REDUCED VENDOR COSTS BY 4% FOR AN EV AUTOMOBILE MANUFACTURER

Leading EV Automobile Manufacturer

www.m1xchange.com

TOMORROW'S MONEY TODAY

Turnover

₹10,400 Cr

Vendors

90+

Established

2021

Employees

1500+

Rating

AA+

VENDOR CHALLENGES

Client Context

- Market leader in India's passenger EV segment
- ₹35,000 Cr capex investment plan over next 5 year
- Strong network of tiered supply chain across tier 2/3 vendors

Gaps/Requirement

- Help vendors avail better financing terms to reduce their working capital costs
- Negotiate better pricing with vendors thereby reducing COGS

PROCESS IMPACT

Solution Offered

- Offered pure-play factoring solution via the M1xchange TReDS platform
- Deep integration with ERP for automatic payment block and auto reconciliation
- Auto accept enablement of bids

Implemented Process

- Analysed client's vendor costs & figured scope for reducing COGS by 3-4%
- Onboarded client vendors on M1 platform to avail competitive financing bids
- Working capital reduction for vendors translated to lower quoted costs for client

IMPACT

Reduction in financing costs for vendors from about 10-11% to **7%**

Leading to a **~₹4 Cr reduction in COGS** for the Buyer in a year

Improved supplier relationship

Reduced COGS and increased profitability for the client