

May 2025



TOMORROW'S MONEY TODAY

# M1

— • DIGITAL • —

## CONNECT





# Liquidity without Debt: Why SCF is Gaining Ground in Tight Credit Conditions



## Supply Chain Finance: Your Debt-free Liquidity Solution

In today's challenging financial climate, with rising interest rates and tightening credit, Supply Chain Finance (SCF) offers a strategic, debt-free way for businesses to manage working capital and optimise cash flow.



## The Credit Squeeze and SCF's Answer

Banks are tightening lending, making quick and affordable credit challenging, especially for MSMEs and even larger corporates. SCF provides a unique solution: liquidity that doesn't add to your balance sheet debt.



## How SCF Works (Debt-free)

SCF involves a financier paying a vendor's approved invoice at a small discount, typically within 24-48 hours. The buyer then pays the financier on the original due date. This benefits vendors with early funds, buyers with maintained payment terms and improved supplier relations, and CFOs with optimised working capital without incurring debt.



## M1xchange TReDS: Enabling Debt-free Liquidity

M1xchange TReDS, an RBI-licensed digital marketplace, seamlessly connects corporates, MSMEs, and financiers. It allows MSMEs to receive early payments, helps corporates maintain cash reserves and improve vendor satisfaction, and offers financiers access to verified invoices with reduced risk. M1xchange supports financial inclusion and aligns with ESG goals.





## Real-world Impact

Consider an electronics brand's suppliers who typically wait 60-90 days for payment. With M1xchange TReDS, these vendors receive payment within days, ensuring business continuity. The corporate buyer's payment terms remain unchanged, leading to a faster, more resilient supply chain and improved liquidity metrics for the CFO without increased liabilities.

## A Strategic Shift in Finance

Supply Chain Finance, powered by M1xchange TReDS, is a powerful treasury tool helping businesses unlock cash, strengthen vendor relationships, avoid additional borrowing, and improve financial agility. It's a forward-looking liquidity strategy for thriving in challenging times.



## M1 in Number

Bill discounted  
**1,85,000+**



Corporates  
**3000+**



MSMEs  
**55000+**



Financier  
**67**



# New Era for MSMEs: Reclassified & Ready



As of April 1, 2025, India's revised MSME classification thresholds are officially in effect. This reclassification allows more businesses to scale while retaining access to crucial MSME-specific benefits and financial support.

Enterprise Category	Old Investment Limit	Revised Investment Limit	Old Turnover Limit	Revised Turnover Limit
Micro Enterprise	₹1 crore	₹2.5 crore	₹5 crore	₹10 crore
Small Enterprise	₹10 crore	₹25 crore	₹50 crore	₹100 crore
Medium Enterprise	₹50 crore	₹125 crore	₹250 crore	₹500 crore

## Key Benefits of the New Classification

The expanded thresholds mean more businesses can now avail themselves of a range of benefits, including:

### Access to priority sector lending:

Easier access to credit from banks and financial institutions, often at preferential rates, under RBI guidelines.



### Government schemes & subsidies:

Eligibility for various central and state government schemes designed for MSME development, including credit-linked capital subsidies, technology upgradation schemes, and marketing assistance.

### Easier invoice discounting:

Increased eligibility for platforms like M1xchange TReDS, allowing more businesses to unlock working capital by discounting their invoices.



### Protection against delayed payments:

Benefits from the MSMED Act, 2006, which mandates timely payments from buyers and provides recourse for delayed payments.





## TReDS onboarding Registration Deadline Extended to 30<sup>th</sup> June 2025: A Crucial Window for Compliance

The Ministry of MSME has officially extended the last date for mandatory TReDS registration to 30th June 2025 for companies with a turnover of ₹250 crore or more. This move offers businesses additional time to comply with the notification aimed at ensuring timely payments to MSMEs through a transparent, RBI-regulated platform. While the extension provides temporary relief, it also underscores the urgency for eligible corporates to act now, strengthening supply chain financing, aligning with Section 43B(h) of the Income Tax Act, and avoiding operational and reputational risks associated with non-compliance.



## M1xchange Leads the Way in Boosting MSME Credit Access via TReDS

M1xchange is making significant strides in empowering India's MSMEs by providing seamless and accessible financing through the TReDS platform. FY25 was a breakthrough year for M1xchange, achieving a record throughput of ₹78,000 crore, nearly doubling the previous year's volume. This remarkable growth, highlighted by a milestone of ₹10,000 crore in invoice discounting in March 2025, underscores the platform's crucial role in solving the MSME credit crunch. With over 1.5 lakh MSMEs across 2,200+ cities now leveraging M1xchange, the platform is solidifying its position as a key enabler of financial inclusion and a vital force in unlocking the true potential of small businesses across India.

[Read more...](#)





# Celebrating Partnership with Hindustan Petroleum Corporation Limited



M1xchange recently recognised Hindustan Petroleum Corporation Limited for their invaluable contribution to our platform. Their ongoing support is crucial in advancing a financially inclusive and efficient supply chain ecosystem, enabling faster access to working capital for businesses and strengthening the MSME sector.



## M1xchange Revolutionises MSME-to-MSME Financing

MSME-to-MSME financing on M1xchange tackles the working capital challenges faced by small businesses, particularly in Tier 2 and Tier 3 cities. This unique offering enables invoice discounting between MSME sellers and MSME buyers, moving beyond traditional reliance on large buyer credit by leveraging a sophisticated Credit Analytics Engine (CAE) that assesses cash flow patterns and repayment behaviour using alternative data,

resulting in a remarkable 99% repayment rate. This model provides mutual benefits: MSME sellers gain improved cash flow and predictable receivables, while MSME buyers strengthen supplier relationships & access easy working capital for procurement, all through a single digital platform. This initiative is a significant step towards driving financial inclusion and unlocking growth for MSMEs across India.

[Read more...](#)

MSME to MSME  
financing on  
M1 TReDS  
**Solving  
Financing  
Challenges**



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# M1xchange joins SME Finance Forum to Drive Global MSME Inclusion



M1xchange is now a proud member of the SME Finance Forum, managed by the IFC (International Finance Corporation). This global network spans 190 countries, working to advance access to finance for small businesses through innovation and collaboration.

This partnership perfectly aligns with our mission to solve MSME financing challenges in India and represents a significant step towards addressing the needs of SMEs worldwide. With our subsidiary, M1 NXT, we're expanding our reach beyond

borders, enabling seamless, digital cross-border trade finance that empowers businesses globally.

As India's leading RBI-licensed TReDS platform, we've already facilitated over ₹170,000 Crores in collateral-free, non-recourse invoice discounting for over 50,000 MSMEs. We're excited to leverage this new membership to drive even greater financial inclusion and impact on a global scale.

accelerating finance for businesses

**SME FINANCE FORUM**

**300+**  
members/  
affiliates

**WARM  
WELCOME TO  
OUR NEW  
MEMBER**

**M1**  
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We are honoured to be a member of the SME Finance Forum; its mission resonates with us, as it promotes innovation and financial inclusion for SMEs. At M1xchange, we have always believed in the power of technology and digital transformation in unlocking access to working capital for small businesses. Through this association, we look forward to learning from global peers, sharing best practices, and forging partnerships that can collectively accelerate the growth of SMEs worldwide. As a leading TReDS platform in India and with our recent expansion into global factoring, we are excited to contribute to the Forum's mission and collaborate with like-minded leaders to shape the future of trade finance. M1xchange is a TReDS platform in India that facilitates receivables financing for MSMEs through a digital marketplace. Its subsidiary M1 NXT, an ITFS platform has expanded the trade finance services into global factoring to improve access to working capital for cross-border businesses.

**”**

– Sundeep Mohindru  
Promoter and Director, M1xchange



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## NEWS HIGHLIGHTS

**Inc42**

## How MSMEs can use AI to Boost Efficiency, Cut Costs, and Scale Faster

AI-driven automation offers a crucial solution for MSMEs to overcome challenges like labour shortages, rising costs, and inefficiencies, enabling them to enhance productivity and compete with larger counterparts. By implementing AI in areas like customer service, sales, operations, HR, and finance, even with limited resources, MSMEs can achieve significant cost savings and improved efficiency.

[Read more...](#)
**Firstpost.**

## How Modern Trade Agreements are Powering Fintech-led Flows and Digital Economy

21st-century trade agreements are evolving beyond tariffs to facilitate data flows, digital services, and financial innovation, especially for fintech firms in emerging markets. These modern pacts are crucial for building a more interconnected global digital economy, enabling smoother cross-border operations and promoting financial inclusion.

[Read more...](#)
**mint**

## Govt Extends Duty-free Import Window for Yellow Peas till March 2026

To stabilise domestic pulse prices and ensure sufficient supply, the Indian government has extended duty-free yellow pea imports until March 31, 2026. While this aims to ease festive season price pressures, some critics argue it may discourage domestic production and hinder self-reliance in pulses.

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**ANI**

South Asia's Leading Multimedia News Agency

## India's Fintech Sector Poised for Next Phase of Growth with Product Diversification, Smarter Risk Management: Report

India's fintech lending sector is rapidly growing, with a current loan balance of ₹1.3 trillion and a strong presence in small-ticket personal loans. The sector is now focusing on diversifying its product offerings, including more secure loans like business and property loans, and enhancing financial inclusion by attracting younger and rural borrowers, while also needing to improve risk management strategies for sustainable growth.

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# CDS Infra Streamlines Supplier Payments with M1xchange TReDS



This case study highlights how CDS Infra, a leading Indian infrastructure company specialising in highway and expressway construction, leveraged the M1xchange TReDS platform to overcome challenges with complex payment cycles that traditionally constrained the working capital of its MSME suppliers.

By adopting M1xchange, CDS Infra aimed to streamline payments, ensuring its crucial MSME network could effectively manage operations and maintain liquidity, thereby fostering a more robust and efficient supply chain ecosystem for its large-scale projects.

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