

ProgConnect

Dear valued stakeholders,

When we set up **Progcap**, our premise was simple: India's growth story cannot be complete while **₹80 lakh crore of MSME credit demand remains unmet**¹. Bridging that chasm is no longer optional; it is the single biggest lever for jobs, productivity and inclusive prosperity.

Tail-winds, yet head-winds

This year's Union Budget infused ₹9,000 crore into CGTMSE and reduced the guarantee fee² - a welcome move. But the terrain is shifting: the RBI is preparing bank-like rate-setting norms for NBFCs to plug policy gaps³, and analysts already see higher provisioning translating into steeper borrowing costs for MSMEs⁴.

Progcap's anchor-led model is built for exactly these cross-currents. We partner directly with leading manufacturer-brands and plug into their distributor networks. The brand-backed introduction gives the last-mile retailer higher confidence in switching to us, replacing traditional lenders who demand heavy collateral. Because trust is embedded up-front, we can price credit more competitively, keep onboarding friction low, and still maintain low credit risk. This approach helps us shield borrowers from abrupt rate shocks while maintaining channel liquidity for every brand in our ecosystem.

Another crucial bottleneck that continues to persist: **98% of proprietary firms remain micro in size**⁵. These entrepreneurs are the true backbone, yet they live on wafer-thin working-capital cycles. Traditional underwriting simply cannot "see" them. Progcap's credit scoring model, fed by alternative data sources, helps generate this absent credit confidence and enables the segment to scale, previously seen as impossible.

Within Progcap, we are keeping a close check on our customers' experience navigating the MSME supply chain. Our **Samvaad** initiative is plugging this gap through monthly dialogues where distributors, customers, and our leadership meet (in-person or virtually) to surface bottlenecks, swap market intelligence and co-create solutions. The conversations feed directly into product tweaks, risk models and overall fine-tuning of our offerings. Samvaad is our commitment to transparency, collaboration and continuous learning across the ecosystem

What's next?

We remain cautious about predicting the future in a fluid macro environment. What we can commit to is this:

- **Keep listening.** Samvaad sessions will stay at the heart of our design philosophy.
- **Keep refining our models.** As policy and provisioning norms evolve, our unique approach to SCF will adapt to preserve affordability for credit-worthy MSMEs.
- **Keep collaborating.** Whether it's skilling programs, industry associations or public platforms, we will partner wherever joint effort moves the needle for small businesses.

Our conviction is stronger than ever: with the right mix of technology, structured capital and knowledge, India's smallest businesses can punch far above their weight - **and close that ₹80-lakh-crore gap for good**⁶.

Thank you for believing in this mission. Onwards and upwards.

Warm regards,

Pallavi Shrivastava & Himanshu Chandra

Co-Founders, Progcap

MAJOR WINS IN AMJ '25

BBB+

Credit Rating Upgrade

We are proud to announce our upgrade to BBB+ (Stable) by ICRA. This reflects our strong risk management and sustainable growth, boosting our credibility and enabling access to more competitive funding. This milestone strengthens our ability to provide MSMEs with affordable, reliable credit.



Welcoming New Lending Partners

In Q1 FY-25, Progcap successfully raised a total of INR 472 crore, marking a significant step forward in fortifying our lending capacity. We are proud to welcome Poonawalla Finance as a new lending partner, further diversifying our funding base.

The logo for DCB Bank, consisting of the text 'DCB BANK' in white, bold, sans-serif font inside a dark blue rectangular box.

DCB BANK

Additionally, we completed a landmark PTC transaction with DCB Bank (INR 85 crore) and ABFL (INR 45 crore), taking the cumulative exposure for each to INR 100 crore. These strategic partnerships not only deepen our financial ecosystem but also ensure that we remain agile and responsive to the evolving credit needs of MSMEs across India

NEW PINCODES SERVED

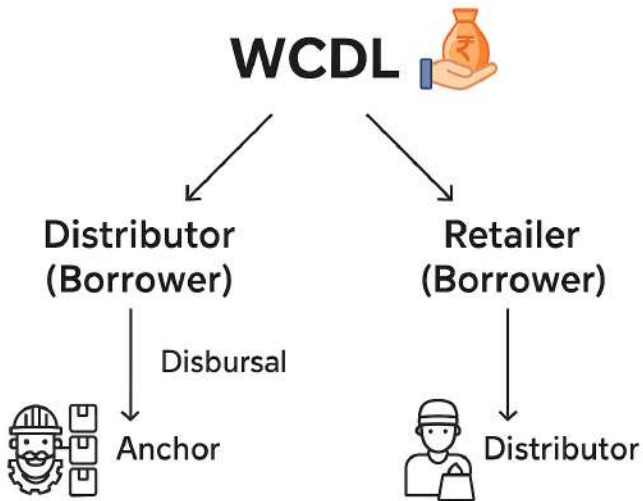
Progcap's footprint expanded to over 9,000+ pincodes across India. Each new pincode represents a gateway to opportunity, enabling us to reach MSMEs in previously underserved and remote regions. Our growing network continues to democratise access to formal credit, ensuring that every ambitious entrepreneur—no matter where they are—has the financial support they need to thrive.

A graphic showing a map of India composed of many small portraits of people, with a large white location pin icon overlaid on the map. The text '9K+ PINCODES' is written in white, bold, sans-serif font above the map.

9K+ PINCODES

OUR NEW PRODUCT OFFERING

WCDL



Procap recently expanded its product offerings and launched the Working Capital Demand Loan (WCDL), a flexible, supply chain-focused credit solution designed to enable timely purchases and accelerate growth for distributors and retailers.



Unsecured Credit:

No collateral or security required.



Flexible Tenures:

Short-term options from 3 to 12 months, tailored to match business cycles.



Repayment Options:

Repay via easy EMIs (monthly or fortnightly), automated using NACH or cheque mandate.



SURAKSHA WELLNESS MEMBERSHIP

Procap is proud to announce the launch of Suraksha Wellness Membership, an exclusive offering designed to provide our customers with enhanced financial security and holistic wellness benefits.



Loan Protection:

Safeguard your ongoing loans with comprehensive coverage



Easy Enrollment:

Effortless signup process; start enjoying benefits immediately after enrolling.



Wellness & Health Benefits:

- 20% off on prescription medicines
- 65% off on health check-ups
- Free family doctor tele-consultations
- Onsurety doctor support for hospitalisation and claims



Peace of Mind for the Family:

Group term life coverage up to ₹1 crore (T&C).



Seamless Wellness:

All benefits are accessible digitally through the Onsurety app, delivering maximum convenience.



LATEST MEDIA COVERAGE

Progcap Aims Rs 3,000 Cr AUM, Loan Sanction of Rs 5,200 Cr by Fiscal-End

Progcap continues to strengthen its position as a key player in India's MSME credit landscape, as highlighted in a recent PTI feature. With a clear focus on addressing the formal credit needs of MSMEs, Progcap's leadership outlined ambitious targets to reach Rs 3,000 crore in assets under management (AUM) and sanction loans worth Rs 5,200 crore by the fiscal year-end. This growth trajectory emphasises Progcap's commitment to narrowing India's credit gap and transforming how MSMEs access and utilise formal financial services.



Quote Highlight

"We closed at the AUM level of Rs 2,000 crore at the end of March 2025, and we are expecting AUM to rise by 50 per cent to around Rs 3,000 crore by the end of the current financial year." - Pallavi Shrivastava

[Read the full article](#)

Numbers Without Reform: The Illusion Of Progress In India's MSME Ecosystem

BW BUSINESSWORLD

Progcap continues to shape the national dialogue on MSME growth and financial inclusion. In a recent BusinessWorld article, Co-founder Pallavi Shrivastava addressed persistent challenges in the sector, including limited formal credit access, fragmented supply chains, and the need for ecosystem-wide reforms. Pallavi highlighted the urgency of moving beyond celebration to real solutions that empower MSMEs at scale.

Quote Highlight

"The MSME sector is central to India's economic growth, but faces persistent challenges, especially limited access to formal credit. ... If we aim to transition from a developing to a developed economy, we need to reimagine our MSME ecosystem, not as fragmented units but as drivers of innovation and inclusive growth. ... Policies must be localised, digital access expanded, credit made affordable, and capacity strengthened, requiring alignment across government, financiers, fintechs, and entrepreneurs." - Pallavi Shrivastava

[Read the full article](#)

60% of Women Business Owners Are Owners Only on Paper

Progcap's commitment to empowering women-led businesses was recently spotlighted in the Navbharat Times. In a candid interview, Co-founder Pallavi Shrivastava discussed the systemic barriers women entrepreneurs face in India's MSME landscape, including limited asset ownership, reluctance of institutions to lend, and underrepresentation in key business roles.

Quote Highlight

"Women need to realise their immense potential. We no longer need to have endless conversations about obstacles but rather create impact."

- Pallavi Shrivastava

NBT
नवभारत टाइम्स
By THE TIMES OF INDIA

'60% महिला बिजनेस ओनर्स सिर्फ कागजों पर ही ओनर हैं'

'अधिकांश संस्थान कतराते हैं महिलाओं को लोन देने से'

Sudha.shrimali@timesofindia.com

मुख्य: लगभग 60% महिलाएं बिजनेस ओनर्स के रूप में केवल कागजों पर रजिस्टर्ड हैं। व्यवसाय अक्सर उनके पति या परिवार के पुरुष सदस्यों द्वारा चलाया जाता है। उन्हें मात्र स्कोप्स का फायदा उठाने के लिए मालिक दिखाया जाता है। सिर्फ 40% महिलाएं रियल बिजनेस ओनर्स हैं। यह कहना है फिनटेक फर्म प्रोगकैप की को-फाउंडर पल्लवी श्रीवास्तव का। MSME अर्निसक्वोर्ड वर्किंग कैपिटल और सेक्टर में सप्लाय चैन फाइनेंसिंग के लिए काम कर रही पल्लवी बताती हैं कि महिला उद्यमियों को फंडिंग और ग्रोथ के लिए गाइडेंस प्राप्त करने में कई सारी बाधाओं का सामना करना पड़ता है।

यह पूछने पर कि अब तो महिला उद्यमी को प्रायोरिटी लेंडिंग मिलती है? पल्लवी बताती हैं कि अधिकांश वित्तीय संस्थान महिलाओं को लोन देने से बचते हैं। महिलाओं के नाम पर आमतौर पर



पुरुषों की तुलना में कम संपत्ति होती है। अभी भी लोन देने से पहले पुरुष को को-एग्जिक्यूटिव के रूप में मांगा जाता है। MSME सेक्टर में महिला उद्यमी कम दिखाई देती हैं, ऐसे में उन्हें निवेश के लिए कंसीडर करने या मार्गदर्शन प्राप्त करने की संभावना कम हो जाती है। पल्लवी का मानना है कि फिनटेक, डिजिटल होने के कारण कई सिस्टेमेटिक चुनौतियों को दूरकिनार कर वैकल्पिक क्रेडिट एसेसमेंटमॉडल विकसित कर रही हैं। हम पूरी सप्लाय चैन को डिजिटाइज कर

महिलाओं को अपनी अपार क्षमताओं को पहचानने की आवश्यकता है। अब हमें बाधाओं के बारे में अंतहीन बातचीत नहीं, बल्कि प्रभाव पैदा करना होगा।
- पल्लवी श्रीवास्तव,
को-फाउंडर, Progcap

और यूनजर फ्रेंडली मोबाइल ऐप से छोटे कारोबारियों को अपने लोनदेन का मैनेज करने में मदद कर रहे हैं। प्रोगशक्ति, मॉडरनिज कार्यक्रम, वित्तीय साक्षरता कार्यशालाओं से अच्छे परिमाण आ रहे हैं। पीक XV और टाइगर ग्लोबल, गूगल समर्थित प्रोगकैप क्या फंड रजिग के लिए नए राउंड की तैयारी में है? पल्लवी ने बताया कि ग्रोथ पिछले दो साल में पांच गुना से ज्यादा, रेवेन्यू डबल और घाटे को भी कम कर चुके हैं। फंड रजिग की बातें तो चलती रहती हैं।

EMPOWERMENT IN ACTION: WOMEN ENTREPRENEURS BREAKING BARRIERS WITH

Progशक्ति

by Progcap

ProgShakti was launched to break down barriers in access to finance and provide real opportunities for women entrepreneurs to lead, grow, and transform their businesses. As part of our commitment to fostering meaningful impact, we are proud to introduce the first ten trailblazers who have benefited from ProgShakti. Each of these women embodies resilience, ambition, and the drive to effect positive change—both in their enterprises and communities.



Ms. Kavita Kumari
(M.G. Distributors)

Loan: ₹100 lakh

Operating since 2013 in Ranchi, Jharkhand, Ms. Kavita Kumari is a leading distributor for Whirlpool. Through her firm, she supplies a network of 70 retailers and manages an annual business exceeding ₹10 crore.



Ms. Gayatri Devi Moyilla
(Radhe Krishna Automotives)

Loan: ₹50 lakh

Ms. Gayatri Devi Moyilla manages a TVS dealership in the Cuddapah district, Andhra Pradesh, alongside her husband. In October 2024, she launched a new Hero dealership, Radhe Krishna Automotives, with support from Progcap to help scale the new venture.



Ms. Sudha Shukla
(Shri Balaji Enterprises)

Loan: ₹10 lakh

With encouragement from her husband, Ms. Sudha Shukla began her distribution business in Sitapur, Uttar Pradesh, in 2022. Thanks to Progcap's support and partnerships with brands like Haldiram and Campa Cola, her venture has now surpassed ₹2 crore in annual turnover.



Ms. Sabita Senapati
(Shree Ram Mobiles & Electronics)

Loan: ₹7 lakh

Transitioning from a digital marketing role, Ms. Sabita Senapati ventured into entrepreneurship in 2021 with an electronics and battery shop in Khordha, Odisha. Supported by brands like Luminous, Voltas, and Bluestar, her business continues to show steady growth.



Ms. Vishnu Rupam Singh
(Gauri Trading Company)

Loan: ₹5 lakh

In 2023, Ms. Vishnu Rupam Singh launched her pipes and hardware dealership in Rohtas, Bihar, building on her husband's existing business foundation. Today, she partners with multiple leading brands, including Sakshi Udyog and A.V. Ispat.



DEEPENING TRUST DRIVING SCALE:



an Initiative by PROGCAP

More Than
Onboarding -
Building Lasting
Relationships
With Distributors
Through
Immersive,
Human-First
Engagement

Our flagship onboarding initiative, Parichay, welcomed new distributors into the heart of Progcap. Through personal interactions with the leadership team, immersive brand sessions, and a deep dive into our culture and roadmap, Parichay goes beyond the transactional. It is designed to seed relationships of trust, mutual respect, and long-term partnership.

By opening up direct lines of communication and fostering a sense of belonging, Parichay ensures that every distributor feels empowered and equipped to scale new heights with Progcap by their side.



Newly onboarded distributors at the recent Parichay session at the Progcap office



CELEBRATING PROGRESS:

LAUNCH OF

FACES
OF PROGRESS

Powered by
PROGCAP



MSME Stories of Resilience, Impact, and Ambition — Brought to Life on MSME Day

Launched on MSME Day, Faces of Progress is our new initiative dedicated to celebrating the journeys and achievements of our MSME partners. The program was introduced as a platform to spotlight the diverse stories, challenges, and successes of entrepreneurs within our network, highlighting the real-world impact of accessible finance.

The initiative allows us to continue enabling access to capital but also recognising and supporting the resilience and ambition that drive India's small businesses forward. By bringing these stories to the forefront, Faces of Progress aims to empower and uplift the true builders of Bharat.

THEIR STORIES OF PROGRESS



[Click on the video screen to watch the full video](#)



[Click on the video screen to watch the full video](#)

From a single workshop evolving into four thriving businesses in Rajasthan to a trusted electronics distributor in Karnataka achieving consistent growth, these are real stories of progress of our valued partners.

Meet Anant Kumar Gupta of Hind Enterprises and Anant from Raj Agencies, who sought Progcap's support to accelerate growth, enhance operations, and transform their businesses.



WHAT'S NEXT: OUR ROADMAP FOR FY25

Scaling Deeper, Smarter, and Stronger—Without Adding New Brands or Cost-Heavy Channels



1. Deeper Penetration in Existing Brand Partnerships:

With relationships across 120+ anchor brands, our average network penetration is just 5%. Leveraging our current infrastructure, we aim to boost this to 15%, offering a 3x growth opportunity without onboarding new brands.



2. Product Suite Expansion:

Building on our flagship LMRF product, we are expanding into solutions like WCDL, PIF, and SIF, both secured and unsecured. This diversification enables us to better serve the evolving needs of our MSME customers.



3. Geographic Expansion:

While our footprint is concentrated in six states, we are targeting a deeper reach within these states and new clusters elsewhere. This strategy offers substantial growth potential without adding tech or development costs.



4. Liability Diversification and Capital Strengthening:

To support long-term sustainability, we are raising equity from major private equity investors. This will fortify our balance sheet, enhance our credit rating, reduce borrowing costs, and position us to weather shifts in the funding landscape.



Contact us:

 For any further queries or assistance, please feel free to reach out to our support team at : support@progcap.com

 +91-8929124124

 www.progcap.com

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