

Energising _____ Supply Chain Ecosystem

For India's Power Giant
With TReDS



Overview

The case study centres around India's Largest Integrated Power Company, which operates across the power value chain of conventional and renewable energy. These solutions include solar rooftop installations and electric vehicle (EV) charging stations. This renowned power generation company relies on a vast network of MSME suppliers to support its operations. Recognising the need to improve payment efficiencies and reduce the financial burden on its suppliers, the company tied up with M1xchange and adopted the TReDS platform.

The study explores how India's Largest Integrated Power Company implemented M1xchange's TReDS platform to streamline supplier payments and improve payment efficiency.



Tough Times

The client's business growth was significantly impacted by the financial struggles faced by the supplier.

Insufficient funds or delayed payments hindered the supplier's capacity to purchase and maintain adequate inventory levels to provide timely services to the client. Addressing these financial struggles became essential to support the client's business expansion and to ensure long-term success to both the client and its dealers.

By digitising and automating supplier invoice discounting with M1xchange TReDS, the objective is to simplify and expedite the payment process for the company's suppliers. This further aims to improve payment efficiencies and reduce the financial burden on its MSME suppliers.



Pushing Boundaries and Breaking Barriers

The implementation of M1xchange's TReDS platform introduced significant enhancements to the company's supplier payment ecosystem. By leveraging invoice discounting, the platform enabled MSME payables to access early financing. Thus, effectively bridging their working capital gap and ensuring prompt receipt of funds. Moreover, the platform introduced a transparent bidding process where MSME invoices were displayed, showcasing discounted rates. This allowed financiers to competitively bid and offer competitive rates, promoting fairness and fostering beneficial financing options.

Additionally, the company's finance team greatly benefited from the platform's simplified payment reconciliation, gaining access to real-time data and digital records. This also reduced manual effort and increased operational efficiency.



The Tale of Triumph

The company experienced a significant improvement in its supplier payment ecosystem through the adoption of M1xchange's TReDS platform. The implementation of the TReDS platform brought stronger supplier relationships, operational efficiency, and improved working capital management for the client.

Having over 200 vendors in the onboarding process and 78 already onboarded, coupled with a consistent monthly involvement of over 25 active vendors, highlights TReDS' efficiency in handling a substantial volume of weekly discounted invoices.



Efficient payment processing

The client achieved seamless and faster payments to its suppliers, reducing the average payment cycle time.



Enhanced supplier relations

Improved cash flow and timely payments lead to strengthened relationships with MSME suppliers, fostering trust and loyalty.



Working capital optimization

Suppliers can leverage invoice discounting on the TReDS platform, addressing their liquidity needs and bridging the working capital.



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