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Beyond Liquidity: Building a Scalable MSME Financing Ecosystem

As India's MSME financing landscape evolves, the narrative is shifting beyond access to liquidity toward building a system that is scalable, efficient, and deeply integrated across the financial ecosystem. While platforms like TReDS have addressed the challenge of availability, the next phase of growth will depend on how effectively this access translates into seamless, high-quality financial enablement.

The focus is now on improving the speed, reliability, and depth of financing, ensuring that liquidity is not just available, but consistently accessible and embedded within business operations.



The Next Challenge: Depth of Adoption

Despite policy momentum and increasing awareness, a significant portion of MSMEs continues to remain outside the formal financing ecosystem.

Key challenges persist:

- Limited awareness of digital financing platforms in Tier 2 and Tier 3 markets
- Hesitation in adopting formal systems due to documentation and compliance requirements
- Continued dependence on traditional and informal credit channels
- Lack of digital integration across supply chains

This creates a critical gap, where financing solutions exist, but accessibility remains uneven. Bridging this gap will define the next stage of MSME ecosystem growth.



India's rapidly advancing digital public infrastructure is laying the foundation for a more efficient and data-driven financing ecosystem.

Key enablers include:

- GST digitisation
- E-invoicing systems
- Account Aggregator framework
- Udyam registration

These developments are enabling a shift toward cash-flow-based lending, driving:

- Faster credit assessment
- Reduced dependence on collateral
- More accurate risk evaluation
- Seamless MSME onboarding

The integration of these systems with digital financing platforms is creating a more intelligent and interconnected ecosystem.



The Role of Collaboration in MSME Financing

Addressing the MSME credit gap requires coordinated effort across the ecosystem.

A stronger framework is being built through:

- Policymakers enabling progressive regulatory structures
- Corporates strengthening supply chain participation
- Financiers expanding credit access through innovative models
- Fintech platforms enhancing efficiency and transparency

This collaborative approach is essential to unlocking scalable and sustainable MSME financing in India.



M1xchange: Enabling the Next Phase of Growth



As the ecosystem matures, M1xchange is evolving its focus from enabling access to enhancing scale, experience, and impact.

Through continuous platform enhancements and ecosystem expansion, M1xchange is enabling:

- Faster transaction cycles
- Scalable liquidity access
- Stronger trust across stakeholders
- Seamless digital financing journeys

The platform's direction is aligned with a broader vision—to move beyond transactions and contribute to building a robust financing ecosystem.

From Access to Predictability

India's ambition of becoming a \$5 trillion economy is closely linked to the growth and resilience of its MSME sector.

The opportunity ahead lies in building a system where:

- Liquidity is predictable
- Financing is frictionless
- Growth is sustainable

The future of MSMEs will be defined not just by their ability to manage cash flow challenges, but by how effectively they can leverage a digitally enabled financial ecosystem to scale and grow.

Expanding the Reach of Digital Financing

M1xchange continues to scale its impact across the ecosystem, reflecting growing adoption and trust in digital invoice discounting.



Bill Discounted
3,00,000+ Cr



MSMEs Onboarded
85,000+



Corporates Onboarded
10,000+



Financiers Onboarded
74+



Impact at Scale

These numbers represent more than platform growth, they reflect the increasing formalisation and strengthening of India's MSME financing ecosystem.

- **3,00,000+ bills discounted** indicates sustained transaction velocity, enabling MSMEs to unlock working capital faster and maintain healthier cash flows.
- **10,000+ corporates onboarded** highlights strong anchor participation, which is critical in driving structured supply chain financing adoption.
- **85,000+ MSMEs onboarded** demonstrates expanding financial inclusion, bringing more businesses into the formal credit ecosystem across geographies.
- **74 financiers** reflects a deepening capital base, ensuring competitive rates, diversified risk, and consistent liquidity availability.

Together, these metrics showcase a platform that is not just scaling in volume, but strengthening trust, improving access, and enabling a more resilient and efficient financing environment for all stakeholders.

Simplifying Working Capital Access for Businesses



This reflects the broader industry sentiment, where adoption of digital financing is no longer optional, but essential for scalable and sustainable MSME growth.

Powering the Next Phase of MSME Growth

As the ecosystem continues to evolve, the focus remains on strengthening access, improving efficiency, and enabling deeper integration across stakeholders.

The transition from liquidity enablement to ecosystem building is underway, driven by technology, collaboration, and scale..

When tomorrow's money comes today, progress happens.



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