

New Study on the Business Financial Health and Resilience of Small and Medium Enterprises (SMEs) in India highlights disparities for Women-Owned SMEs and Impact Opportunities for Financial Institutions

October 2025

SMEs in India care about their business financial resilience and are exhibiting strong business financial health and resilience across a number of indicators tracked by Financial Resilience Institute. Still, access to financial help challenges and barriers exist, in particular for Women-Owned/ Women-Led SMEs, with significant opportunities for business financial health innovation by financial institutions and other organizations to catalyze positive change.

September, 2025 – **Financial Resilience Institute**, a leading authority on financial resilience and well-being in Canada and globally, publishes its market-leading ‘**The Business Financial Health and Resilience of SMEs and Women-Owned SMEs in India**’ report. Made possible thanks to the support of Standard Chartered, the report shares data and insights on the business financial health and resilience of SMEs in India, bringing in a disaggregated gender lens perspective throughout. While sharing many new and holistic indicators and key insights from a disaggregated gender lens perspective.

This report shares many new and holistic indicators and key insights including business financial health, financial resilience and business owner financial wellness indicators, of relevance across many markets, developed in line with the Institute’s Business Financial Health and Resilience Framework, published for the first time ^[1]. The online study, designed and conducted by the Institute in June 2025, is based on sample size of 409 SMEs with annual revenues between \$US100,000 and \$2MM.

The Business Financial Health and Resilience Framework enables the measurement and analysis of SME financial health and resilience in connection with the business owners’ personal financial health, resilience and wellness. It incorporates financial practices and financial behaviours from a holistic perspective across the spectrum of daily financial management, cashflow management, saving, planning, investing (including succession planning), borrowing, debt management and protection. A lens on the personal financial well-being of business owners is also included in this study, measured through the Institute’s subjective Financial Well-Being Index Model ^[2].

Based on the market-leading study, SMEs in India are exhibiting strong business financial health and resilience. 73% of SMEs report having liquid cash or retained earnings of over six months to cover their business’ operating expenses. 93% of SMEs report they want to better understand their business financial resilience and how they can improve it, with the concept of business financial health and resilience highly relevant. 52% of SMEs that rate their primary SME Financial Institution (FI) highly for supporting their business’ financial resilience over the past year report also being very likely to become brand advocates. Still, 92% report that SME financial institutions can do more to support their financial health and resilience in line with their goals.

There are significant business benefits in Financial Institutions (FIs) investing in helping their SME customers to maintain or improve their business financial resilience. 45% of the same SMEs report they are very likely to use the FI for more of their business banking needs if they don't do so already, and 43% report they are very likely to use the FI for more of their personal banking needs if they don't do so already. The report provides evidence of the strong business and social impact case for FIs to better support SMEs in India and other countries around the world, while helping to foster sustainable finance, build overall resilience and better support their customers, employees and communities as key engines of the local economies around the world.

Interestingly, Women-Owned SMEs are more financially resilient than Men-Owned SMEs across some indicators, such as their business liquid savings indicator. Yet they are also challenged across other indicators. A deeper look from the gender-financial resilience lens highlights differences, with Women-Owned SMEs having unique challenges. For example, while access to business social capital (trusted mentors and advisors they can turn to for advice when tough decisions need to be made) is nearly equal among Women- and Men-Owned SMEs (64% vs. 65%), Women-Owned SMEs report they are less likely to turn to their business social capital for advice compared to their male counterparts. This signals opportunities for Financial Institutions and other organizations to do more to help more Women-Owned SMEs to access and utilize business networks and support, as well as relevant, affordable business banking solutions such as credit, insurance protection or value-added offerings such as business financial health checks.

Women-Owned SMEs face additional barriers in accessing business banking financial products and solutions, with nearly 3 in 4 Women-Owned SMEs (76%) report facing 3 or more difficulties in accessing business banking products, support, or solutions in the past 12 to 24 months, compared to 68% of Men-Owned SMEs. Women-Owned SMEs are critical to support, and if well supported by FIs from a business financial resilience perspective, they are highly likely to become brand advocates and use their primary FI for more of their business banking needs, with 57% of Women-Owned SMEs reporting they are likely to recommend their primary financial institution if well supported from business financial resilience perspective, compared to 48% of Men-Owned SMEs.

While financial resilience can be strong financial stress levels and indicators can be more challenged for SMEs. Over half (55%) of SMEs report having high levels of stress over their businesses' current and future financial obligations, and only 45% pay themselves a regular salary. Women-Owned SMEs face higher financial stress compared to their male counterparts and just 36% paying themselves a regular salary, compared to 55% of Men-Owned SMEs. This study also marks Financial Resilience Institute's first-time tracking on the personal financial well-being score of India SME business owners based on the Institute's Financial Well-Being Index Model. Female entrepreneurs are significantly less likely to be 'Thriving' and could benefit from integrated business and personal financial health and wellness support from their FIs, with this also relevant for Men-Owned SMEs as well.

Building on its climate-change and financial resilience impact measurement leadership of households in Canada, the Institute's Study provides leading-edge data on the impact of extreme weather on the financial situation of SMEs in India. As of June 2025, a significant 42% of SMEs report that extreme weather events, including heat, floods, and fires, have negatively affected their businesses' financial situation over the past 12 to 24 months. The impact is particularly

significant among Women-Owned SMEs, where over a third report being negatively affected. Not all SMEs have insurance protection overall or to mitigate climate change in their business however, with this highlighting the need for assistance in mitigating climate change risks potentially impacting SMEs through relevant insurance, advice and other solutions.

Our study highlights the strengths SMEs in India report they demonstrate and just how relevant and important a focus on business financial health and resilience is. The study also highlights significant opportunities for Financial Institutions and others to better support SMEs overall and in particular Women-Owned or Women-Led SMEs, given financial inclusion and access-to-financing and financial help gaps highlighted in the report from a gender-lens perspective. We know there is a strong business case for helping SMEs to maintain or improve their business financial health and resilience, including from an integrated business and personal banking perspective. Financial Institutions and others have a key role to play in helping SMEs while achieving their business and financial goals, knowing this is journey. In this way, Financial Institutions as social finance leaders, and other organizations, can help businesses to not just survive, but thrive, creating a more financially resilient, inclusive and sustainable future for people and communities.

The report supports this with several emerging opportunities for financial institutions to intentionally strengthen small businesses through a business financial health and resilience lens. These include but are not limited to deepening FIs' understanding of SME business and business financial health and resilience needs; integrating business financial health and resilience check-ups; finding ways to help SMEs drive efficiencies and where appropriate, mitigate against climate change risks. There are also significant opportunities to provide relevant advice and support; and optimizing products, solutions, financing and access-to-help to drive positive outcomes. Additional opportunities involve assisting in building peer networks and encouraging the utilization of business social capital; helping SMEs with their financial stress and supporting SMEs in achieving their business and financial goals and improved financial and resilience.

This requires infusing a business financial health and resilience lens into the SME customer experience; engagement and advisory approach; and expanding access to relevant solutions across the spectrum of financial services. There are significant opportunities for Financial Institutions to innovate and help SMEs to build their financial health and resilience, while catalysing positive change, also working with other stakeholders from a cross-sector collaboration perspective.

The full report can be accessed here: <https://www.finresilienceinstitute.org/business-financial-health-and-resilience-report/>

About Financial Resilience Institute

Financial Resilience Institute is a non-profit organization and a leading independent authority on financial resilience and financial well-being in Canada and globally. The Institute is working to help improve the financial resilience, health and well-being of all global citizens, and in particular more those who are more financially vulnerable or underserved. The Institute partners with financial institutions, policymakers, employers and financial health innovators globally to develop and implement evidence-based solutions that improve financial resilience, health and well-being for individuals, small businesses, employees and communities. More information is available at: www.finresilienceinstitute.org

For more research, data and insights follow Financial Resilience Institute on [LinkedIn](#).

For press enquiries or to request an interview regarding Financial Resilience Institute's key findings in the report contact:

Katie Sutter, Business Development, Communications and Impact Consultant
katie@finresilienceinstitute.org
1 416 896 8510



Definitions of SMEs and Women-Owned SMEs

There are different definitions of Small and Medium Size Enterprises (SMEs) in different countries and markets, with no one single definition. For the purposes of this study, SMEs are defined as businesses with annual revenues between \$US 100,000 US and \$US 2 million operating in India, excluding start-ups that have been in business for less than one year. All SME survey respondents are primary or joint financial decision-makers for their business.

Women-Owned or Women-Led SMEs are defined as businesses where a woman owns a majority stake in the business of greater than 51% with this informed by the OECD and WE-Finance Code Guidance.

[1] **'Business Financial Health and Resilience Framework'** refers to a model developed by Seymour Management Consulting Inc. and licensed by Financial Resilience Society (dba Financial Resilience Institute). This provides a framework for analysis of the financial health and resilience of Small and Medium Sized Enterprises (SMEs) and the relationship with the respective business owner's personal financial health, financial resilience, and financial wellness. The framework focuses on business financial practices and behaviours across the spectrum of daily financial management, cashflow management, saving, planning, and investing (including succession planning), and borrowing, debt management, and protection.

[2] **'Financial Well-Being Index Model'** builds on the proprietary Financial Well-Being Framework, Financial Well-Being Studies, and Financial Resilience Index Model developed by Seymour Management Consulting Inc. and licensed by the Institute. This provides a subjective measure of consumer financial well-being, defined as *'a state of being where a person can meet her current and on-going financial obligations, feel secure in her financial future and is able to make choices that allow her to enjoy life'*. The Financial Well-Being Index Model methodology is published on the Institute's website at: <https://www.finresilienceinstitute.org/financial-well-being-model-development-methodology/>. The Financial Well-Being Index Model and Institute's free toolkit (the "Toolkit") and its accompanying License is available at: <https://www.finresilienceinstitute.org/financial-well-being-index-model-toolkit/>

