

NITI plans policy for medium-size firms

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New Delhi, 3 March

The NITI Aayog is formulating a policy to help medium enterprises become large companies, shedding their current inhibition about losing incentives meant for micro, small and medium enterprises (MSMEs).

“The government schemes mostly fit micro and small enterprises, while medium enterprises are missing out. We need a policy that encourages these medium enterprises. Why should we have only 10 Indian multinationals? Why not 100?” a government official asked.

Another government official said the key is to allow MSMEs to have tailored solutions so that medium enter-



prises, especially export-import (exim) traders, can be integrated more meaningfully into global value chains, separate from the distinct needs of micro enterprises.

Chief Economic Advisor (CEA) in the finance ministry, Anantha

Nageswaran, in December last year, criticised India’s historical policies for MSMEs, arguing that they have stifled growth by keeping enterprises small.

“Our policies have robbed MSMEs of the mindset and incentives to grow. We must remove this fear of growth and enable them to thrive,” he said.

Nageswaran said MSMEs should shed their fear of growth and transform across scales — from micro to small, from small to medium, and from medium to large enterprises.

“Deregulation and threshold-based concessions should be linked to economic activity, not rigid metrics, to encourage growth,” he added.

The 2025-26 Union Budget raised investment and turnover limits for MSMEs by 2 to 2.5 times.