

TReDS



An electronic platform for facilitating the financing / discounting of trade receivables of Micro, Small and Medium Enterprises (MSMEs) through multiple financiers.

Who are required to register?

Sellers - MSME as defined under MSMED Act supplying goods and / or services to registered buyers

Registration: Optional

Financiers - Banks, NBFC Factors, and such other institutions as may be permitted by RBI to participate in the TReDS platform as Financiers

Registration - Optional

Buyers - Corporates including companies and other buyers including Government Departments and Public Sector Undertaking and such other entities as may be permitted by RBI to participate on the TReDS platform as buyers

Registration - Mandatory for all companies with a turnover more than Rs. 500 crore and all Central Public Sector Enterprises.

How does TReDS work?

- 01 — Supplier supplies the goods or services
- 02 — Supplier logs in and uploads the invoice for Receivables
- 03 — The invoice is converted into Factoring units for bidding
- 04 — Financiers bid against the Factoring Units
- 05 — Supplier accepts the most Favourable bid
- 06 — M1xchange Generates settlement instructions for debiting the financier and crediting the Supplier
- 07 — Once the due date, M1xchange Generates settlement instructions for debiting the buyer and crediting the financier

