



(CIN-L65923DL1985PLC195299)

Capital Trust Limited Pledges to accelerate Digital Lending to Scale up Financial Inclusion in India

New Delhi, India, January 31, 2022: Celebrating 75 years of Independence of India, named the celebration as 'Azadi Ka Amrit Mahotsav', and on the occasion of India's 73rd Republic Day celebrations, Capital Trust Limited announces its pledge to accelerate digital lending by scaling up financial inclusion of the most underserved and unserved population of India. Today, India has massive growth potential in the digital lending landscape, which is a key goal of the Government of India. The expanding smart phone penetration in India, and the India Stack, are acting as powerful catalysts towards bridging the gap between the borrowers and lenders. Using these tools with an innovative Rural Doorstep-Fintech business model, Capital Trust is accelerating its reach through its perfect blend of the digital and physical mode.

Capital Trust Limited (Capital Trust), is a digitally enabled non-banking finance company (NBFC), specialising in providing digital loans in Tier III to V regions through its 315 branches, spread across 94 districts in 10 states. The ticket size of these loans ranges from ~INR 5,000 to INR 60,000.

Capital Trust has many 'firsts' to its credit when it comes to digital lending at the base of the pyramid. For instance, the Company pioneered digital lending via 100% digital disbursements way back in 2015, followed by the launch of Capital Sales smartphone application in 2016; the introduction of geo-tagged digital receipts rather than physical passbook in 2017; the launch of client-facing Capital Connect smartphone application in 2018; and the ushering in of 100% cashless collection as first mode of payment in 2019. Today more than 55% of the borrowers pay digitally on or before due dates through National Automated Clearing House.

Through its journey of more than 36 years, the Company has disbursed loans of more than INR 3,000 crores to over 9 Lakh borrowers. These loans have not only helped transform the lives of lakhs of people but have also made them active contributors in the growth of the economy.

Commenting upon this, **Mr. Yogen Khosla, Chairman and Managing Director, Capital Trust Limited, said,** *"The Government of India's target of reaching \$5 Trillion economy is only possible through the financial inclusion of people at the bottom of the pyramid via digital lending. We have seen Industry talking about digital lending only after COVID 19, but we had started our digital journey way back in 2015. I feel proud in stating that our processes were so robust that we never needed a refresh button while navigating through the pandemic. I would also like to add that India's Rural sector is tough enough to bounce back faster and stronger from any given situation, and that gives us added conviction to keep serving the sector".*

"Even though Digital Lending in India has registered a growth of 12x from 2017 to 2020, the ratio of Digital Lending to Physical Lending is still at a nascent stage. The strong growth in Digital Lending indicates the huge untapped potential in India, in which we can play a meaningful role in bridging efficiently through the use of technology. We have seen two COVID 19 waves back to back which had



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battered the Indian economy to a great extent, but at Capital Trust, we are standing strong with the Capital Digital Initiative's (loans sources post FY20) collection efficiency at 97% and average collection efficiency of 92% during Q3FY22. The quick bounce back in our collections has been possible due to our strong digital focus and niche technologies. On the back of our digitally enabled processes, we are capable of disbursing loan within 12 business hours to potential borrowers. Moreover, our Database and relationship with more than 9 Lakh customers provides us with immense opportunity to tap the market opportunity", added **Mr. Vahin Khosla, Executive Director, Capital Trust Limited.**

About Capital Trust Limited

Capital Trust Limited (BSE: 511505; NSE: CAPTRUST), an RBI registered non-banking finance company (NBFC), offers income generating micro loans to MSMEs. Merging best practices of fintech and traditional financing, the company focuses on financial inclusion of the underserved in deep interiors of rural India using digital processes and state of the art technology. Capital Trust caters to over 1,09,000 customers across 94 districts through 315 branches in 10 states in North and East India. The company prides itself to be India's first "Rural Doorstep-Fintech" company. For more information visit www.capitaltrust.in.

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