

CORPORATE MITRAS: STRENGTHENING MSMEs AS THE BACKBONE OF INDIA'S ECONOMIC FUTURE

Abstract

Micro, Small and Medium Enterprises (MSMEs) are the backbone of the Indian economy and contributes significantly to GDP, exports, employment generation, regional development and entrepreneurship. Despite their strategic importance, MSMEs continue to face persistent compliance challenges, particularly in Tier-II and Tier-III cities where access to professional services are limited. To address this gap, the Union Budget 2026-27 introduced the concept of "Corporate Mitras" - trained para-professionals designed to provide basis compliance and facilitation support to MSMEs.

In the proposed framework, Corporate Mitras are trained through short-term modular programmes developed by the Institute of Cost Accountants of India (ICMAI) or by other professional bodies .i.e. ICAI and ICSI. The initiative aims to make easy access to compliance services, help MSMEs become more formalized, improve credit availability and create employment opportunities for graduates who do not have professional qualifications.

This article examines the policy framework, eligibility criteria, service architecture and economic significance of the Corporate Mitra initiative within the broader context of India's MSME ecosystem. It also discusses how Corporate Mitras can help MSMEs with compliance awareness, financial literacy, digital governance and overall business growth.



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Introduction: The Professional Services Gap in India's MSME Ecosystem

India's MSME sector, with more than 6.3 crore registered enterprises, contributes around 30% to the India's GDP and over 45 per cent of exports. It is also one of the largest sources of non-agricultural employment in India. Despite their economic importance, many MSMEs, especially those located in Tier-2 and Tier-3 towns, still struggle to access affordable professional compliance support. Over the years, compliance requirements relating to GST, income tax and ROC filings have increased significantly. However, qualified professionals such as Chartered Accountants, Cost Accountants and Company Secretaries are largely concentrated in urban areas, making professional services costly and difficult to access for small businesses.

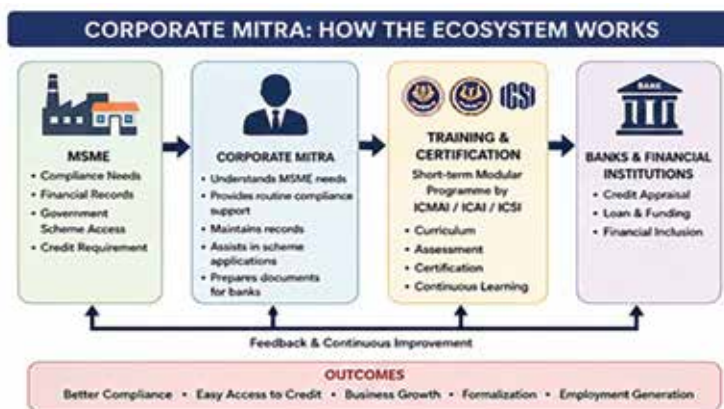
To address this gap, the Union Budget 2026-27 introduced the Corporate Mitra initiative. The objective of the initiative is to create trained para-professionals who can provide affordable and locally available compliance assistance to MSMEs. The programme is being developed by the Institute of Cost Accountants of India (ICMAI) or by other professional bodies .i.e. ICAI and ICSI by combining expertise in accounting, taxation, corporate compliance and cost accounting. Beyond

compliance support, the initiative is also help MSMEs to become more formalized, improve credit availability and create employment opportunities across the country.

The Union Budget 2026-27: Policy Genesis and Framework

In the Union Budget 2026-27, Finance Minister Mrs. Nirmala Sitharaman announced the Corporate Mitra initiative as part of the Government’s broader MSME support framework. The primary objective of this initiative is to help MSMEs manage increasing compliance requirements such as GST, income tax and ROC filings etc, particularly in Tier-2 and Tier-3 cities where access to professional support is very limited. Corporate Mitras are expected to provide affordable compliance assistance at the small towns. To support the initiative, ICAI, ICAI and ICSI have been entrusted with developing short-term modular certification programmes to train para-professionals with practical compliance skills. These training programmes are expected to create a large pool of Corporate Mitras who can be deployed quickly across the country.

The Corporate Mitra initiative is also connected with other MSME reforms announced in Budget 2026-27, particularly the establishment of the ₹10,000 crore SME Growth Fund. The Fund aims to improve the credit-readiness of MSMEs and facilitate easier access to formal financial support. Corporate Mitras can support this process by helping enterprises maintain books of account, comply with GST and ROC requirements and keep proper financial records. MSMEs that maintain good compliance practices generally have better chances of obtaining formal credit and institutional funding. While Corporate Mitras assist MSMEs in meeting compliance requirements, the SME Growth Fund helps them to obtain the financial assistance for business expansion and growth.



Budget Initiative	Purpose	Role of Corporate Mitras
Corporate Mitra Programme	Compliance support for MSMEs	Main initiative
SME Growth Fund (₹10,000 crore)	Financial support for MSMEs	Helps MSMEs become eligible for loans and funding
Certification Programme	Training by ICAI, ICAI and ICSI	Provides skills and certification to Corporate Mitras
Udyam Registration Drive	Registration of MSME	Assists MSMEs in Udyam registration
Focus on Tier-2 & Tier-3 Cities	Support for underserved areas	Improves access to compliance services in smaller towns

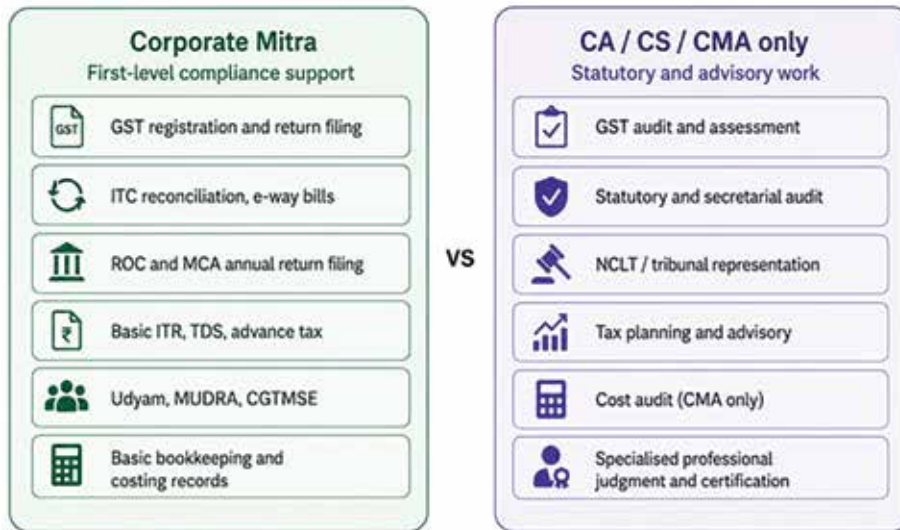
Understanding the Corporate Mitra: Scope, Role and Boundaries

The role of a Corporate Mitra is designed to provide first-level compliance support system for MSMEs. The objective is to reduce the day-to-day compliance difficulties faced by small businesses in the areas of maintenance of books, GST, ROC, income tax and access to Government schemes. Most MSMEs struggle not because of complex legal issues, but because of difficulties in basic compliance execution such as proper and timely filing GST returns, maintenance of records, or completing documentation requirements. Corporate Mitras are trained to address these operational challenges in an affordable and easy manner. Their responsibilities include assistance with GST compliance such as GST registration, GSTR-1 and GSTR-3B returns filing, reconciliation of ITC, e-way bill generation. They also help in maintaining ROC and LLP

records, filing annual MCA returns etc. In the area of income tax, Corporate Mitras support preparation of financial statements, TDS filing, advance tax computation and payment and filing of non-tax audit returns. They additionally assist MSMEs in availing Government schemes such as Udyam Registration, CGTMSE, MUDRA and PM Vishwakarma, while also helping enterprises maintain basic bookkeeping records, costing records and financial information required for banks.

The Corporate Mitra framework also defines its own boundaries. Corporate Mitras are intended to function as front-end facilitators and compliance support personnel, not as substitutes for qualified professionals such as Chartered Accountants, Cost Accountants, or Company Secretaries.

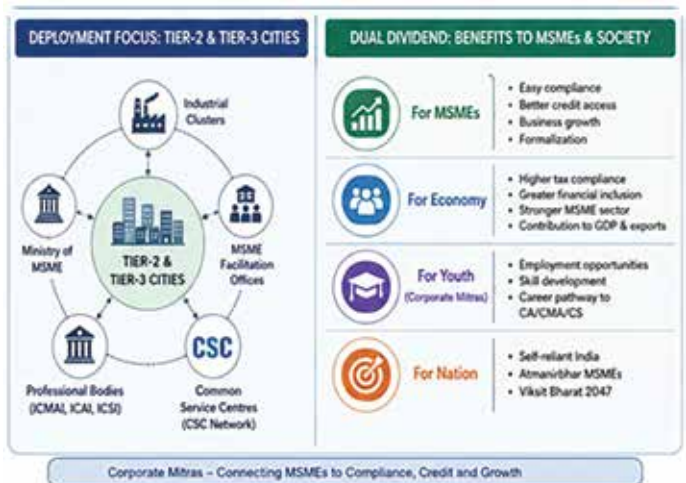
Activities requiring statutory authority, professional certification, advanced advisory services, legal representation, or specialised professional judgment remain within the exclusive domain of qualified professionals.



Deployment Focus: Tier-2 and Tier-3 Cities

The Budget mainly focus on the deployment of Corporate Mitras in Tier-2 and Tier-3 cities. Businesses in large cities usually have easier access to tax practitioners, GST consultants and CA/CMA/CS firms. But, enterprises in smaller towns are still facing shortage of easy and affordable professional support.

On the other hand, Government initiatives such as PLI schemes, PM Gati Shakti yojana projects and industrial corridor development are encouraging new business activity in these rural and semi-urban area. As more enterprises are established, the demand for compliance support is also increasing. Corporate Mitras can help meet this requirement by assisting MSMEs in maintaining records and complying



with regulatory requirements.

For effective implementation, professional bodies such as ICAI, ICAI and ICSI need work in coordination with the Ministry of MSME to identify MSME clusters where Corporate Mitras are mostly required. The existing Common Service Centre (CSC) network, which has more than 5 lakh centres across the country, can also be used to provide services in rural and semi-urban areas. In addition, MSME Development and Facilitation Offices (MDFOs) can also help in identification of local compliance gaps and support the deployment of Corporate Mitras in those regions.

Employment Generation: A Dual Dividend

▢ The Corporate Mitra initiative is expected to create around 20-25 lakh direct employment opportunities over the period. It can open up new job opportunities for graduates with knowledge in the areas of accounting, taxation, corporate law and business compliance etc.

▢ The programme can benefit commerce, accounting and management graduates, particularly those living in Tier-2 and Tier-3 cities. It may provide a career option for those who are unable to complete professional courses like CA, CMA and CS.

▢ Corporate Mitras can improve MSMEs ability to obtain bank loans and other institutional funding. This may support business expansion and growth.

▢ Better compliance and access to finance can also help MSMEs make greater use of Government schemes and formal credit facilities, contributing to business growth.

▢ 'Corporate Mitra' certification may also encourage to pursue higher professional qualifications in the future. If suitable exemptions or credits are provided, it can serve as a pathway towards CA, CMA and CS.

Implementation Challenges and Policy Recommendations

▢ The successful implementation of the Corporate Mitra framework requires strong coordination among ICAI, ICAI and ICSI for a common curriculum and standards.

▢ Cost and Affordability remains a key concern for small business; therefore, a tiered fee model with possible Government support for MSMEs may be necessary to ensure large-scale adoption of Corporate

Mitra.

▢ Delivery of quality service over a period is essential. This can be achieved through annual re-certification, grievance redressal mechanisms and periodic audits.

▢ Awareness and trust regarding Corporate Mitra services may be low. Therefore, efforts are needed to create awareness and build confidence.

▢ Collaboration with industrial associations, MSME facilitation channels and the Common Service Centre (CSC) network can improve awareness, availability and trust in Corporate Mitra services.

Conclusion: Corporate Mitras and the Viksit Bharat Vision

The Corporate Mitra initiative is a significant reform for MSME sector. It recognises that financial support and regulatory changes alone are not enough. Small businesses also need easy access to professional support for day-to-day regulatory compliance. Corporate Mitras are meant to fill this gap by connecting MSMEs with the compliance system. The involvement of ICAI, ICAI and ICSI is particularly noteworthy. It brings together knowledge of accounting, taxation, company law and cost management in to a unified support structure for MSME. At the same time, Corporate Mitras are will not to replace but complement qualified professionals like CAs, CMAs and CSs. Clear boundaries between Corporate Mitras role and that of qualified professionals are important to protect both MSMEs and professional standards. The success of this initiative will depend on the quality of implementation, certification standards, effective quality checks and affordable services for small businesses. As India works toward its Viksit Bharat 2047 goal, the Corporate Mitra programme can play an vital role in helping MSMEs become more formal, more compliant and more sustainable. **MA**

References

1. *Union Budget 2026-27.*
2. *MSME Annual Report.*
3. *MSME and Udyam Registration Portal Statistics.*
4. *MSMED Act, 2006 and notifications thereof.*
5. *Government policy documents relating to Ease of Doing Business and Digital Governance.*