

June 2025



TOMORROW'S MONEY TODAY

# M1

— • DIGITAL • —

## CONNECT





# Beyond Liquidity: How SCF is Powering Businesses across India



Supply Chain Finance (SCF) is evolving beyond providing liquidity to become a crucial enabler of growth, resilience, and financial inclusivity, particularly for Micro, Small, and Medium Enterprises (MSMEs) in India. By offering faster access to payments and reducing reliance on informal credit, platforms like M1xchange TReDS help MSMEs ensure uninterrupted operations, timely payroll, and better raw material planning.



## Supply Chain Finance: Benefits for large Buyers

For large buyers, Supply Chain Finance (SCF) extends beyond working capital optimisation to strengthen supplier relationships, create more resilient and agile supply chains, and facilitate ESG-compliant, paperless processes. By enabling faster payments to vendors, SCF helps corporates build goodwill and ensure continuity, particularly during uncertain periods.



## Supply Chain Finance: Expanding reach and impact

Supply Chain Finance (SCF) is democratising financial access across India, from manufacturing hubs to textile clusters. Through digital TReDS platforms like M1xchange, geography is no longer a barrier, allowing even remote suppliers to participate in a paperless and seamless process from invoice approval to payment, thereby enabling financial inclusion at scale through technology and trust.



## Supply Chain Finance: Real-World Impact

Consider a small electronics manufacturer in Bengaluru who can now invest in new machinery due to timely payments, or a spices trader in Kochi who can negotiate better raw material prices by settling invoices early. These examples illustrate the profound, tangible impact of Supply Chain Finance in transforming business operations.





## Supply Chain Finance: The road ahead

As the economy continues to grow and businesses prioritise agility, digitisation, and inclusivity, Supply Chain Finance (SCF) is transforming from a mere treasury tool into a strategic growth enabler. M1xchange, at the forefront of this shift, is proud to be fuelling India's growth story by providing speed, trust, and access, proving SCF to be more than just a liquidity solution, but a fundamental driver of economic progress, one invoice at a time.



## M1 in Number

Bill discounted  
**1,95,000+**



MSMEs  
**55000+**



Corporates  
**3000+**



Financier  
**67**





## MSME – My Sweat is My Equity By Dr. Ravi Modani

Founder & CEO, 121 Finance

### Who is an MSME?

The definition of a Micro, Small, and Medium Enterprise (MSME) varies across geographies and is often shaped by local government policies. MSMEs are often classified based by their capital investment, turnover, employment size, and the nature of the industry.

While these definitions may serve their purpose, they miss the essence that captures the soul of what an MSME truly is.

At the heart of every MSME lies something far greater than capital;

The spirit of entrepreneurship

The courage to take risks

The weight of commitment

The grind of everyday hard work

The resilience to rise, again and again

These are not business metrics—they are the equity that MSME and small business owners bring to the table every day. And it is this belief that gave rise to a phrase we hold close to our hearts:

“My Sweat is My Equity™”

“मेरी मेहनत ही मेरी सबसे बड़ी पूंजी है।”

A truth lived by millions of MSMEs across India every day.





## The Story Behind the Thought

Most MSMEs start with no formal credit, no employees, and no clients. They begin with a dream and sweat (hard work). The story of every MSME is the same; they keep working every single day, build relationships, and move ahead with a vision.

### The impact of their “Sweat” is far greater than the “Value of their Capital”

Yet, in a world that often defines success by assets and valuations, their efforts often go unrecognized. With “My Sweat is My Equity™”, we aim to shift that focus—to honour the real equity that powers MSMEs: their effort, commitment, and resilience.

### Aspiration is the Real Capital

Every MSME starts with a vision—to serve their customers, support their team, and sustain their livelihood. They aren’t waiting for policies to uplift them; they’re already building businesses, creating jobs, and growing communities.

In fact, they are the most efficient businesses without any formal structures. Today, MSMEs employ over 11 crore Indians, accounting for nearly 15% of the country’s workforce. Sometimes with no departments, they manage people through trust and relationships. These are the builders of Bharat, often hidden in plain sight.

### Scaling Up Against All Odds

Behind the silent rise of small businesses are stories of real struggle and remarkable growth:

- **Micro to Small:** 714 enterprises in FY21 → 2,372 in FY25
- **Small to Medium:** 3,701 enterprises in FY21 → 17,745 in FY25

These figures aren’t just statistics—they’re stories of ambition and growth.

### A Movement, Not a Message

“My Sweat is My Equity™” is not a campaign—it’s a call for recognition.

It’s about shifting the narrative from viewing MSMEs as beneficiaries, to acknowledging them as entrepreneurs who hold unlimited Equity measured in Hard Work, Years of Experience, and Deeply Rooted Relationships.

Their strength doesn’t lie in traditional capital, but in the trust, they’ve earned, the value they’ve created, and the persistence with which they’ve grown often against all odds.

This MSME Day, we dedicate this thought and our heartfelt video tribute to every entrepreneur who has built something from the ground up.

“MSME - My Sweat is My Equity™”



We bring to you the Q1 Edition of Financier Ranking Dashboard, with a feeling of optimism about the Indian economy, despite the war clouds in East Europe and Middle East spewing disruptions to global prosperity. The optimism springs from a few significant recent developments – economic, political and geographical that together augur well for the economy. This is even while conceding that the GDP growth rate is not yet keeping up at expected levels for us to achieve status of ‘Viksit Bharat’ by 2047!:

- RBI Monetary Policy delivered a larger than expected 50 bps Repo rate cut; an important policy action to propel growth through higher investments. Rate Cut may also be taken as a lead indicator of taming inflationary pressures in economy.
- A phased cut in Cash Reserve Ratio (CRR) of 100bps expected to boost available liquidity; an important measure to support newer investments and flow of credit into the economy. The move is expected to result in injection of additional Rs 2.5 lakh crore of durable liquidity into the system by December 2025.
- With FX Reserves crossing USD 700 bn. mark, the Reserves are now adequate to fund about one full year's import bill.
- India is ranked 4th among countries on Gini coefficient; a measure that indicates a tilting balance towards more equitable distribution of countries economic gains in recent times.
- Bilateral Treaties with some of our major trading partners- UK and USA being the largest- have been concluded/partially concluded; that are expected to give a fillip to cross border trade.
- And like a major passenger airline often announces, the Metrological Dept predicts a normal monsoon; with an earlier than scheduled arrival! So important for Indian economy!

The question before all of is – ‘To what extent can we harness these positive economic developments to increase the pace of digital financial inclusion of MSMEs and increase the footprints of TReDS?’ To give a perspective, your favourite TReDS platform, M1xchange, has factored invoices worth Rs 23,506 cr in Q1 taking the aggregate volumes to Rs 1,94,552.34 cr since commencement of business. The count of onboarded MSMEs has crossed 55,000. Let us compare this achievement with the data on growth of Micro Small and Medium Enterprises in India ( aggregating to over 60 mio in numbers) that is captured in the Table below which reflects scaling up of operations to move up the economic ladder:

Category	FY 21 to FY 22	FY 24 to FY 25
Micro to Small	714	2372
Small to Medium	3701	17745

Source: 121 Finance Pvt Ltd, our partner financier.

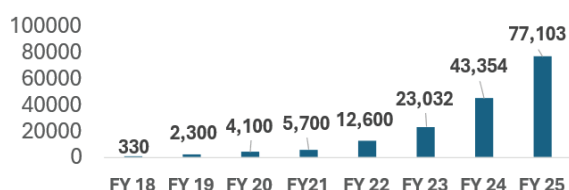
Juxtaposing the above data on growth in throughput volumes on all TReDS Platforms since 2017 that is estimated at about Rs 6,00,00 cr , we can say sanguinely, basis anecdotal evidence, that together we have contributed significantly to the MSMEs rise up the pyramid



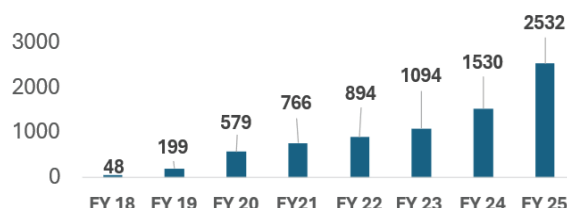


## M1xchange has facilitated INR 1,95,000+ Crore financing upto June, '25

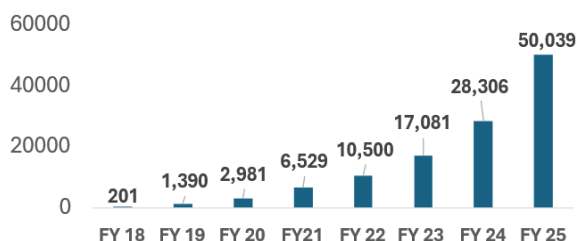
### Y-o-Y Transaction Volume (INR Crore)



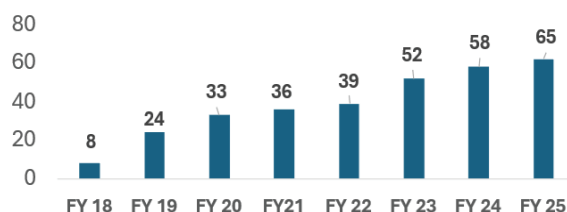
### Cumulative Number of Corporates Registered



### Cumulative Number of MSMEs Registered



### Cumulative Number of Financiers Registered



As on 30th June, 2025 the M1xchange eco system encompasses 2956 Corporate Buyers and 68 Financiers that have supported factoring of over 44 lacs invoices for receivables due to 55,683 MSMEs. We are grateful to our financier partners for the trust reposed in TReDS and thereby strengthening our resolve to reach out to a much larger number of MSMEs and offer them more innovative financial solutions going forward.

We take pleasure in sharing list of top- financiers on M1xchange, ranked on basis of outstanding value of invoices as on 30th June, 2025 and also ranked by comparative throughput volumes in Q1 2025-26 over Q4 of 2024-25 in the following Table :

## M1xchange : Comparative Ranking of Financiers- Q1 FY 2025-26 over Q4 FY 2024-25

Financer Name	Financier Ranking		
	Ranking on Outstanding Value of Invoices 30th June 25.	Invoice Throughput Q1 FY 2025-26	Invoice Throughput Q4 FY 2024-25
STATE BANK OF INDIA	1	1	1
CANARA BANK	2	2	2
INDIAN OVERSEAS BANK	3	3	3
BANK OF INDIA	4	4	4
BANK OF BARODA	5	5	5
IDBI BANK LIMITED	6	9	7
PUNJAB NATIONAL BANK	7	8	12
PUNJAB AND SIND BANK	8	12	10
CENTRAL BANK OF INDIA LIMITED	9	6	6
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA	10	11	11
BANK OF MAHARASHTRA	11	13	9
UCO BANK	12	10	13
UNION BANK OF INDIA	13	7	8
HDFC BANK LTD	14	14	17
INDIAN BANK	15	16	14
SBI GLOBAL FACTORS LTD	16	15	15
INDUSIND BANK	17	18	18
IDFC FIRST BANK	18	17	16
JANA SMALL FINANCE BANK	19	19	19
JIO FINANCE LTD	20	21	20
THE SOUTH INDIAN BANK LIMITED	21	20	22
UNITY SMALL FINANCE BANK LIMITED	22	24	21
FEDERAL BANK	23	26	29
SURYODAY SMALL FINANCE BANK LIMITED	24	25	27
RBL BANK LIMITED	25	23	28

What we observe as an emerging trend is the readiness of SFBs (and small NBFCs Factor) increasing their footprints on TReDS. Grateful to them for doing their bit to support our mission for digital financial inclusion of MSMEs.

In Q2, with the expected uptick in the economy, your favourite TReDS platform expects to get Trade Credit Insurance for TReDS live. Our teams will be reaching out to help you plan and achieve a larger book size on M1xchange TReDS. With the safety net of Trade Credit Insurance in place, we expect you to increase exposure to BBB rated Buyers; a segment to which increase in credit flows may be planned since the feedback gathered by us suggests that there is enough appetite to absorb additional liquidity flows.

Once again a big Thank You for your patronage and best wishes as you roll out your plans for growth in TReDS book during Q2.





# Award for Excellence in Workplace Culture



M1xchange has been awarded the Excellence in Best Workplace Culture award at the **iNFHRA Corporate Excellence Awards – NCR Chapter**, recognising its dedication to fostering a culture of trust, collaboration, and continuous growth. This honour underscores the company's belief that a strong workplace culture is essential to its overall impact and success.



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# Driving Inclusive Growth : M1xchange MSME Financing



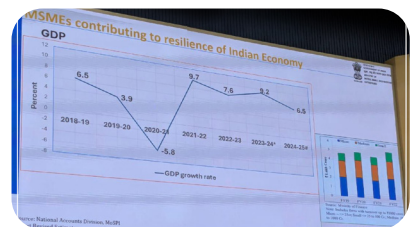
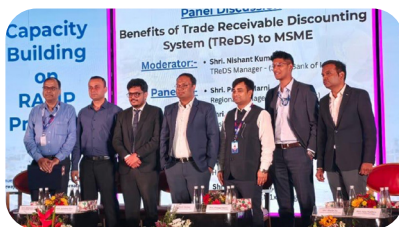
India's vast MSME sector, a critical economic backbone, faces a significant ₹25 lakh crore credit gap, particularly for the 99% of micro-enterprises unable to meet traditional lending requirements. Sundeep Mohindru, Promoter & Director of M1xchange, highlights how 1xchange's innovative Small-to-Small (S2S) working capital solution is democratising finance for Tier 2 and Tier 3 MSMEs. This unsecured, off-balance sheet, low-cost invoice financing, powered by Credit Analytics Engines (CAEs) leveraging big data and AI, assesses cash flow and repayment intent, enabling financiers to double their participation. S2S is not just a financial product but a collaborative framework accelerating India's journey towards a \$5 trillion economy by empowering every MSME.



[Read more...](#)

## Celebrating MSME Day: M1xchange's Various Engagements

Team M1xchange proudly engaged with the MSME ecosystem, participating in and serving as panelists at multiple events celebrating the strength and resilience of MSMEs around MSME Day. We remain committed to driving impact and enabling growth for the MSMEs, the backbone of the Indian economy, and are proud to represent the voice of a stronger, more connected MSME community.



1800 103 7261 (Toll free)



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## **INSIGHTS**

### Beyond Collateral: How behavioural data is transforming MSME financing in India

Despite contributing significantly to India's economy, Micro, Small, and Medium Enterprises (MSMEs) face a substantial credit gap due to traditional collateral-based lending. This is now being addressed by the government and fintech companies leveraging digital data and AI to assess behavioural credibility, enabling faster, fairer, and more accessible credit for millions of previously underserved MSMEs.

[Read more...](#)

## **SME STREET**

### Over 81% MSMEs Project Growth: Kinara Capital Report

Kinara Capital's latest MSME Insights report reveals strong optimism among Indian MSMEs, with 81% expecting revenue growth and over half now GST-registered, indicating increasing formalisation. However, the survey also highlights a continued significant reliance on cash transactions (84.3%), underscoring the need for further digitisation to enhance financial transparency and credit access.

[Read more...](#)

## **Business Standard**

### UPI leads digital shift as 48% MSMEs use it for business transactions

A new PayNearby report indicates that nearly 50% of MSMEs favour UPI for business transactions, with Aadhaar-enabled banking also seeing high adoption, particularly among women-led businesses. The report highlights the growing digitisation of MSMEs, with smartphones becoming a primary business tool and digital adoption leading to improved operational efficiency and earnings, especially in semi-urban and rural areas.

[Read more...](#)

## **Firstpost.**

### How modern trade agreements are powering fintech-led flows and digital economy

Twenty-first-century trade agreements are moving beyond tariffs to prioritise data flows, digital services, and financial innovation, with over 60% of new deals now including e-commerce and digital finance provisions. These modern agreements are vital for fintech firms, especially in emerging markets like India, by streamlining cross-border operations, harmonising compliance, and facilitating access to capital, ultimately shaping a more digital and interconnected global economy.

[Read more...](#)