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When India's MSMEs Go Global, Working Capital cannot be the Bottleneck

India's MSME sector is no longer a domestic story. On May 7, 2026, Walmart held its second Walmart Growth Summit – India at Bharat Mandapam, New Delhi — announcing that it has sourced over \$40 billion in goods from Indian businesses and trained more than 115,000 MSMEs through its Vriddhi Supplier Development Programme since 2019. Global majors are scaling India sourcing. The China Plus One strategy is accelerating. Indian MSMEs are being invited onto the world's largest supply chains.

Winning a global order and waiting 60–90 days for payment are two entirely different experiences. The same MSME that just fulfilled a Walmart purchase order is now staring at a working capital gap that could prevent it from fulfilling the next one. This is where digital invoice financing infrastructure becomes not just useful — but essential. As India's export ambitions scale, so must the speed at which liquidity reaches the businesses driving those ambitions.



Policy is building the road. TReDS is the fuel that keeps MSMEs moving on it.

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The government procurement-to-financing pipeline goes live
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A TReDS success story



GeM and TReDS are Creating A New Procurement-to-Liquidity Pipeline



From Purchase Order to Working Capital — In Hours, Not Months

Budget 2026 announced the linking of the Government e-Marketplace (GeM) with TReDS. Integration of GeM with TReDS is now operational. Financiers on M1xchange can now access verified purchase data from government buyers before an invoice is even raised. Due diligence that previously took weeks now takes minutes.

The mechanism, simply stated:

- MSME wins GeM order
- GeM invoices flows directly to TReDS for discounting
- Financiers places bid on the verified invoice
- MSME Receives early payment in 24 hours
- CPSE pays the financier on due date

For an MSME supplying to CPSEs through GeM, this eliminates the single most painful part of government procurement — the wait.

Benefits at a Glance

- **For MSMEs:** Government contracts — historically the most reliable orders — now convert to same-week working capital
- **For Financiers:** Verified government data eliminates information asymmetry and lowers fraud risk significantly
- **For the Ecosystem:** Every rupee routed through this pipeline strengthens payment discipline across India's supply chains



Procurement from GeM portal crosses Rs 4 lakh crore in FY'26. Even partial TReDS routing creates a massive new invoice financing pipeline.



S2S Financing: Expanding Formal Credit Access Across MSME Supply Chains



M1xchange's Small-to-Small (S2S) financing platform is helping extend formal financing access deeper into India's MSME ecosystem. By enabling financing between MSME buyers and MSME suppliers, S2S supports businesses that traditionally remain outside conventional financing frameworks.

Powered by the Credit Analytics Engine (CAE), the platform leverages transaction intelligence, GST data, banking insights, and trade behaviour to facilitate faster and more informed financing decisions. This data-led approach helps improve liquidity access, strengthen supply chain resilience, and drive greater financial inclusion across MSME networks.

“ Deep-tier financing represents the next phase of India's MSME credit evolution, and the strong growth witnessed on the S2S platform reflects the increasing trust in alternative, data-led credit frameworks. The broader policy and regulatory focus on improving MSME financing, along with growing participation by financial institutions seeking to expand their credit reach, is further accelerating the adoption of formal financing channels across the MSME ecosystem. By enabling financing between MSME buyers and MSME sellers, we are extending the reach of TReDS, strengthening supply chain liquidity, and expanding formal credit access for businesses operating deeper within supply chains. ”

Sundeep Mohindru,
Promoter & Director, M1xchange



[Read the Full Article](#)

Highlights of the Exponential Growth Through S2S

▶ **₹1,400+ Crore**
Year-to-Date Throughput

▶ **₹100+ Crore**
Monthly Transaction Volume

▶ **556% Growth**
from FY25 to FY26



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The CPSE Mandate: From Budget Announcement to Board-Level Priority



Budget 2026 announced mandatory TReDS settlement for all CPSE purchases from MSMEs.

The Four Pillars of Budget 2026 TReDS Reform

01 Mandatory CPSE Settlement

All MSME invoices arising from CPSE procurement must now be settled through TReDS — making platform participation mandatory, not optional.

02 CGTMSE Credit Guarantee

Government-backed credit guarantee for invoice discounting on TReDS, facilitated through CGTMSE. This reduces financier risk, and drives competitive discounting rates down.

03 GeM-TReDS Integration

The GeM-TReDS integration is fully operational, with CPSEs now routing MSME payments directly through TReDS — connecting CPSE procurement and invoice financing on a single digital continuum.

04 TReDS Receivables Securitisation

TReDS receivables are being positioned as a new asset class, pooled and sold to institutional investors. This expands MSME liquidity and creates a secondary market for invoice-backed assets.

A corporate that settles MSME invoices through TReDS automatically satisfies the 45-Day Payment Rule, no separate compliance burden.



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These numbers represent more than platform growth — they reflect the increasing formalisation and strengthening of India's MSME financing ecosystem. Each metric is cumulative and updated as of May 2026.

Bill Discounted 3,20,000+ Cr



Sustained transaction velocity enabling MSMEs to unlock working capital faster and maintain healthier cash flows across industry cycles.

MSMEs Onboarded 87,000+



Expanding financial inclusion across geographies. India has 7+ crore MSMEs. Every percentage point of formal financing penetration represents hundreds of thousands of businesses gaining access to credit.

Corporates Onboarded 13,000+



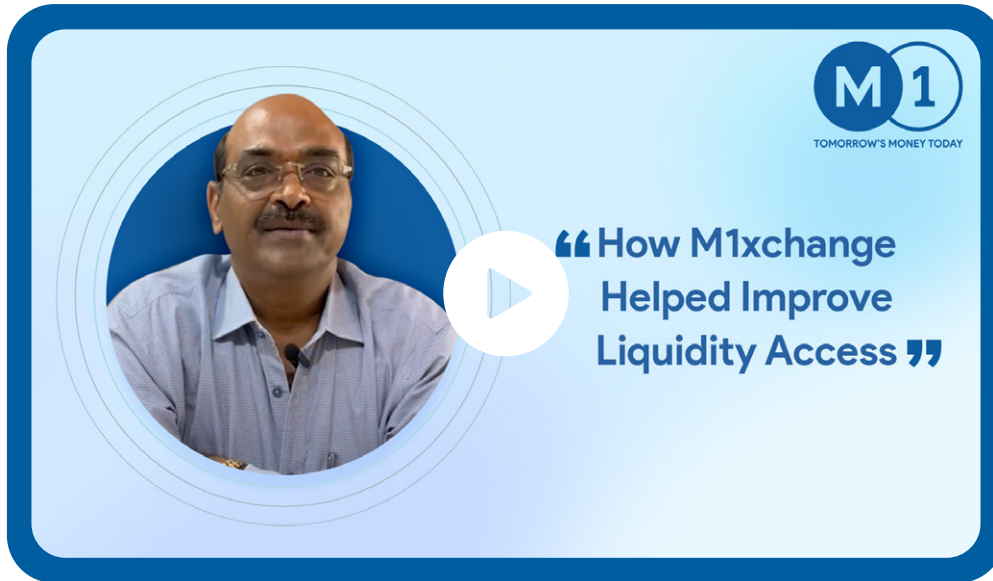
Strong anchor participation drives structured supply chain financing adoption — with the CPSE mandate set to accelerate this further through FY26-27.

Financiers Onboarded 75+



More financiers means more competitive bidding — which means lower discounting rates for MSMEs. The 75+ network is the pricing mechanism that makes TReDS work.





“Leveraging the M1xchange platform allowed us to unlock faster liquidity against approved invoices, enabling our company to strengthen cash flow management and support operational continuity. Through digital invoice discounting, we were able to access working capital more efficiently while maintaining stronger financial discipline within our receivables cycle.”

— DINESH MITTAL
Managing Director, Mahavir Cylinders Ltd.

**When Tomorrow's Money Comes Today,
Progress Happens.**

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