

84% of Indian SMEs Plan to Increase Cybersecurity Investments, finds 'SME Digital Insights' Study

- 40% of SMEs have faced a cyber incident in the last 24 months, yet only 28% made structural security changes post-incident
- 12% of SMEs continuously monitor cybersecurity environments
- 45% of SMEs cite lack of expertise as the biggest barrier to effective cybersecurity implementation

New Delhi, 16th September 2026: As cyber threats become increasingly sophisticated, Indian SMEs are strengthening their cybersecurity focus. 84% Of SMEs plan to increase cybersecurity investments over the next 12–24 months, according to the latest **SME Digital Insights 2026: Cybersecurity study** by Tata Tele Business Services (TTBS) and CyberMedia Research (CMR). This reflects a growing recognition that cybersecurity has evolved from an IT function into a strategic business priority.

The study, however, also highlights a significant readiness gap. While investment intent is strong, many SMEs continue to rely on reactive security practices. 40% of SMEs have experienced a cyber incident over the last two years, yet only 28% implemented structural cybersecurity improvements after the incident. Similarly, only 12% continuously monitor their cybersecurity environments, highlighting the need for proactive, continuously managed cybersecurity capabilities.

The findings further reveal that cybersecurity maturity among Indian SMEs remains uneven as nearly 35% operate multiple cybersecurity tools with limited visibility into risks. While organisations continue to adopt multiple security solutions, many struggle with fragmented visibility, limited monitoring capabilities and shortages of skilled cybersecurity professionals.



Vishal Rally

"Indian SMEs are entering a new phase of digital maturity, with cybersecurity becoming a key priority for business resilience, customer trust and sustainable growth," said Vishal Rally, Chief Revenue Officer, Tata Teleservices. "It is encouraging to see that 84% of SMEs plan to increase their cybersecurity investments over the next two years. As cyber threats continue to evolve, businesses need to make cybersecurity an integral part of their broader digital transformation journey, rather than treat it as a standalone initiative.

At the same time, there is a clear capability gap, with 45% of SMEs identifying a lack of cybersecurity expertise as their biggest challenge in implementing effective security measures. This is where trusted technology partners can make a meaningful difference by simplifying cybersecurity, addressing capability gaps and providing integrated, continuously managed solutions that can adapt to emerging threats. At TTBS, our focus is to make enterprise-grade cybersecurity more accessible, scalable and easier to adopt, so SMEs can strengthen their cyber resilience with confidence while continuing to grow and accelerate their digital transformation."

**Prabhu Ram**

According to Prabhu Ram, Vice President - Industry Research Group (IRG), CyberMedia Research (CMR), "Our study findings highlight a clear inflection point in the cybersecurity journey of Indian SMEs. While investment intent is rising sharply, cyber maturity remains uneven, with just 12% of SMEs continuously monitoring their cybersecurity environments. Many are still relying on fragmented security deployments, periodic reviews, and reactive remediation, even as the threat environment becomes more persistent and sophisticated. This gap between intent and preparedness is the defining challenge for Indian SMEs today. At CyberMedia Research (CMR), our analysis suggests that SME cyber resilience will increasingly depend on integrated, continuously managed approaches — a shift already visible among the more mature enterprises in our sample."

The study also found that while 46% of SMEs overall allocate less than 5% of their IT budgets towards cybersecurity, the higher allocation among very-high-intent SMEs indicates a stronger correlation between investment intent and established cybersecurity foundations. This suggests that future cybersecurity investment is increasingly being driven by efforts to strengthen an existing security foundation, rather than responding only to immediate security gaps.

Against this backdrop, the study also highlights the emerging role of AI in strengthening cybersecurity, with 35% of SMEs recognising AI as a cybersecurity enabler that can accelerate threat detection, automate routine monitoring and strengthen cyber resilience. At the same time, 34% expect AI-powered cyber threats to materially impact their business over the next 12–24 month. These findings underscore the opportunity for SMEs to harness AI alongside continuously managed cybersecurity capabilities to strengthen resilience and stay ahead of evolving threats.

Key Findings from the SME Digital Insights Study

Cybersecurity Investment Signals Strong Growth Opportunity

- 84% of Indian SMEs plan to increase cybersecurity investments over the next 12–24 months, reflecting growing recognition that cybersecurity is now a strategic business priority.
- Medium-sized enterprises are leading this trend, with 89% planning to increase investments.
- However, 46% of SMEs continue to allocate less than 5% of their IT budgets towards cybersecurity, indicating significant headroom for strengthening cyber resilience.

SMEs are prioritising trusted, specialist cybersecurity partnerships

- 48% of SMEs value ease of integration and quality customer support when evaluating cybersecurity partners.
- 46% prioritise trust and long-term relationships.
- 45% value strong security and compliance capabilities.

Cybersecurity Preparedness evolves as SMEs strengthens their defences

- 40% of SMEs have experienced a cyber incident in the last 24 months.
- Only 28% implemented structural cybersecurity improvements following the incident.
- 60% responded by making tactical security tool upgrades rather than strengthening their overall security posture.
- 35% operate multiple cybersecurity tools with limited visibility into risks.

AI is Emerging as a Cybersecurity Enabler

- 35% of SMEs recognise AI's potential to strengthen cyber resilience through intelligent threat detection, automated monitoring and faster incident response.
- 34% expect AI-powered cyber threats to materially impact their business over the next 12–24 months.

About the SME Digital Insights

The **CMR SME Digital Insights Study 2026: Cybersecurity** is based on a primary enterprise survey, conducted across eight cities of India, including Delhi, Mumbai, Kolkata, Bengaluru, Chennai, Hyderabad, Ahmedabad, Pune. The study is based on a sample consisting of 800 IT Heads / Decision Makers of organization spread over 150 Micro, 350 Small and 300 Medium enterprises.

Link to access whitepaper: TTBS SME Digital Insights-2026

About Tata Teleservices

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About CMR:

CyberMedia Research (CMR) is one of India's most trusted technology research and advisory firms, delivering market intelligence, strategic consulting, and go-to-market support to enterprises, industry bodies, and government organisations. Backed by over three decades of research excellence and deep expertise across the technology landscape, CMR helps clients navigate market complexity with sharp, evidence-based insights grounded in rigorous primary research — enabling smarter decisions in a fast-evolving digital economy.

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