

# REIMAGINING MSME SUPPORT IN INDIA: THE CORPORATE MITRA MODEL IN A GLOBAL CONTEXT

## Abstract

This article explores the idea of Corporate Mitras, which was introduced in India's Union Budget 2026–2027 to promote MSMEs, particularly in Tier-2 and Tier-3 regions. It emphasizes how qualified paraprofessionals can close gaps in compliance, financing, and knowledge of government programs, thereby making it easier to conduct business and encouraging formalization. While highlighting the model's complementary role within a layered ecosystem, the paper also discusses issues related to professional competitiveness. The study highlights important prospects, challenges, and policy lessons based on observations from international MSME support systems such as those in Germany, Japan, Singapore, Australia, Canada, South Korea, France and the UK. Overall, it makes the case that Corporate Mitras may boost India's MSME sector, create jobs, and promote inclusive growth if implemented well.



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### Corporate Mitras

**O**n February 1, 2026, the Honourable Finance Minister Smt. Nirmala Sitharaman unveiled India's Union Budget 2026–27, where she mentioned MSMEs six times in her budget speech, which included the “Corporate Mitras” project as a focused step to support the nation's sizable Micro, Small, and Medium Enterprises (MSME) sector. With an emphasis on Tier-2 and Tier-3 cities, this group of qualified paraprofessionals seeks

to offer reasonably priced compliance support, documentation, regulatory filings, and basic advisory services to MSMEs.

To certify these “business friends” (Mitras), professional organizations such as the Institute of Cost Accountants of India (ICMAI), the Institute of Chartered Accountants of India (ICAI), and the Institute of Company Secretaries of India (ICSI) will create short-term, modular courses and useful tools. MSMEs will benefit from the authorized paraprofessionals' assistance with standard duties, including bookkeeping, income tax returns, GST filing, and cheaper access to government programs.

### Understanding Corporate Mitras: Goals and Scope

Unlike large-scale physical projects like the PM MITRA industrial parks, Corporate Mitras offer MSMEs a viable approach to soft infrastructure. By democratizing access to professional services in smaller communities where full-fledged Cost and Management Accountants or Chartered Accountants may be costly or unavailable the

program emphasizes systems-based enablement rather than substantial subsidies. The primary goal of the Corporate Mitra scheme is to bridge the professional services gap faced by MSMEs (Prateek, 2026). Defining clear boundaries will help ensure that Mitras focus on facilitation and routine functions without overlapping into comprehensive professional services, supported by technology-driven tools.

This program aligns with broader budgetary objectives, such as liquidity measures for MSMEs and the drive to create “Champion MSMEs.” Early discussions highlight its potential to professionalize grassroots enterprises and generate employment for partially qualified youth. The initiative can also create jobs in small towns for commerce and management graduates who often face limited opportunities. In this way, it benefits both sides: it supports small businesses while providing employment (Banerjee, 2026).

### The MSMEs in Indian Context

One of the main pillars of the Indian economy is the MSME sector. According to recent data from the Economic Survey 2025-2026, published by the Press Information Bureau, MSMEs number about 7.47 crore businesses. They employ over 32.82 crore people, which is second only to agriculture, and contribute roughly 31.1% to GDP, 35.4% to manufacturing output, and nearly 48.58% to exports (Ministry of Finance, 2026).

Despite these advantages, many MSMEs, especially microbusinesses, continue to face several difficulties:

- ⊙ Formalization is discouraged by complicated regulations and high compliance costs.
- ⊙ Access to technology, finance, and professional services remains restricted.
- ⊙ Few businesses grow from micro to medium or larger sizes, creating a “missing middle” problem.
- ⊙ Information asymmetries prevent integration into global value chains.

Corporate Mitras directly address these issues by reducing compliance-related costs, improving the quality of documentation (which may lead to better lending conditions), and promoting the utilization of government schemes. A locally trained Mitra can bridge language barriers, cultural-context gaps, and trust deficits that remote metropolitan experts often cannot address in Tier-2 and Tier-3 cities, as well as in rural areas. This can result in greater business formalization, improved access to loans, increased employment opportunities (both for Mitras and within MSMEs), and the growth of rural and women-led enterprises. However, the success of the initiative will depend on effective training, the use of digital tools, and the avoidance of bureaucratic overlap.

### Core support functions delivered by Corporate Mitras for MSMEs: -

1. GST registration and amendments
2. Periodic GST return filing
3. GST compliance health checks
4. Preparation and filing of Income Tax Returns (ITR)
5. Reconciliation of Form 26AS and AIS
6. TDS/TCS compliance
7. Basic bookkeeping and accounting setup
8. Documentation support for credit and loans (e.g., CGTMSE and MUDRA schemes)
9. UDYAM registration and enrolment in MSME schemes
10. Basic FSSAI registration
11. Labour and statutory compliances, such as PF and ESIC
12. Identification and application support for government schemes (e.g., PMEGP, Credit Guarantee schemes, MSME Champions, Technology Upgradation Fund, and state-specific incentives)
13. Sector-specific compliances (e.g., FSSAI, PSARA, and DGFT)

## Competition Concerns and Institutional Safeguards

The proposed Corporate Mitra framework may generate concerns among professionals because Mitras may provide basic services such as GST filing, bookkeeping, registrations, and income tax return preparation at significantly lower costs, thereby attracting price-sensitive MSMEs. Since micro and small enterprises often constitute the entry-level client base for many practicing CAs, CSs, and CMAs, there is apprehension regarding client migration and increased competition. Concerns have also been raised that semi-trained para-professionals could gradually encroach upon specialized areas, potentially affecting professional standards and service quality.

However, the framework is designed with several institutional safeguards intended to prevent severe direct competition with qualified professionals. Corporate Mitras are expected to operate within a clearly defined and limited scope, restricted primarily to routine compliance and facilitation functions. Specialized assignments such as audits, tax planning, certifications, legal advisory, and strategic consultancy would continue to remain within the exclusive domain of qualified professionals. In addition, Mitras are likely to function under limited authority, short-term training structures, and institutional oversight by bodies such as ICAI, ICSI, and ICAI. By primarily focusing on underserved MSMEs in smaller towns and rural areas, the initiative may ultimately expand the professional services ecosystem rather than merely redistribute existing clients, with complex matters continuing to be referred to qualified experts.

### Opportunities for Professionals

- ⊙ Less routine work: Focus on high-value services like advisory and audits.
- ⊙ New income streams: Supervise, hire, or train Mitras.
- ⊙ More clients overall: Formalized MSMEs will need advanced services later.
- ⊙ Career option: Helps students or

semi-qualified candidates find roles.

### Key Risks

- ⊙ Scope misuse: Mitras doing complex work may affect quality.
- ⊙ Impact on small firms: Some pressure on basic compliance work.
- ⊙ Quality concerns: Needs strong training and monitoring.
- ⊙ Perception issues: May create confusion or resistance.

Indeed, there will be considerable competition, particularly for routine and basic compliance tasks among microbusinesses in smaller towns. However, it is unlikely to “kill” or drastically reduce the core practice areas of qualified CMAs, CSs, or CAs.

To better understand the potential effectiveness of the Corporate Mitra framework, it is useful to examine international MSME support models that have successfully integrated compliance assistance, advisory services, mentoring, and institutional coordination.

## Lessons from international MSME support models

### Germany

The Mittelstand ecosystem in Germany is renowned for its robust, family-run SMEs that prioritize long-term stability, exports, and innovation. Germany supports these businesses through a sophisticated structure of industry cooperation, funding, and consulting services rather than relying heavily on subsidies. Key programs include the Central Innovation Programme for SMEs (ZIM), which offers grants for research and development; the Mittelstand 4.0 Competence Centres, which assist companies in implementing digital technologies and streamlining operations; and financial assistance from KfW, which provides credit guarantees to facilitate lending.

**Lesson:** The most important lesson for India is to integrate Corporate Mitras with private sector networks and industry clusters. India should

prioritize strong business collaborations for sector-specific training and skill development, along with a long-term strategy for MSME growth rather than short-term gains.

### Japan

Japan supports more than 3.3 million SMEs through a robust institutional framework headed by METI. SMRJ offers customized guidance, professional assistance, training, and business matchmaking. Supported by a network of funded professionals, the SMEA and regional centres provide one-stop services for strategy, compliance, and international expansion.

**Lesson:** Corporate Mitras should follow a coordinated national-to-local approach. They should emphasize ongoing, need-based guidance rather than one-time assistance, while combining growth services such as digitalisation and exports with compliance support.

### Australia and Canada

Australia provides incentives for innovation and exports, government-backed advisory services, and initiatives like the Australian Small Business Advisory Services (ASBAS), which offers high-quality, reasonably priced advice to help SMEs adopt digital tools. With a focus on inclusive growth, Canada uses regional development organizations to deliver customized advice, financial guarantees, and mentorship.

**Lessons:** India should adopt evidence-based benchmarking to improve productivity and implement decentralized, needs-based delivery systems that account for geographic variations. This approach is highly relevant for India's diverse Tier-2 and Tier-3 contexts.

### Singapore

Singapore provides extensive SME support through grants (such as the Business Adaptation Grant for tariff response and digitalisation), the Enterprise Financing Scheme, and sector-specific digital roadmaps. It offers programs like SAGE for

sustainability-linked financing and pre-approved consultants for compliance and skill upgrading. This support includes financial, operational, and internationalisation assistance, often with substantial grant coverage of up to 50–70% of consulting fees.

**Lesson:** Strong integration of compliance support with digital tools, sustainability, and financing is key. Singapore demonstrates that accredited, subsidized advisors can make professional services accessible while helping MSMEs grow. Similarly, Corporate Mitras can go beyond routine tasks by linking compliance to growth areas such as exports and green practices.

### South Korea

South Korea supports SMEs through cost-sharing for certifications, strong linkages with large firms, and joint public-private efforts to simplify regulations. It also provides technical, export, and compliance support to enhance global competitiveness.

**Lesson:** Combining compliance support with supply chain integration helps MSMEs grow. India can adopt this model by linking Corporate Mitras with large companies for sector-specific training and standards.

### UK

The UK's Manufacturing Advisory Service (MAS) supports SMEs through regional centres by providing guidance and connecting them to experts in key business areas, thereby promoting efficiency and innovation.

**Lesson:** Corporate Mitras can act as facilitators, handling basic tasks while linking MSMEs to specialized expertise through practical, sector-focused support.

### France

France promotes SMEs through Bpifrance, which combines financing (such as guarantees and equity) with advisory services delivered via regional networks. In collaboration with regional

organizations, it provides mentoring, diagnostics, innovation support, and advice on digitisation, exports, and sustainability.

**Lesson:** Combining strong local presence with integrated financial and advisory support works effectively. Corporate Mitras can implement this by conducting basic business health assessments before offering growth or compliance assistance.

### Applying Global Lessons to Corporate Mitras: Prospects and Challenges

India can develop a hybrid system that includes digital backends, district-specific hubs, and national certification standards through the ICAI, ICSI, and ICMAI. This system should incorporate global best practices such as supply chain collaborations (Germany and Japan), standards focus (South Korea), brokerage models (Singapore), and diagnostic services (France).

**Prospects** for the Corporate Mitras model include sector-specific modules (e.g., manufacturing compliance inspired by the UK's MAS and South Korea), integration of digitalisation and sustainability (Singapore and France), and robust

monitoring frameworks (Australia).

**Challenges to Address:** Quality control and boundary enforcement, bureaucratic overlap with existing portals, limited penetration in rural and Tier-3 areas, and securing sustainable funding with private sector participation.

### Conclusion

A well-designed initiative can serve as a transformative bridge between policy and grassroots implementation. By adapting global best practices to India's unique context, Corporate Mitras can significantly enhance MSME compliance, competitiveness, and inclusive growth, especially in Tier-2 and Tier-3 regions. Lessons from international practices could greatly help India in shaping an effective Corporate Mitras framework

If implemented with clear boundaries, strong institutional coordination, and adaptive support, this model has the potential to revolutionize the MSME ecosystem by providing localized, accessible, and affordable professional services creating a win-win situation that empowers small enterprises and strengthens the overall professional ecosystem. **MA**

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