



ASHIKA
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ASHIKA CREDIT CAPITAL LTD.

CIN: L67120WB1994PLC062159

14/02/2021

To, The Listing Department The Calcutta Stock Exchange Limited, 7, Lyons Range, Kolkata-700 001 Scrip Code: 11591 & 10011591	General Manager Department of Corporate Service Bombay Stock Exchange Ltd Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400001 Scrip Code: 590122	Head- Listing & Compliance Metropolitan Stock Exchange of India Limited (MSEI) Vibgyor Towers, 4th Floor, Plot No. C-62, Opp. Trident Hotel Bandra Kurla Complex, Bandra Kurla (E), Mumbai- 400098 Symbol Name: ASHIKA
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Respected Sir,

Sub: Outcome of the Board meeting and disclosure under Regulation 33 of SEBI (LODR) Regulations 2015

This is to inform you that Board of Directors of Ashika Credit Capital Ltd, at their meeting held today, i.e. Sunday, the 14th February 2021, has considered and approved the Un-audited Financial Results (Standalone) of the company for the quarter and nine-months ending on 31st December, 2020, prepared in accordance with Indian Accounting Standards (IND-AS) Rules, on recommendation of Audit Committee, pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereof. The Limited Review Report issued by the Statutory Auditors for the quarter and nine months ended 31st December, 2020 is with modified opinion for which the company has given the explanation in point no 3 to the notes to financial results.

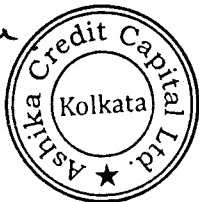
The aforesaid Financial Results in the prescribed format and Limited Review Report thereon, received from the Statutory Auditors of the Company are attached herewith and also will be uploaded on the website of the company www.ashikagroup.com. The un-audited financial Results shall also be published in the newspapers in the format prescribed under Regulation 47 of the Listing Regulations.

The meeting of Board of Directors commenced at 3 PM and concluded at 4.10 PM.

This is for your kind information and record.

Thanking you
For Ashika Credit Capital Limited

(Anju Mundhra)
Company Secretary
F6686



Encl: As Above

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HARIBHAKTI & CO. LLP

Chartered Accountants

Independent Auditor's Review Report on quarterly and year to date Unaudited Financial Results of Ashika Credit Capital Limited pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

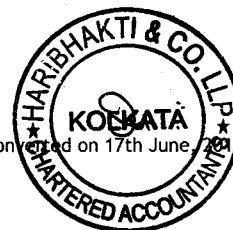
To the Board of Directors

Ashika Credit Capital Limited

1. We have reviewed the accompanying Statement of Unaudited Financial Results of Ashika Credit Capital Limited ("the Company") for the quarter ended December 31, 2020 and for the period from April 01, 2020 to December 31, 2020 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. As stated in Note No.3 to the Statement, the Company has not done requisite Stage 3 provision, as per the Board approved Expected Credit Loss ('ECL') policy, for the reasons stated in the said note. As a result, 'Impairment on Financial Instruments' for the quarter and nine months ended December 31, 2020 is lower by Rs. 359.13 lakhs. Had the Company done the requisite provisioning, as aforesaid, profit before tax would have been lower by Rs. 359.13 lakhs for the quarter and nine months ended December 31, 2020, thereby resulting in loss before tax of Rs. 306.60 lakhs for the quarter ended December 31, 2020 and profit before tax of Rs. 42.79 lakhs for the nine months ended December 31, 2020.

Our review report is modified in this respect.

5. Based on our review conducted as stated in paragraph 3 above and subject to the effects of the matter described in paragraph 4 above, nothing has come to our attention that causes us to believe that the



HARIBHAKTI & CO. LLP

Chartered Accountants

accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We draw attention to Note No.2 to the Statement, which explains the staging of accounts to whom moratorium benefit was extended in accordance with the Reserve Bank of India COVID-19 Regulatory Package. Further, the Company considers that all the assets are recoverable. Also, the extent to which COVID-19 pandemic will impact the Company's operations and financial results is dependent on future developments, which are uncertain at this point of time.

Our review report is not modified in respect of this matter.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048

Mk Agarwal

Mahesh Agarwal

Partner

Membership No.: 067806

UDIN: 21067806 AAA AAE 7592



Place: Kolkata

Date: February 14, 2021



ASHIKA CREDIT CAPITAL LIMITED

CIN:L67120WB1994PLC062159

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STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2020

(₹ in Lakhs)

Particulars	Quarter ended			Nine Months ended		Year ended
	31-Dec-20 (Unaudited)	30-Sep-20 (Unaudited)	31-Dec-19 (Unaudited)	31-Dec-20 (Unaudited)	31-Dec-19 (Unaudited)	31-Mar-20 (Audited)
Revenue from Operations						
Interest Income	159.50	171.29	179.22	487.34	558.97	691.16
Net gain on fair value changes	-	-	5.06	-	6.38	-
Net gain on derecognition of financials instruments under fair value through profit or loss	-	-	5.25	-	6.14	19.41
Total Revenue from Operations	159.50	171.29	189.53	487.34	571.49	710.57
Other Income	10.00	10.00	-	20.00	5.13	13.31
Total Income	169.50	181.29	189.53	507.34	576.62	723.88
Expenses						
Finance Costs	-	-	3.23	-	44.29	46.20
Impairment on Financial Instruments	87.33	11.56	(8.04)	15.64	186.04	660.03
Employee Benefits Expenses	15.75	17.10	64.74	53.73	199.65	269.75
Depreciation, Amortisation and Impairment Expense	0.13	0.15	0.16	0.35	0.50	0.63
Other Expenses	13.76	11.79	20.78	35.70	62.41	99.01
Total Expenses	116.97	40.60	80.87	105.42	492.89	1,075.62
Profit/ (Loss) before Exceptional Items & Tax	52.53	140.69	108.66	401.92	83.73	(351.74)
Exceptional Items	-	-	-	-	-	-
Profit/ (Loss) before tax	52.53	140.69	108.66	401.92	83.73	(351.74)
Tax Expense :						
(a) Current Tax	-	-	29.24	-	76.99	68.35
(b) Deferred Tax	13.69	36.59	1.46	121.18	(49.87)	(167.07)
(c) Tax in respect of earlier years	-	-	(8.49)	-	(8.49)	0.91
Total Tax Expense	13.69	36.59	22.21	121.18	18.63	(97.81)
Profit/ (Loss) after tax	38.84	104.10	86.45	280.74	65.10	(253.93)
Other Comprehensive Income						
Items that will not be reclassified to Profit or Loss						
- Remeasurement Gain/ (Loss) on Defined Benefit Plans	(1.80)	(3.69)	(0.56)	(5.42)	(1.69)	0.28
- Income tax on above	0.47	0.96	0.16	1.41	0.47	(0.08)
Total Other Comprehensive Income (net of tax)	(1.33)	(2.73)	(0.40)	(4.01)	(1.22)	0.20
Total Comprehensive Income	37.51	101.37	86.05	276.73	63.88	(253.73)
Paid-up Equity Share Capital (Face Value ₹ 10/- per share)	1,188.17	1,188.17	1,188.17	1,188.17	1,188.17	1,188.17
Other Equity excluding Revaluation Reserves	-	-	-	-	-	3,440.07
Earnings per Equity Share of Face Value ₹ 10/- each						
Basic and Diluted (in ₹) (*Not annualized)	*0.33	*0.88	*0.73	*2.36	*0.56	(2.17)

Notes:

1. The above unaudited financial results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at their respective meetings held on February 14, 2021. The Statutory Auditors have carried out the Review for the quarter and nine months ended December 31, 2020 pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

2. The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant impact and volatility in global and Indian financial markets and slowdown in economic activities. The extent to which the COVID-19 pandemic will impact the Company's operational and financial results will depend on the future developments, which are uncertain at this point of time. The Company's Management is continuously monitoring the situation and economic factors affecting the operations of the Company.

In accordance with the Reserve Bank of India ("RBI") guidelines on 'COVID-19 Regulatory Package' dated March 27, 2020, April 17, 2020 and May 23, 2020, the Company had granted moratorium to all eligible borrowers upto six months on payment of instalments/ interest, as applicable, falling due between March 1, 2020 and August 31, 2020. For all such accounts where the moratorium is granted, the asset classification remained standstill during the moratorium period (i.e. the number of days past-due shall exclude the moratorium period for the purposes of determining whether an asset is non-performing) and the period for which moratorium was granted had not been considered for computing days past due (DPD) as on December 31, 2020. Extension of such moratorium benefit to borrower as per the Covid-19 Regulatory Package of the RBI and DPD freeze for such period by itself does not automatically trigger a significant increase in credit risk. The Company continues to recognise interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period does not result in accounts becoming past due and automatically triggering change in staging criteria.

The Company has made provisions as per the adopted Expected Credit Loss ("ECL") model for impairment of financial instruments. Based on the current situation and the available internal and external sources of information including various measures taken by the Government and regulators, the Company considers this provision, including the additional provision, to be adequate, except as stated in Note no.3, and expects that all other assets of the Company are recoverable.

3. The Company was having a loan exposure of Rs. 683.03 lakhs as at December 31, 2020 for a particular borrower. The said borrower classifies under Stage 3 as per the Board approved Expected Credit Loss ('ECL') policy. However, the Company has not made provision for the ECL as per Stage 3 as the Management of the Company is of the view that they are having adequate security in the form of shares and personal guarantee of promoters of the borrower company. Hence, the Management believes that there is no threat to recoverability of the said loan. Had the Company made provision for the said borrower as per Stage 3 ECL policy, as aforesaid, 'Impairment on Financial Instruments' for the quarter and nine months ended December 31, 2020 would have been higher by Rs. 359.13 lakhs. Consequently, profit before tax would have been lower by Rs. 359.13 lakhs for the quarter and nine months ended December 31, 2020, thereby resulting in loss before tax of Rs.306.60 lakhs for the quarter ended December 31, 2020 and profit before tax of Rs. 42.79 lakhs for the nine months ended December 31, 2020.

4. Hon'ble Supreme Court, in a public interest litigation (Gajendra Sharma vs. Union of India & Anr). vide an interim order dated September 3, 2020, has directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. However, such accounts have been classified as stage 3 and provisioned accordingly, except as mentioned in Note No. 3 above.

5. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment received Presidential assent in September, 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

6. Current Tax for the quarter and nine months ended December 31, 2020 is Nil, mainly due to the reason that the Company has written off Bad Debts amounting to ₹ 500 lakhs during the quarter ended June 30, 2020 for which 100% provision was made during the quarter ended March 31, 2020.

7. The business of the company falls within a single primary segment viz., 'Financial services' and hence, the disclosure requirement of Ind AS 108-'Operating Segments' is not applicable.

8. Figures pertaining to the previous periods/year have been rearranged/regrouped, wherever considered necessary, to make them comparable with those of the current period.

For and on behalf of the Board of Directors

Place : Kolkata
Date : February 14, 2021



Pawan Jain
Chairman
DIN: 00038076