materials consumed	14,163.54	2,139.00	9,178.94	16,302.54	14,877.66
Purchases of stock-in-trade	-	-	-	-	-
Changes in inventories of finished goods work-in-progress and stock-in-trade *	987.04	3,279.50	(1,629.39)	4,266.54	(1,586.29)
Employee benefits expense	724.59	540.76	1,132.90	1,265.35	1,506.74
Finance costs	356.82	607.87	522.82	964.69	1,123.59
Depreciation and amortisation expense	299.91	184.33	207.78	484.24	468.35
Other expenses	1,329.64	1,404.45	2,599.38	2,734.09	2,968.44
Total expenses	17,861.54	8,155.91	12,012.43	26,017.45	19,303.49
V. Profit before exceptional and extraordinary items and tax (III - IV)	(9,601.43)	50.13	948.25	(9,551.30)	1,630.06
VI. Exceptional items	-	-	-	-	-
VII. Profit before extraordinary items and tax (V - VI)	(9,601.43)	50.13	948.25	(9,551.30)	1,630.06
VIII. Extraordinary items	-	-	-	-	-
IX. Profit before tax (VII - VIII)	(9,601.43)	50.13	948.25	(9,551.30)	1,630.06
X. Tax expense:					
(1) Current tax	-	-	185.81	-	307.35
(2) Prior period tax	-	-	-	-	-
(3) Deferred tax	(2,081.05)	(331.77)	66.90	(2,412.83)	118.83
XI. Profit/ (Loss) for the period from continuing operations (IX-X)	(7,520.37)	381.90	695.54	(7,138.47)	1,203.88
XII. Profit/(loss) from discontinuing operations	-	-	-	-	-
XIII. Tax expense of discontinuing operations	-	-	-	-	-
XIV. Profit/(loss) from discontinuing operations (after tax) (XII-XIII)	-	-	-	-	-
XV. Profit/ (Loss) for the period (XI + XIV)	(7,520.37)	381.90	695.54	(7,138.47)	1,203.88
No. of Equity Shares (Face Value Rs. 10 Each)	1,38,78,600.00	1,38,78,600.00	95,28,600.00	1,38,78,600.00	95,28,600.00
XVI. Earnings per equity share (not annualised):					
(1) Basic	(59.16)	3.00	7.30	(56.16)	12.63
(2) Diluted	(59.16)	3.00	7.30	(56.16)	12.63

* Refer Note no 11. of Notes attached here with for this matter.

For CEDAAR TEXTILE LIMITED

For and on behalf of Board of Directors

Authorized Signatory

Managing Director
DIN: 08702551

Authorized Signatory

Virender Goyal
CFO & Director
DIN: 08702573

For CEDAAR TEXTILE LIMITED

Authorized Signatory

Monnappa Nachappa Channarayana
Director
DIN: 00205392

Date : 30 May, 2026
Place : Bangalore

Cedaar Textile Limited (formerly Cedaar Textile Private Limited)

—KSSIDC Plot No. B-34, Industrial Estate, Yelahanka New Town, Bangalore, Karnataka, India, 560064

CIN: U17299KA2020PLC139070

AUDITED STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST MARCH 2026

		(in Rs. Lacs)	
Particulars		31.03.2026	31.03.2025
		(Audited)	(Audited)
I	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	(a) Share capital	1,387.86	952.86
	(b) Reserves and surplus	3,455.25	5,614.58
	(c) Money received against share warrants	-	-
2	Non-current liabilities		
	(a) Long-term borrowings	2,084.78	3,305.37
	(b) Deferred tax liabilities (net)	-	424.05
	(c) Other Long term liabilities	-	-
	(d) Long term provisions	38.51	45.72
3	Current liabilities		
	(a) Short term borrowings	8,651.24	8,247.28
	(b) Trade payables :-	-	-
	(A) total outstanding dues of micro enterprises and small enterprises; and	-	219.81
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises.	2,607.30	2,541.43
	(c) Other current liabilities	4,573.78	693.95
	(d) Short term provisions	29.60	560.89
	TOTAL	22,828.31	22,605.94
II	ASSETS		
	Non-current assets		
1	(a) Fixed assets		
	(i) Tangible assets	7,474.88	7,650.12
	(ii) Intangible assets	24.52	33.42
	(iii) Capital work-in-progress	46.61	43.13
	(iv) Intangible assets under development	-	-
	(b) Non-current investments	-	237.47
	(c) Deferred tax assets (net)	1,988.77	-
	(d) Long-term loans and advances	-	-
	(e) Other non-current assets	238.57	-
2	Current assets		
	(a) Current investments	-	-
	(b) Inventories	3,041.33	10,938.65
	(c) Trade receivables	4,643.90	1,923.38
	(d) Cash and cash equivalents	1,072.42	881.50
	(e) Short-term loans and advances	4,119.98	609.90
	(f) Other current assets	177.33	288.37
	TOTAL	22,828.31	22,605.94

For CEDAAR TEXTILE LIMITED For CEDAAR TEXTILE LIMITED For CEDAAR TEXTILE LIMITED
For and on behalf of Board of Directors,

Authorized Signatory

Managing Director
DIN: 08702551

Authorized Signatory

Virender Goyal
CFO & Director
DIN: 08702573

Authorized Signatory

Monnappa Nachappabachangada
Director
DIN: 00205392

Date : 30 May, 2026
Place : Bangalore

Cedaar Textile Limited (formerly Cedaar Textile Private Limited)
KSSIDC Plot No. B-34, Industrial Estate, Yelahanka New Town, Bangalore, Karnataka, India, 560064
CIN : L28219GJ2009PLC057251

AUDITED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2026

(in Rs. Lacs)

Particulars	For the Period ended March 31, 2026	For the Period ended March 31, 2025
A. Cash flow from operating activities		
Profit/(Loss) before tax	(9,551.30)	1,630.06
Adjustments for		
Finance costs	964.69	1,098.38
Depreciation and amortisation costs	484.24	402.35
Unrealised foreign exchange (gain)/loss		(18.57)
Interest income from non-current investments	(72.25)	
Interest income from current investments	(15.40)	(61.51)
Provision for CSR expenditure	54.55	
Loss on disposal/discarding/demolishment/destruction of tangible assets	46.94	
Operating profit/(loss) before working capital changes	(8,088.53)	3,056.71
Adjustment for changes in working capital		
Adjustments for (increase)/decrease in operating assets		
Inventories	7,897.32	(3,601.32)
Trade receivables	(2,720.52)	461.12
Long-term loans and advances	-	
Short-term loans and advances	(3,433.46)	483.70
Other non-current assets	(1.10)	
Other current assets	112.70	(55.58)
Adjustments for increase/(decrease) in operating liabilities		
Trade payables	(153.94)	1,223.06
Short-term provisions	(37.28)	(0.62)
Long-term provisions	(7.21)	14.36
Other current liabilities	3,879.83	173.29
Cash generated from/(used in) operating activities	(2,552.19)	1,754.72
Income classified as operating activities		
Direct taxes paid (net of refunds)	(616.46)	(34.19)
Net cash generated from/(used in) operating activities	(3,168.65)	1,720.53
B. Cash flow from investing activities		
Proceeds from sale of tangible assets	69.04	
Purchase of tangible assets	(417.98)	(368.61)
Purchase of intangible assets	(1.58)	
Procced / (Investment) in fixed deposit		(32.87)
Loans and advances made to related parties/others	(8.71)	
Interest received	85.98	4.86
Cash and bank balances not classified as cash and cash equivalents	874.04	
Cash generated from/(used in) investing activities	600.81	(396.62)
Net cash generated from/(used in) investing activities	600.81	(396.62)

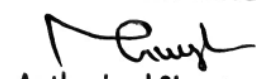
For CEDAAR TEXTILE LIMITED


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For CEDAAR TEXTILE LIMITED


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C. Cash flow from financing activities		
Proceeds from issue of shares	5,414.14	
Proceeds from long term borrowings	5,154.98	985.77
Repayment of long term borrowings	(6,076.08)	(2,101.64)
Proceeds from short term borrowings	54.46	966.37
Finance costs paid	(964.69)	(1,008.32)
Cash generated from/(used in) financing activities	3,632.80	(1,320.58)
Net cash generated from/(used in) financing activities	3,632.80	(1,320.58)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	1,064.96	3.33
Cash and cash equivalents at the beginning of the period	7.46	4.13
Cash and cash equivalents at the end of the period	1,072.42	7.46

Notes:

1. The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3.

For CEDAAR TEXTILE LIMITED For CEDAAR TEXTILE LIMITED For CEDAAR TEXTILE LIMITED

For and on behalf of Board of Directors,

Authorized Signatory

Rajesh Mittal
Managing Director
DIN: 08702551

Date : 30 May, 2026
Place : Bangalore

Authorized Signatory

Virender Goyal
CFO & Director
DIN: 08702573

Authorized Signatory

Monnappa Nachappabachangada
Director
DIN: 00205392

Notes to the financial results:

- 1 The Company's Audited financial results for the Half year ended March 31, 2026 have been reviewed by the Audit Committee and subsequently approved and taken on record by the Board of Directors of the Company at its meeting held on 30 May, 2026. The statutory auditors have expressed an disclaimer opinion on these financial results.
- 2 The Financial results have been prepared in accordance with the Accounting Standard as notified under section 133 of the Companies Act, 2013 ("Act") read with relevent rules issued there under and other accounting principles generally accepted in India as amended from time to time.
- 3 The Company's operations fall under one operating segment "Yarns". hence, segment reporting is not applicable as per Accounting Standard (AS) - 17 - Segment Reporting.
- 4 Figures of previous reporting periods have been regrouped/reclassified wherever necessary to correspond with the figures of the current reporting period.
- 5 This statement is as per Regulation 33 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015. The Statutory Auditors of the Company has conducted a Limited Review of the Financial Results for the half year ended on 31st March,2026.
- 6 The Company has completed Initial Public Offer (IPO) of 4,350,000 Equity Shares of the face value of Rs. 10/- each at an issue price of Rs. 140/- The Equity Shares of the Company were listed on July 07, 2025 on National Stock Exchange (NSE Emerge platform) of India Limited.
- 7 The New Labour Codes became effective 21st November 2025, resulting in increase in a past period employee benefit liability, on that liability related Deferred tax asset has also been recognised. After the balance sheet date, while the Central Government notified the Rules on May 8, 2026, the State Rules are yet to be notified. The impact relating to Labour Codes is subject to finalisation of rules and regulatory framework thereunder.
- 8 The Code on Social Security, 2020 ("the Code") has been enacted, which may impact the employee related contributions made by the Company. The effective date from which the changes are applicable is yet to be notified. The Ministry of Labour and Employment ('the Ministry') has released draft rules for the Code on November 13, 2020. The Company will complete its evaluation and will give appropriate impact in its financial results in the period in which the Code becomes effective and the related rules are published.
- 9 During the financial year, the Company migrated its accounting operations to Tally ERP . The accounting data and financial records for the period from 1st April 2025 to 30th September 2025, which were maintained on the erstwhile cloud-based accounting software, became irretrievable consequent to the discontinuation of the said software by its service provider and the simultaneous damage to the cloud storage infrastructure hosting the Company's data. Despite efforts to recover the data through the service provider and alternative technical means, the records could not be retrieved. The financial figures for the said period incorporated in this Statement have been compiled by the management based on the half- yearly financial results for the period ended 30th September 2025, as published pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and corroborated to the extent possible with available bank statements and statutory filings. The Company has since implemented enhanced data backup and redundancy measures to prevent recurrence.
- 10 During the year, the Company defaulted in repayment of loan instalments and interest dues to the bank for a period of two months as per the agreed repayment schedule. The said overdue amount remained outstanding as at the balance sheet date. Subsequent to the year end, the bank adjusted the overdue dues against the fixed deposits maintained by the Company with the same bank, thereby regularizing the loan account. The adjustment was carried out after the close of the financial year.

For CEDAAR TEXTILE LIMITED

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For CEDAAR TEXTILE LIMITED

Authorized Signatory

For CEDAAR TEXTILE LIMITED

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11 During the half-year ended March 31, 2026, the Company recognized a material inventory write down amounting to Rs. 84 crore, which has been classified as part of Changes in Inventory of Finished Goods, Work in Progress and Stock in Trade in the Statement of Profit and Loss. This write-down was necessitated by the severe deterioration (colour bleeding) of our export-designated dyed yarn inventory due to prolonged storage. The delay in liquidation was a direct consequence of recently imposed U.S. tariffs & U.S. Iran War, which made exports unviable for our vendor network and resulted in the sudden cancellation of anticipated orders. Upon technical inspection of this stranded inventory—which constituted 80-85% of our total stock—it was deemed unfit for primary use and subsequently liquidated as scrap at 10-15% of its original cost to optimize working capital.

For CEDAAR TEXTILE LIMITED For and on behalf of Board of Directors, For CEDAAR TEXTILE LIMITED


Authorized Signatory

Rajesh Mittal
Managing Director
DIN: 08702551


Authorized Signatory

Virender Goyal
CFO & Director
DIN: 08702573


Authorized Signatory

Monnappa Nachappa
Director
DIN: 00205392

Date : 30 May, 2026
Place : Bangalore

STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2026

Sr. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (in Rs. Lacs)	Adjusted Figures (audited figures after adjusting for qualifications)
1.	Turnover / Total income	16466.15	
2.	Total Expenditure	26017.45	
3.	Net Profit/(Loss)	(7138.47)	
4.	Earnings Per Share	(56.16)	
5.	Total Assets	22828.31	
6.	Total Liabilities	17985.21	
7.	Net Worth	4843.11	
8.	Any other financial item(s) (as felt appropriate by the management)		

Audit Qualification (each audit qualification separately):

I. Details of Audit Disclaimer:

As stated in Note 9 to the financial Result The accounting data and financial records of the Company from the beginning of the financial year up to 30 September, 2025 were not available to us due to loss of data from the Company's accounting software system. The said data could not be retrieved from the cloud backup or any other alternative storage. Consequently, the Company's financial records for approximately six months of the financial year, including the opening balances as at 1st April 2025 carried forward from the preceding year, were not available for our verification. In the absence of these records, we have been unable to obtain sufficient appropriate audit evidence regarding transactions, account balances, and disclosures for the said period, the accuracy of the opening balances, and their consequential impact on the Financial Result taken as a whole.

b. Type of Audit Qualification : Disclaimer of Opinion

c. Frequency of Qualification : appeared first time

d. For Audit Qualification(s) where the impact is quantified by the auditor,

i. Management's Views: N.A

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

i. Management's estimation on the impact of audit qualification: No such estimation done by the management.

ii. If management is unable to estimate the impact, reasons for the same: The impact is reflected in the results itself

iii. Auditors' Comments on (i) or (ii) above: Audit Qualification as stated above is self-explanatory.

II. Details of Audit Disclaimer:

As stated in Note 10 to the financial result, the Company has defaulted in repayment of its borrowings. The Company has not provided us with sufficient information and evidence to evaluate the appropriateness of the going concern assumption underlying the preparation of these financial result. In the absence of such evidence, we are unable to determine whether the use of the going concern basis of accounting is appropriate and whether any adjustments are required to the carrying amounts of assets and liabilities, and the classification thereof.

b. Type of Audit Qualification : Disclaimer of Opinion

c. Frequency of Qualification: appeared first time

d. For Audit Qualification(s) where the impact is quantified by the auditor,

i. Management's Views: N.A

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

i. **Management's estimation on the impact of audit qualification:** No such estimation done by the management.

ii. **If management is unable to estimate the impact, reasons for the same:** The impact is reflected in the results itself

iii. **Auditors' Comments on (i) or (ii) above:** Audit Qualification as stated above is self-explanatory.

III. Details of Audit Disclaimer:

The Company has not carried out physical verification of its property, plant and equipment during the year. In the absence of physical verification, we have been unable to obtain sufficient appropriate audit evidence regarding the existence, completeness, and condition of property, plant and equipment as at the balance sheet date.

b. Type of Audit Qualification: Disclaimer of Opinion

c. Frequency of Qualification: appeared first time

d. For Audit Qualification(s) where the impact is quantified by the auditor,

ii. Management's Views: N.A

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

iv. **Management's estimation on the impact of audit qualification:** No such estimation done by the management.

v. **If management is unable to estimate the impact, reasons for the same:** The impact is reflected in the results itself

vi. **Auditors' Comments on (i) or (ii) above:** Audit Qualification as stated above is self-explanatory.

IV. Details of Audit Disclaimer:

The Company has not carried out physical verification of its inventories during the year. In the absence of physical verification, we have been unable to obtain sufficient appropriate audit evidence regarding the existence, completeness, condition, and valuation of inventories as at the balance sheet date.

b. Type of Audit Qualification: Disclaimer of Opinion

c. Frequency of Qualification: appeared first time

d. For Audit Qualification(s) where the impact is quantified by the auditor,

i. Management's Views: N.A

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

i. **Management's estimation on the impact of audit qualification:** No such estimation done by the management.

ii. **If management is unable to estimate the impact, reasons for the same:** The impact is reflected in the results itself

iii. **Auditors' Comments on (i) or (ii) above:** Audit Qualification as stated above is self-explanatory.

V. Details of Audit Disclaimer:

The Company has not carried out reconciliations and confirmations of balances with its trade receivables, trade payables, and parties from whom advances are receivable or payable. In the absence of such reconciliations and balance confirmations, we have been unable to obtain sufficient appropriate audit evidence regarding the accuracy and completeness of trade receivables, trade payables, and advances as at the balance sheet date.

b. Type of Audit Qualification: Disclaimer of Opinion

c. Frequency of Qualification: appeared first time

d. For Audit Qualification(s) where the impact is quantified by the auditor,

i. Management's Views: N.A

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

i. **Management's estimation on the impact of audit qualification:** No such estimation done by the management.

ii. **If management is unable to estimate the impact, reasons for the same:** The impact is reflected in the results itself

iii. **Auditors' Comments on (i) or (ii) above:** Audit Qualification as stated above is self-explanatory.

VI. Details of Audit Disclaimer:

As disclosed in Note 11, the Company liquidated approximately 80-85% of its total inventory as scrap, resulting in a recognized loss of Rs. 84 crore. We were not present to observe the physical condition of the inventory prior to its deterioration, nor could we satisfy ourselves by alternative audit procedures regarding the exact timeline and valuation of the damage that led to this write-down. Additionally, due to the complete halt in the export order pipeline caused by international tariffs and war, management has not been able to provide us with a verifiable, highly probable cash flow forecast. Consequently, we were unable to obtain sufficient appropriate audit evidence regarding the Rs. 84 crore inventory write-down and the appropriateness of management's use of the going concern basis of accounting.

b. **Type of Audit Qualification:** Disclaimer of Opinion

c. **Frequency of Qualification:** appeared first time

d. **For Audit Qualification(s) where the impact is quantified by the auditor,**

i. **Management's Views:** N.A

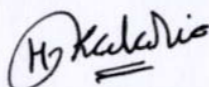
e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**

i. **Management's estimation on the impact of audit qualification:** No such estimation done by the management.

ii. **If management is unable to estimate the impact, reasons for the same:** The impact is reflected in the results itself

iii. **Auditors' Comments on (i) or (ii) above:** Audit Qualification as stated above is self-explanatory.

For H B Kalaria & Associates
Chartered Accountants

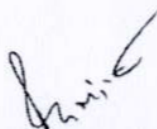


Hardik H Kalaria
(Partner)

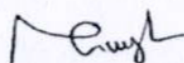


Date: 30.05.2026
Place: Rajkot

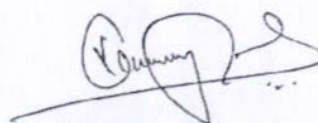
For Cedaar Textiles Limited



Rajesh Mittal
(Managing Director)



Virender Goyal
(CFO)
Chairman



Vinay Aggarwal
(Audit Committee)

Date: 30.05.2026
Place: Bangalore