

August 2026



TOMORROW'S MONEY TODAY

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CONNECT



India's MSME financing landscape is moving towards a more connected framework where policy intervention, digital infrastructure and easier access to receivables financing are increasingly working together.

The MoU between M1xchange and the Government of Telangana reflects this shift at the state level. Through the partnership, M1xchange will enable MSME suppliers in Telangana to access financing against receivables from corporate and government buyers, strengthening working capital access across the state.

At the policy level, the MSME Development (Amendment) Bill, 2026 places renewed emphasis on timely payments and dispute resolution. The growing role of TReDS within this framework signals a broader shift: delayed MSME payments are increasingly being addressed through formal, technology-enabled mechanisms rather than remaining solely a bilateral buyer-supplier issue.

Access must also become simpler as the ecosystem expands. Recent product developments at M1xchange including streamlined vendor onboarding, support for non-GST entities and QR-led onboarding campaigns are focused on reducing operational friction and widening participation.

The scale of digital receivables financing continues to grow alongside these developments. M1xchange has now crossed ₹3,60,000 crore in bills discounted, with 15,000+ corporates, 1,10,000+ MSMEs and 80+ financiers onboarded. At the business level, experiences such as that of M/S Josco Automotive Electricals demonstrate what this infrastructure ultimately needs to deliver: more efficient access to working capital against approved invoices.

Together, these developments point towards the next phase of MSME finance: broader access, simpler participation and stronger digital infrastructure connecting policy intent with working-capital outcomes.

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M1xchange Signs MoU with Government of Telangana to Expand MSME Credit Access



M1xchange has signed a MOU with the Government of Telangana to strengthen working capital access for MSMEs and businesses across the state.

This collaboration aligns with the Telangana MSME Policy 2024, under which the state government has identified access to finance as one of six priority areas for MSME development, backed by a committed outlay of ₹4,000 crore over five years.

Under the MoU, MSME suppliers in Telangana will be able to access financing against trade receivables due from corporate and government buyers, through M1xchange, an RBI-licensed Trade Receivables Discounting System (TReDS) platform, with financing rates determined through competitive bidding among multiple financiers.

The partnership supports the state's broader objective of expanding formal credit access to its MSME base, including its stated target of enabling 25,000 new MSMEs over the next five years.



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MSME Development (Amendment) Bill, 2026 - a Defining Moment for MSME Payment Security

The Government of India has introduced a set of reforms aimed at strengthening timely payments and dispute resolution for MSMEs - with TReDS now playing a central role in enabling this shift.

We commend the Ministry of MSME for this progressive step towards a more secure and timely-payment ecosystem for India's MSMEs.



MSME Development (Amendment) Bill, 2026

Salient Features

- Composite twin criterion for classification of MSMEs based on **'turnover'** and **'investment in plant and machinery or equipment'** made part of the Act.
- Udyam Portal accorded permanence as a national digital platform for free and voluntary registration of MSMEs.
- For all Central Public Sector Enterprises, routing of settlement of invoices through TReDS made compulsory for procurement of goods and services from MSMEs.
- States empowered to adopt similar provision for their Public Sector Enterprises.
- Facilitates State Governments to establish additional Micro and Small Enterprises Facilitation Councils for faster disposal of disputes.

MSME Development (Amendment) Bill, 2026

Salient Features

- Prescribes stringent timelines for MSE Facilitation Councils to ensure faster adjudication of delayed payment disputes.
- Ensures recovery of payments of MSEs by allowing the arbitral award to be recovered as arrears of land revenue.
- Facilitates faster payments for MSEs. Empowers the courts to order for payment at least fifty per cent. of the awarded amount to the MSEs suppliers, if appeal is pending for more than six months.
- Decriminalises offences by replacing conviction-based fines with graded penalties and only warning at the first instance.

At M1xchange, we welcome this reform as a strong reaffirmation of our mission: ensuring India's MSMEs get paid on time, every time.

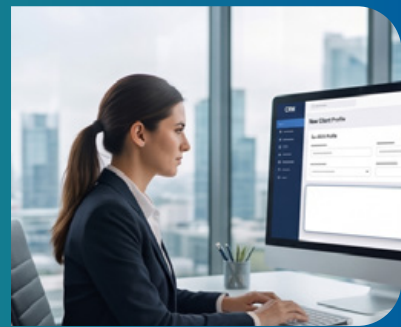


Product Update: Faster Onboarding, Fewer Documents, Wider Reach



Non-KYC Vendor Onboarding via VSR - Based on the latest RBI guidelines, we have created a new onboarding flow for vendors where KYC documents will no longer be required. Additionally, Director details will also no longer be needed - only a Board Resolution or Letter of Authority will be required as company documentation for onboarding.

AML-less Onboarding via CRM - In continuation of the Non-KYC flow on VSR, we have eliminated the need for an AML check in vendor onboarding. Going forward, the vendor gets directly onboarded once the Authorizer submits the case.



Non-GST Onboarding via VSR - Going forward, any Non-GST entity can be onboarded via VSR for discounting, with Address Proof and a Declaration required as additional documents for onboarding.

QR Code-Based Campaigns - We have started creating QR codes based on campaigns to utilize the QR for discounting onboarding via VSR, along with associated lead capturing and tracking in CRM.



1 | Extending Liquidity Beyond the First Tier

S2S financing extends the TReDS financing framework deeper into the supply chain by enabling financing of invoices where an eligible MSME operates as the buyer and its supplier as the seller.

This creates a structured route for liquidity to reach businesses deeper in the supply chain, supporting working capital across MSME-to-MSME transactions.



2 | Growing Momentum in Deep-Tier Financing

S2S financing continues to build momentum as more transactions move through the deep-tier financing ecosystem.

July 2026

₹226 Cr
S2S Throughput

August 2026

₹239 Cr
S2S Throughput



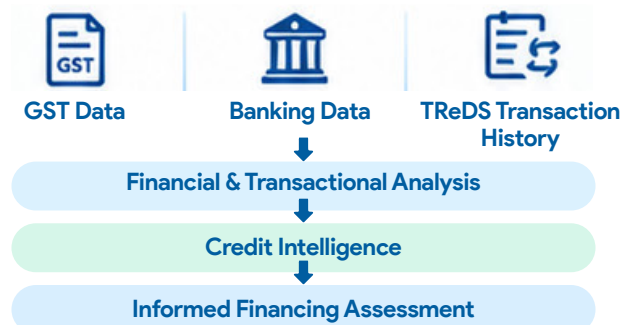
The growing transaction volumes reflect increasing adoption of S2S as a financing route for MSME-to-MSME transactions.

3 | Making S2S Financing More Data-Led

As S2S financing scales, informed credit assessment becomes an important part of enabling financing across MSME buyer-supplier relationships.

M1xchange's **Credit Analytics Engine (CAE)** strengthens this process by bringing together financial and transactional data to generate credit intelligence for assessment.

CAE — Credit Analytics Engine



4 | From Business Data to Credit Intelligence

CAE analyses relevant business signals to support a more structured understanding of the MSME buyer within the S2S financing process.

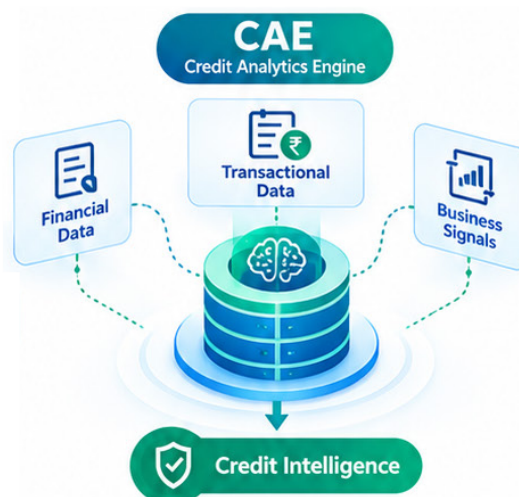
The engine assesses key parameters including:

Financial Strength

Transaction Behaviour

Payment Capacity & Intent

By converting financial and transactional information into actionable credit intelligence, CAE supports more informed financing decisions as S2S expands across deeper tiers of the supply chain.



5 | Technology Supporting the Scale of S2S



The growth of S2S is supported not only by increasing transaction volumes, but also by the technology infrastructure behind the financing process.

CAE adds a data-led intelligence layer to S2S, helping strengthen credit assessment as financing reaches more MSME buyer-supplier relationships.



Together, S2S and CAE bring deep-tier financing and data-led credit assessment into one technology-enabled ecosystem.

Expanding S2S Financing: Empowering India's MSMEs

S2S Financing by M1xchange continues its strong growth trajectory, expanding from ₹226 crore in July to ₹239 crore in August.

As Small-to-Small financing scales across the ecosystem, advanced technology like CAE remains central to intelligent underwriting and informed participation.

M1xchange S2S Financing:

Empowering MSMEs to lead India's next leap.



GeM-TReDS integration Two changes. One simpler path to working capital.



GeM-TReDS integration is opening a more direct route for eligible MSMEs to access early payment against approved government invoices.

At the same time, the RBI's TReDS Directions, 2026 have simplified MSME seller onboarding by removing the separate due-diligence requirement and focusing on essential KYC and business information.

What does this mean for MSMEs supplying through GeM?

- Less onboarding friction.
- Earlier access to receivables.
- More flexibility to keep business moving.

We break down what has changed, how GeM-TReDS works and what MSMEs need to know.



TWO RULES, ONE OUTCOME:

How GeM-TReDS and the

RBI Master Direction 2026

«« Are Making »»

TReDS Easier for MSMEs

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Independence Day at M1xchange



At M1xchange, Independence Day was celebrated with the flavours that make India truly special.

Our teams came together with dishes inspired by their states, bringing regional taste, creativity and celebration into one shared moment.

A beautiful reminder that India's strength lies in its people, its diversity and its spirit of togetherness.

Happy Independence Day!



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BILLS DISCOUNTED

₹3,60,000 Cr+

Cumulative invoice
value financed since
inception.



MSMEs ONBOARDED

1,10,000+

Sellers eligible to
discount approved
invoices.



CORPORATES ONBOARDED

15,000+

Buyers accepting
invoices and enabling
supplier liquidity.



FINANCIERS ONBOARDED

80+

Banks and NBFCs
bidding on factoring
units.



A TReDS Success Story



Access to timely working capital is essential for businesses operating within complex supply chains.

M/S Josco Automotive Electricals leveraged the M1xchange platform to unlock faster liquidity against approved invoices, enabling the company to strengthen cash flow management and support operational continuity.

Through digital invoice discounting, the business was able to access working capital more efficiently while maintaining stronger financial discipline within its receivables cycle.

Such success stories continue to demonstrate the growing role of digital supply chain financing in empowering businesses



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