



**INDEPENDENT AUDITOR'S REPORT ON THE HALF YEARLY AND YEAR TO DATE AUDITED  
FINANCIAL RESULTS OF THE COMPANY**

**TO THE BOARD OF DIRECTORS OF USHA FINANCIAL SERVICES LIMITED**

**Opinion**

We have audited the accompanying statement of half yearly and year to date financial results of **USHA FINANCIAL SERVICES LIMITED** ("the company") for the half year and year ended March 31, 2025 ("Statement") attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the statement:

- a. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Accounting Standards and other accounting principles generally accepted in India of the net profit and other financial information for the half year and year ended March 31, 2025.

**Basis for Opinion**

We conducted our audit 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 Results" 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 statement under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained by us is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of matter**

1. The Company has given multiple unsecured loans to two borrowers. The total amount of loan outstanding for these borrowers as at March 31, 2025, is Rs. 445.25 Lakhs and Rs. 247.17 Lakhs respectively and the EMI for these loans remain unpaid for the period from 602 days to 619 days. As at March 31, 2025, the Company has already created a provision for 20% of these outstanding amounts



basis its provisioning policy. As at March 31, 2025, none of the above debts crossed the threshold for 630 days for 100% provisioning. However, all these debts crossed that threshold before the date of these financial results. The debt should therefore be categorized as doubtful and the provisioning for 100% of the amount should be created by the company and the profits should be adjusted accordingly.

However, the management of the Company is of the opinion that the RBI provisioning needs to be carried out based on the outstanding as at particular date and as at March 31, 2025, the debt is not overdue for more than 630 days. Thus, 100% provision as per RBI norms cannot be created for this amount. Moreover, as per management view, based on facts that the company received EMI in the month of May'2025, this is not a loss asset as the borrower has started paying his EMI and the debt is expected to be regularized. Thus, 100% provision for the total outstanding amount (after adjusting for one EMI received in May'2025) has not been created by the management for these outstanding loans.

2. The Company has given secured loans to the borrower. The total amount of loan outstanding for this borrower as at March 31, 2025, is Rs. 1212.46 Lakhs which were given by the Company during the FY 2024-25.

The Insolvency proceedings have been initiated against this Company on Feb 20, 2025. As at March 31, 2025, the EMI for these loans remain unpaid for the period from 93 days to 125 days. The management of the Company is expected to get a favorable recovery of the amount through the resolution process of the borrowers and till the time the resolution process is finalized, the management is creating provisioning for these amounts' basis the RBI applicable norms & its provisioning policy.

Our opinion is not modified in respect of these matters.

### **Management's and Board of Directors' Responsibilities for the Annual Financial Results**

These annual financial results have been prepared on the basis of the annual financial statements.

The Company's Management and Board of Directors are responsible for the preparation of these annual financial results that give a true and fair view of the net profit and other financial information in accordance with the recognition and measurement principles laid down in Accounting Standard 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 Regulation 33 and 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 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 annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the annual financial results, the Management and 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 is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Annual Financial Results**

Our objectives are to obtain reasonable assurance about whether the annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, Under Section 143(3) (i) of the Companies Act 2013, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to



the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Other Matters**

- (a) The annual financial results include the results for the half year ended March 31, 2024, being the balancing figure between audited figures in respect of the full financial year and the unaudited year to date figure up to the six months ended September 30, 2023, of the previous financial year which is not subject to limited review by us.

**For KRA & Co.**

**Chartered Accountants**

**(Firm Registration No.020266N)**



**Rajat Goyal**

**Partner**

**Membership No.: 503150**

**UDIN: 25503150BMJBYT1665**

**Place: New Delhi**

**Date: May 12, 2025**