

India's Festive Season Business Report 2026: How MSMEs are Preparing for the Diwali Demand Surge

Category: Business

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The upcoming Diwali season presents a great opportunity for many Micro, Small and Medium Enterprises (MSMEs) in India. Traders, wholesale dealers and manufacturers will have to build up their stock, arrange for raw material procurement, and set aside extra funds for meeting the increased expenses before new sales start coming in. It makes sense for any business to plan ahead and prepare cash flow in advance so that it does not have to adjust its regular operations to accommodate festive season sales.



MSMEs Prepare for Diwali Demand Surge 2026

The [Economic Survey 2025-26](#), released by the Government of India's Ministry of Finance, underlines the contribution that the sector makes to the economy: 31.1% of India's GDP, 35.4% of manufacturing output and 48.58% of exports. Against this backdrop, it is important to take note of the financial preparedness of MSMEs, who need to manage seasonal demands while continuing with their operations.

Preparing for the Festive Demand Surge

Preparing for the festive season means that MSMEs have to consider the purchase of materials and costs against the amount of sales that they expect to make. Reviewing previous sales patterns, working with suppliers, and projecting expenses can help businesses deal with the purchases. Managing the gap between upfront expenditure and payments received from customers is equally important to maintaining healthy cash flows during this period.

Access to finance can be one of the factors businesses

consider when preparing for this gap. However, financing requirements need to be assessed against expected cash flows, repayment capacity, and the cost of borrowing to ensure that seasonal expansion remains financially sustainable.

Role of Business Financing in Seasonal Preparedness

Access to timely finance can help eligible Micro, Small & Medium Enterprises (MSMEs) to meet their seasonal expenses and also to gear up for any festive spurt in demand. Lendingkart provides corporate [business loans](#) of up to Rs. 50 lakh to eligible businesses. Such financing may be considered by enterprises evaluating their working capital requirements ahead of the festive season.

Commenting on the importance of financial preparedness, **Aman Khanna, Digital Marketing Director, Lendingkart**, said, *"The festive season presents significant growth opportunities for India's MSMEs, but capitalising on demand requires careful financial planning. Anticipating working capital needs and accessing credit responsibly can help businesses manage seasonal fluctuations and build long-term resilience."*

As the festive season approaches, a combination of demand forecasting, disciplined inventory management, and prudent financial planning can help MSMEs meet seasonal requirements while keeping longer-term business priorities in view.

About Lendingkart

Lendingkart is a fintech company focused on facilitating access to business finance for micro, small, and medium enterprises (MSMEs) across India. Through its technology-driven approach, the company offers business loans of up to Rs. 50 lakh to eligible businesses, subject to assessment and verification.

Lendingkart helps eligible enterprises meet their working capital requirements and also provides finance to meet their operational expenses and foster business growth. Through its digital lending model, Lendingkart has simplified the loan application journey for business owners across India.

For more information, visit www.lendingkart.com

