

# CORPORATE MITRAS: A FRAMEWORK FOR MSME FORMALIZATION AND INCLUSIVE GROWTH IN INDIA

## Abstract

MSMEs contribute significantly to employment, exports and output of India's economic structure. But in spite of their contribution a large proportion of MSMEs operate informally thus their access to finance, technology and institutional support is limited. The concept of 'Corporate Mitras' has been introduced in this Union Budget 2026-27 which signifies a novel institutional mechanism to bridge this gap by providing decentralized and professional support to MSMEs. The basic aim of this article is to position Corporate Mitra as an intermediary which support for MSMEs formalization, financial inclusion and governance by developing a structured framework. This article further proposes CEM (Corporate Mitra ecosystem Model) which through role matrix analyses the functional dimensions and highlights the strategic role of Cost and Management Accountants (CMAs) as Corporate Mitras to operationalize the framework. The article also contributes to developing a roadmap for sustainable and inclusive growth by establishing discourse on MSMEs development by properly aligning and integrating institutional theory, policy perspective and their professional applicability.



### CMA (Dr.) Arindam Banerjee

Assistant Professor

J. D. Birla Institute (Affiliated to Jadavpur University)

Kolkata

[arindamresearch790@gmail.com](mailto:arindamresearch790@gmail.com)

### Introduction

The MSME sector is a very key sector of Indian economy contributing nearly 30% of GDP \* hence creating substantial employment opportunities. But this sector faces consistent challenges such as limited access to formal credit facilities, informality, weak financial management and compliance burden.

It is observed that a significant portion of the

MSMEs operate outside the formal eco system which restricts their access to institutional finance, ability to scale as well as benefit from government schemes. This deficiency prompts an urgent need for structured support mechanism that will provide for more localized, professional assistance.

This is one of reasons which initiated the need for 'Corporate Mitras' in Budget 2026-27 to provide a transformative solution by creating a cadre of trained professionals who will act as a facilitators, advisors and enablers for MSMEs at grassroot level.

[\*Source: <https://www.pib.gov.in/Pressreleaseshare.aspx?PRID=2035073&reg=3&lang=2>]

### Concept of Corporate Mitras (with Budget Reference)

The concept of Corporate Mitras introduced in Budget 2026-27 highlights a significant milestone towards development of India's MSMEs sector. The main idea mooted in this initiative by the government points towards creation of network of professionals who will provide localized and affordable support to the MSMEs in areas of financial management,

business advisory and regulatory compliance.

The budget acknowledges that merely providing financial assistance to the MSMEs is not sufficient to develop the sector. It emphasizes the need for professional handholding and institutional support to MSMEs to integrate the enterprises into the formal economy. The Budget stressed upon the need for the MSMEs to collaborate with professional bodies like ICAI, ICAI and ICSI with the intention to provide and ensure standardized training, certification and quality assurance from Corporate Mitras.

This initiative of Government of India through the Budget hints towards shift in the credit centric approach to developing a more holistic and comprehensive Eco based model which aims towards integrating finance, compliance and capacity building.

In this evolving framework the Corporate Mitra are positioned as a critical intermediary that bridges the gap between MSMEs and the formal institutions thus facilitating financial inclusion, formalization and ease of doing business.

### Conceptual Framework and Theoretical perspective

The conceptualization of Corporate Mitras can be identified with multi theoretical framework which brings out their role as institutional intermediaries within the MSMEs ecosystem. They can be understood as the bridging agents that help to connect the MSMEs through structured informational flows, compliance support as well as advisory services.

Inadequate documentation and limited financial transparency results in MSMEs to face significant information asymmetry when it is engaging with financial institutions and regulatory authorities. This concept relates to Agency Theory where the Corporate Mitras helps to mitigate the asymmetry by providing standardized financial information by divulging reliable information hence reducing the perceived risk among the stakeholders.

The relevance and importance of Corporate Mitras is further strengthened by Institutional Theory where they act as institutional enablers guiding the MSMEs in an efficient manner so that they adhere to all the formal norms, regulatory requirements as well as structured business practices thus ensuring greater stability and legitimacy.

The Financial Inclusion Framework also highlights the role of Corporate Mitras to get accessibility to

formal credit for MSMEs by assisting it in credit linkage, documentation as well as compliance readiness to achieve the broader objective of integrating MSMEs into formal financial ecosystem.

It can be said from the above discussion that Corporate Mitras can be positioned as a critical facilitator of trust and coordination within MSMEs landscape thus providing a strong foundation for the proposed Corporate Mitra Ecosystem Model (CMEM) as discussed below.

### Corporate Mitra Ecosystem Model (CMEM)

The article proposes Corporate Mitra Ecosystem Model (CMEM) which is an integrated framework that positions Corporate Mitras as a core central intermediary within the MSME ecosystem. The model is depicted in Figure 1 below. The model tries to connect four key stakeholders, i.e. MSMEs, financial institutions, Digital Platforms and regulatory authorities through a continuous and well-coordinated flow of services and information.

The model recognizes the fact that the MSMEs work in a fragmented environment characterized by limited financial access, compliance complexity as well as informality. Corporate Mitras addresses these challenges by bridging the gap between the enterprise and the financial institutions. They will be supporting the MSMEs by performing several functions like organizing financial records, adopting digital tools as well as improving compliance practices thus resulting in a smoother integration into the formal economy.

One of the important features of the CMEM is the integration of digital platforms which has an important role to play in modern business operations. Corporate Mitras will help in the adoption of technologies like e-invoicing systems and accounting software which will enable the MSMEs to improve their efficiency and facilitate to migrate to data driven decision making.

One of the important challenges faced by the MSMEs is the limited accessibility to formal credit facilities from financial institutions. Corporate Mitras can act as a helping hand by standardizing financial information and improving documentation thereby reducing the perceived risk and information asymmetric for lenders. This enhances access to institutional credit for MSMEs

Corporate Mitras can also play a vital role in assisting MSMEs in properly navigating the complex statutory requirements by interpreting the regulations

and ensuring that there is timely compliance. This will also ensure transparency and thus will also reduce the chances of penalties being imposed due to non-compliance thus integrating into regulatory framework.

It can be observed from the figure that the model reflects bidirectional flow of information and value. Corporate Mitras are expected not only to transmit information but also to align and interpret information across the stakeholders. This not only helps to increase coordination and trust in the ecosystem but also to reduce transaction costs.

The model also indicates a shift from the traditional isolated advisory services to a holistic based approach for overall MSMEs development.

The model aims towards facilitating MSMEs formalization with enhanced financial inclusion and promoting inclusive growth by providing professional support in local context especially in Tier II and Tier III cities. Figure 1 is given below:

**Figure 1**

**Corporate Mitra Ecosystem Model (CMEM)**



Source: Author’s Conceptual Framework

**Functional Dimensions of Corporate Mitras**

The multidimensional functions of corporate Mitras include financial inclusions, compliance and governance, business advisory and digital enablement which increases the operational effectiveness of corporate Mitras.

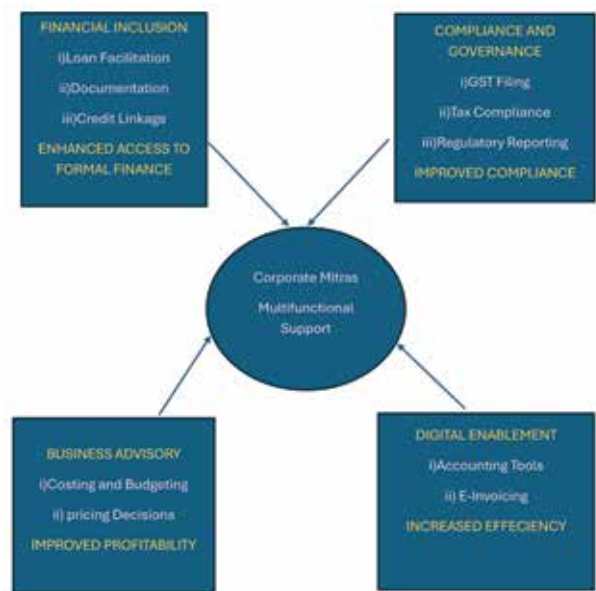
The various factors taken into consideration while developing the functional dimension of Corporate Mitras as conceptual synthesis (represented in Figure 2 below) includes the prevailing challenges faced by the MSMEs, evolving role of professional advisory services in India as well as recent policy developments.

Figure 2 below reflects the logical flow from specific activities undertaken within each functional area to the resulting outcomes like Financial Inclusion (through Loan facilitation, Documentation and Credit Linkage) resulting in Enhanced Access to Formal Finance. Similarly, Compliance and Governance (through GST filing, tax Compliance etc.) resulting in improved compliance.

Overall, these interconnected dimensions lay emphasis on the role of Corporate Mitras as integrated service providers helping in the growth and formalization of MSMEs sector. Figure 2 is given below:

**Figure 2**

**Functional Dimensions of Corporate Mitras**



Source: Author’s Conceptual Framework

**Implication for Inclusive Growth and Regional Development**

In tier II and III cities where the access to the professional advisory services is limited, Corporate Mitras framework can have important implications for economic growth. One of the reasons for decentralization of such services is that the model will enable MSMEs from smaller and rural areas to access structured and affordable services which is basically concentrated only on metropolitan cities.

This localized approach not only strengthens the MSMEs operation but also helps in balanced regional development. The Corporate Mitras can encourage entrepreneurship and generate employment opportunities by providing access to expertise and

institutional linkages. Along with this they also facilitate the gradual formalization of the informal enterprises by guiding them through the various regulatory requirements and compliance process hence increasing their credibility and growth potential.

Apart from the above, the Corporate Mitras can play a vital role in implementing digital adoption by assisting the MSMEs in using various tools like e-invoicing and accounting software. This will have a positive impact on the efficiency, transparency and competitiveness of MSMEs which will enable them to be more effective in domestic and global market.

Overall, we can say that the framework supports a more inclusive and resilient economic structure by integrating the local enterprises into a more formal and digital economy.

### Role of Cost and Management Accountants

The role of CMA (Cost and Management Accountants) within the Corporate Mitra Framework can be seen as a strategic enabler of MSMEs development rather than only compliance professionals. The strategic challenge and operational inefficiency faced by the MSMEs can be addressed by the CMAs due to expertise in cost management, financial planning and regulatory compliance.

CMAs can help the enterprises to increase their profitability and competitiveness by designing cost-effective production models, improving budgeting practices as well as enabling informed pricing decisions. They can not only act as an integrator of business ecosystems but also help in reducing informational gaps and improve coordination by providing a linkage between MSMEs and financial institution, digital platforms and regulatory bodies. Their expanded role will help in solving various immediate operational issues and guide the enterprises through growth, formalization and digital transition.

The Corporate Mitra framework opens a professional pathway for the CMAs, especially in Tier II and Tier III cities. Their role hints towards evolution of CMAs into Corporate Mitra framework which represents a shift from function centric role to value creating ecosystem-oriented profession which aims towards sustainable and inclusive growth.

### Conclusion

The introduction of the concept of 'Corporate Mitras' marks a paradigm shift towards a more inclusive eco system driven approach resulting in transformation

of India's MSME development strategy. Corporate Mitras help in bridging the gap between formal institutions and informal enterprises, therefore helping in formalization process thus resulting in financial inclusion and helps to strengthen the governance practices within the MSME sector.

The proposed Corporate Mitras Eco System Model in this paper helps to understand the importance of the coordinated interaction between the MSMEs, financial Institutions, digital platforms and regulatory authorities. In this context the role of Cost and Management Accountants adds significant practical relevance with their ability to integrate the financial, advisory, operation and compliance role into a unified advisory approach.

But it is to be understood that the success of the above framework will depend upon effective implementation, which must be supplemented by certificate mechanism, standardized training and strong institutional support.

If it is operationalized efficiently the Corporate Mitras will not only be able to improve the MSMEs performance but also contribute a lot to the employment generation, regional development and digital adoption. They will form a pillar in long run to help India emerge as India's inclusive and sustainable growth strategy that will reinforce a transition towards a more formal, resilient and transparent India's economic system. **MA**

### References

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