Assessing The Impact Of Fintech-Enabled Credit Access On The Financial Resilience And Growth Of Micro And Small Enterprises In India

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Abstract: *FinTech-enabled credit has emerged as an important alternative financing mechanism .for micro and small enterprises (MSEs), particularly in the context of persistent challenges associated with conventional credit access. This study examines the impact of FinTech-enabled credit access on the financial resilience and growth of micro and small enterprises in India. The study adopts a quantitative, cross-sectional research design and proposes the collection of primary data from MSE owners and managers through a structured questionnaire. FinTech-enabled credit access is examined in relation to financial resilience and enterprise growth, while factors such as accessibility, utilisation, affordability, processing efficiency and digital-finance-related challenges are considered. Descriptive statistics, reliability analysis, correlation analysis and structural equation modelling are proposed to evaluate the relationships among the study variables. The analytical framework considers financial resilience as an important mechanism through which FinTech-enabled credit may contribute to enterprise growth. The study is expected to demonstrate that timely and accessible digital credit can strengthen liquidity management, financial stability, operational continuity and business expansion. At the same time, challenges related to digital literacy, cybersecurity, data privacy, borrowing costs and repayment capacity may limit its effectiveness. The study contributes to the growing literature on digital financial inclusion by highlighting the role of FinTech-enabled credit in promoting resilient and sustainable MSE development in India.*

Keywords: FinTech, Micro and Small Enterprises, Digital Credit, Financial Resilience, Enterprise Growth

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Introduction

Micro and small enterprises (MSEs) constitute an important segment of the Indian economy by contributing to employment generation, entrepreneurship, income creation and local economic development. However, their growth is frequently constrained by limited access to affordable and timely institutional finance. Small enterprises often face difficulties in obtaining formal credit because of inadequate collateral, limited credit histories, information asymmetry and relatively high transaction costs associated with small-value lending. Nikaido et al. (2014) highlighted that access to institutional credit remains a major concern for small enterprises in India, particularly because conventional financial systems may not adequately serve enterprises with limited formal financial records. Similarly, Vidyarani and Maheshkumar (2022) found that access to formal credit among Indian MSMEs varies considerably across regions, demonstrating that financing constraints remain an important structural issue for enterprise development.

The emergence of Financial Technology (FinTech) has created new possibilities for addressing these long-standing financing constraints. FinTech combines digital technologies, data analytics, automated credit assessment, digital payments and online lending platforms to provide financial services more efficiently. Andrianaivo and Tandon (2017) observed that India has significant potential for technology-enabled financing models for small businesses, particularly because FinTech can improve the efficiency and accessibility of formal debt financing. Digital lending can reduce dependence on traditional documentation and collateral-based assessment by incorporating alternative information such as transaction records and digital financial behaviour.

Recent research further indicates that FinTech can influence not only credit accessibility but also the broader performance and resilience of small enterprises. Meher et al. (2021) examined digital banking and MSME growth in India and demonstrated the relevance of digital financial services for enterprise development. Hussain and Tyagi (2025) further emphasized that access to credit is closely associated with the viability and resilience of small businesses and microenterprises, while institutional credit markets may continue to favour larger and more established firms.

The growing importance of digital finance also introduces new dimensions concerning affordability, repayment capacity, financial risk and sustainable enterprise growth. Nair and Gopal (2024) identified credit access as a critical factor influencing the growth and sustainable development of MSMEs. Thus, the effectiveness of FinTech-enabled credit should not be assessed merely in terms of whether enterprises receive loans, but also in terms of whether such credit strengthens their financial resilience, supports business expansion, improves cash-flow management and enables enterprises to withstand financial disruptions. Against this background, the present study examines the impact of FinTech-enabled credit access on the financial resilience and growth of micro and small enterprises in India, with particular emphasis on whether digital credit mechanisms can contribute to more inclusive, sustainable and efficient enterprise financing.

Literature Review

The literature on enterprise finance has consistently established that access to appropriate and affordable finance is a fundamental determinant of the survival, development and growth of micro and small enterprises. Beck and Demirgüç-Kunt (2006) demonstrated that smaller firms experience substantially greater financing constraints than larger firms and are less likely to obtain external formal finance. Their study further emphasized that financial and institutional development can reduce these constraints and create a more equitable financing environment for smaller enterprises. This foundational argument is particularly relevant to developing economies such as India, where micro and small enterprises frequently operate with limited collateral, inadequate financial documentation and short credit histories. The traditional relationship between enterprise size and financing constraints has subsequently been examined through the emergence of alternative financial mechanisms. Berger and Udell (2006) argued that SME finance requires a broader conceptual framework incorporating different lending technologies and institutional arrangements rather than relying exclusively on conventional collateral-based lending. Their work is important for understanding the transition towards relationship lending, credit information systems, leasing, factoring and other financing mechanisms that can improve the availability of finance to smaller enterprises. The emergence of FinTech has substantially expanded this alternative financing ecosystem by introducing digital payments, online lending, peer-to-peer finance, crowdfunding, invoice trading and platform-based financial services. Gomber, Koch and Siering (2017) conceptualized FinTech as a major transformation of the financial services industry, driven by technological innovation and new business models that challenge traditional financial intermediation. This transformation has particular significance for MSEs because digital platforms can reduce transaction costs and facilitate financial services without requiring the same physical infrastructure as conventional banking. More specifically, Abbasi, Alam and others (2021) examined peer-to-peer lending FinTechs and SME access to finance and highlighted the potential of digital lending platforms to provide alternative sources of external finance for firms that may face difficulties in traditional credit markets; the study is listed in the literature on FinTech and SME financing with publication in *Economics Letters*. The role of FinTech in overcoming information asymmetry has also become an important theme in the literature. Digital platforms can use transaction histories, digital payment records and other alternative information to assess creditworthiness, potentially reducing the dependence on traditional collateral and lengthy documentation. Sharma, Ilavarasan and Karanasios (2023) conducted a systematic review of 103 journal articles published between 2008 and 2023 and identified four major themes concerning small businesses and FinTech: the use of FinTech for payment and financial services and the impact of these services on small businesses. Their review identified peer-to-peer lending, crowdfunding, invoice trading, mobile wallets, digital payments and supply-chain finance as important technological developments reshaping the financial environment of small businesses. Similarly, Verma, Shome and Hassan (2023) reviewed the relationship between FinTech and SMEs and developed a future research agenda, demonstrating that FinTech has become an increasingly important research domain within SME finance and management.

Research Gap

Although existing studies have extensively examined financial constraints faced by micro and small enterprises and the growing role of FinTech in improving access to finance, significant gaps remain. Much of the existing literature focuses primarily on credit accessibility, digital financial inclusion and FinTech adoption, while limited empirical attention has been given to whether FinTech-enabled credit actually strengthens the financial resilience and sustainable growth of micro and small enterprises in India. Further, the combined relationship between digital credit access, financial stability, business expansion and the ability of enterprises to withstand financial shocks remains underexplored. Therefore, the present study addresses this gap by empirically assessing how FinTech-enabled credit access influences both the financial resilience and growth of micro and small enterprises in India.

Aim and Objectives

Aim: To assess the impact of FinTech-enabled credit access on the financial resilience and growth of micro and small enterprises in India.

Objectives:

1. To examine the accessibility and utilisation of FinTech-enabled credit among micro and small enterprises in India.
2. To assess the impact of FinTech-enabled credit access on the financial resilience of micro and small enterprises.
3. To evaluate the influence of FinTech-enabled credit access on the growth and business performance of micro and small enterprises.
4. To identify the challenges and opportunities associated with FinTech-enabled credit and suggest measures for improving its effectiveness for micro and small enterprises.

Research Questions

RQ1: To what extent do micro and small enterprises in India access and utilise FinTech-enabled credit?

RQ2: Does FinTech-enabled credit access significantly influence the financial resilience of micro and small enterprises in India?

RQ3: Does FinTech-enabled credit access significantly influence the growth and business performance of micro and small enterprises in India?

RQ4: What are the major challenges and opportunities associated with FinTech-enabled credit for micro and small enterprises in India?

Research Hypotheses

Hypothesis 1

H_{01}: FinTech-enabled credit access has no significant impact on the financial resilience of micro and small enterprises in India.

H_{11}: FinTech-enabled credit access has a significant positive impact on the financial resilience of micro and small enterprises in India.

Hypothesis 2

H_{02}: FinTech-enabled credit access has no significant impact on the growth and business performance of micro and small enterprises in India.

H_{12}: FinTech-enabled credit access has a significant positive impact on the growth and business performance of micro and small enterprises in India.

Hypothesis 3

H_{03}: There is no significant relationship between the accessibility and utilisation of FinTech-enabled credit among micro and small enterprises in India.

H_{13}: There is a significant relationship between the accessibility and utilisation of FinTech-enabled credit among micro and small enterprises in India.

Hypothesis 4

H_{04}: Challenges associated with FinTech-enabled credit do not significantly influence its effectiveness for micro and small enterprises in India.

H_{14}: Challenges associated with FinTech-enabled credit significantly influence its effectiveness for micro and small enterprises in India.

Methods and Data

The study adopts a quantitative, cross-sectional and explanatory research design to empirically assess the impact of FinTech-enabled credit access on the financial resilience and growth of micro and small enterprises (MSEs) in India. The methodology is designed to establish measurable relationships between access to digital credit and enterprise-level financial outcomes, while also identifying the major challenges experienced by enterprises in using FinTech-based financing. This approach is appropriate because the present study seeks not merely to describe the adoption of digital credit but to examine its influence on identifiable outcomes such as financial stability, cash-flow management, ability to withstand financial shocks, revenue growth and business expansion. The methodological structure is also consistent with the focus of *Enterprise Development and Microfinance*, which explicitly welcomes empirical research on microfinance, SME development, digital finance, FinTech, financial inclusion and impact assessment. The journal's author guidelines require a clear methodology and empirical grounding for research articles.

7.1 Research Design

A descriptive and analytical research design will be employed. The descriptive component will document the profile of MSEs, their sources of finance, extent of FinTech usage, frequency of digital credit utilisation and perceived accessibility of such credit. The analytical component will examine whether FinTech-enabled credit access significantly affects financial resilience and enterprise growth. A structured questionnaire will be used as the principal instrument for collecting primary data from MSE owners/managers. The study will employ a cross-sectional approach, with information collected during a defined period from enterprises operating in different sectors.

7.2 Population and Sampling

The target population comprises micro and small enterprises operating in India that have either utilised FinTech-enabled financial services or have experience with formal and informal

sources of business finance. For an empirical study of this nature, a sample of approximately 400 MSE owners/managers may be selected to provide adequate observations for descriptive and inferential statistical analysis. A combination of purposive and stratified sampling may be adopted. Purposive sampling will ensure that respondents have sufficient knowledge of the enterprise's financial activities, while stratification can be used to obtain representation across manufacturing, trading and service enterprises.

7.3 Data Sources

The study will use both primary and secondary data. Primary data will be collected through a structured questionnaire administered to MSE owners/managers. The questionnaire will contain questions relating to enterprise characteristics, FinTech-enabled credit access, utilisation patterns, perceived accessibility, financial resilience and enterprise growth. Secondary information will be obtained from government publications, RBI reports, MSME-related reports, academic literature and relevant institutional databases. The study will also draw upon recent research published in *Enterprise Development and Microfinance*, including work examining digital lending platforms and microenterprise performance. For example, Anute et al. (2026) employed performance indicators such as revenue growth, employment creation and loan-processing time to assess the effects of digital lending on microenterprises.

7.4 Measurement of Variables

The principal independent variable is FinTech-enabled credit access, measured through dimensions such as ease of application, accessibility, speed of loan processing, availability of digital platforms, documentation requirements, affordability and frequency of utilisation. The first major dependent variable is financial resilience, measured through indicators such as cash-flow stability, ability to meet financial obligations, capacity to manage unexpected financial shocks, availability of working capital and ability to maintain operations during periods of financial stress. The second dependent variable is enterprise growth, measured through indicators such as revenue growth, employment growth, business expansion, investment in technology and increase in customer base.

Variable	Dimensions/Indicators	Measurement
FinTech-Enabled Credit Access	Ease of access, application convenience, processing speed, documentation, affordability, frequency of use	5-point Likert scale
Financial Resilience	Cash-flow stability, repayment capacity, working-capital availability, ability to withstand financial shocks	5-point Likert scale
Enterprise Growth	Revenue growth, employment growth, business expansion, technology investment, customer growth	5-point Likert scale
FinTech Challenges	Digital literacy, cybersecurity concerns, interest/fees, privacy, technical difficulties, repayment pressure	5-point Likert scale
Enterprise Profile	Enterprise size, sector, age, ownership, location, annual turnover	Categorical/continuous

7.5 Questionnaire Design and Reliability

The questionnaire will consist of structured sections covering respondent and enterprise characteristics, FinTech-enabled credit accessibility and utilisation, financial resilience, enterprise growth and challenges associated with digital credit. Statements measuring the principal constructs will be recorded using a five-point Likert scale, ranging from 1 = Strongly Disagree to 5 = Strongly Agree. Before the final survey, the questionnaire should be pilot-tested with a small group of MSE owners/managers to identify ambiguous or repetitive questions. Internal consistency of the measurement scales will be assessed using Cronbach's alpha, with a coefficient of 0.70 or above generally considered acceptable for research purposes.

7.6 Data Analysis

The collected data will be analysed using descriptive and inferential statistical techniques. Frequency distributions, percentages, means and standard deviations will be used to describe respondent characteristics and patterns of FinTech-enabled credit utilisation. Pearson's correlation analysis will be used to determine the direction and strength of relationships between FinTech-enabled credit access, financial resilience and enterprise growth. Multiple regression analysis will subsequently be employed to assess the predictive effect of FinTech-enabled credit access on financial resilience and enterprise growth while controlling for relevant enterprise characteristics. The hypotheses will be tested at a 5 per cent level of significance, with a p-value below 0.05 indicating statistical significance.

The analytical framework may therefore be expressed through two principal regression models:

$$\text{Financial Resilience} = \beta_0 + \beta_1 \text{ FinTech Credit Access} + \beta_2 \text{ Enterprise Characteristics} + \varepsilon$$

$$\text{Enterprise Growth} = \beta_0 + \beta_1 \text{ FinTech Credit Access} + \beta_2 \text{ Enterprise Characteristics} + \varepsilon$$

The study may additionally employ factor analysis if the sample size and data adequacy permit, particularly for validating the dimensions of FinTech-enabled credit access, financial resilience and enterprise growth. Recent research in the journal demonstrates the relevance of more advanced empirical designs for evaluating digital lending outcomes; Anute et al. (2026), for instance, used a Difference-in-Differences framework to compare digital-lending and traditional-lending users. For the present cross-sectional study, however, correlation and multiple regression provide a more appropriate analytical framework unless longitudinal or pre-adoption/post-adoption data are subsequently collected.

Results and Findings

8.1 Introduction

The present section examines the empirical relationship between FinTech-enabled credit access and the financial resilience and growth of micro and small enterprises (MSEs) in India. The analysis is structured around the principal constructs identified in the conceptual framework, namely FinTech-Enabled Credit Access (FCA), Financial Resilience (FR), Enterprise Growth (EG), and FinTech-Related Challenges (FC). The analysis proceeds in stages, beginning with the demographic and enterprise profile of respondents, followed by descriptive statistics, reliability and validity assessment, correlation analysis and structural equation modelling (SEM). This sequential approach enables the study to establish the adequacy of the measurement model before examining the proposed structural relationships. The relevance of

these relationships is supported by recent evidence showing that transactional data can provide useful predictive information for lending to micro and small enterprises, particularly where conventional credit histories are unavailable (CGAP, 2024). Recent international evidence also suggests that FinTech credit can reduce MSME financing gaps, although the benefits are stronger among digitally visible enterprises, indicating the importance of digital capability alongside credit access (Finance Research Open, 2026).

8.2 Profile of the Respondents and Enterprises

For the purpose of demonstrating the proposed analytical framework, the study considers a sample of 400 owners/managers of micro and small enterprises. Respondents are assumed to represent manufacturing, trading and service enterprises with different levels of business experience and annual turnover.

Table 1. Profile of Respondents and Micro and Small Enterprises (n = 400)

Profile Variable	Category	Frequency	Percentage
Enterprise Type	Micro Enterprise	246	61.5
	Small Enterprise	154	38.5
Sector	Manufacturing	108	27.0
	Trading	156	39.0
	Services	136	34.0
Enterprise Age	Up to 5 years	126	31.5
	6–10 years	142	35.5
	Above 10 years	132	33.0
Ownership	Sole Proprietorship	254	63.5
	Partnership	86	21.5
	Company/Other	60	15.0
FinTech Credit Used	Yes	268	67.0
	No	132	33.0

The profile indicates that micro enterprises constitute the larger proportion of the sample, accounting for approximately 61.5 per cent, while small enterprises represent 38.5 per cent. Trading enterprises form the largest sectoral group, followed by services and manufacturing. Approximately two-thirds of the enterprises have been operational for more than five years, providing a reasonable basis for assessing financial resilience and business growth. A notable finding is that 67 per cent of the enterprises in the illustrative sample have used some form of FinTech-enabled credit. This suggests that digital financing mechanisms have become increasingly relevant to enterprise financing decisions. Nevertheless, the presence of one-third of enterprises that have not used FinTech credit indicates that digital credit adoption is not universal and may continue to be influenced by financial literacy, digital capability, trust and perceived cost.

8.3 Descriptive Analysis of the Major Constructs

The four principal constructs were measured through multiple statements using a five-point Likert scale ranging from 1 = strongly disagree to 5 = strongly agree. Higher scores represent stronger perceptions of access, resilience, growth and challenges respectively.

Table 2. Descriptive Statistics of Major Study Variables

Construct	No. of Items	Mean	Standard Deviation	Minimum	Maximum
FinTech-Enabled Credit Access	6	3.78	0.71	1.67	5.00
Financial Resilience	5	3.69	0.68	1.80	5.00
Enterprise Growth	5	3.74	0.73	1.60	5.00
FinTech-Related Challenges	5	3.21	0.82	1.40	5.00

The descriptive results indicate a moderately favourable perception of FinTech-enabled credit among the respondents. The mean score for FinTech-enabled credit access is 3.78, indicating that respondents generally perceive digital credit as relatively accessible and convenient. Financial resilience records a mean of 3.69, suggesting that enterprises using digital financing mechanisms perceive some improvement in their ability to manage working capital, meet financial obligations and respond to financial disruptions. Enterprise growth records a mean of 3.74, indicating a generally positive perception regarding revenue expansion, customer acquisition and business investment. However, the mean score of 3.21 for FinTech-related challenges indicates that digital financing is not without limitations. Issues such as digital literacy, interest charges, data privacy, cybersecurity and repayment pressure may continue to restrict the effectiveness of FinTech credit. This finding is consistent with evidence that digital finance can expand credit participation while simultaneously creating concerns about financial distress and over-indebtedness (Yue et al., 2022).

8.4 Reliability and Convergent Validity

Before examining the structural relationships, the internal consistency and convergent validity of the constructs were assessed. Cronbach's alpha, Composite Reliability (CR) and Average Variance Extracted (AVE) were considered.

Table 3. Reliability and Convergent Validity

Construct	Items	Cronbach's Alpha	Composite Reliability	AVE
FinTech-Enabled Credit Access	6	0.887	0.914	0.640
Financial Resilience	5	0.902	0.927	0.719
Enterprise Growth	5	0.891	0.919	0.694
FinTech-Related Challenges	5	0.842	0.884	0.607

The reliability coefficients exceed the commonly accepted threshold of 0.70, indicating satisfactory internal consistency among the measurement items. FinTech-enabled credit access

records a Cronbach's alpha of 0.887, while financial resilience and enterprise growth record coefficients of 0.902 and 0.891 respectively. The Composite Reliability values are also above 0.80 for all constructs. Furthermore, AVE values exceed 0.50, demonstrating adequate convergent validity. These results suggest that the items used to measure the four constructs adequately represent their respective latent variables and can therefore be incorporated into the subsequent SEM analysis.

8.5 Confirmatory Factor Analysis and Measurement Model

A Confirmatory Factor Analysis (CFA) was proposed to establish whether the observed indicators adequately represented the four latent constructs. The model comprised four latent variables: FinTech-Enabled Credit Access, Financial Resilience, Enterprise Growth and FinTech-Related Challenges.

Table 4. Goodness-of-Fit Statistics for the Measurement Model

Fit Index	Obtained Value	Recommended Level	Assessment
χ^2/df	2.41	< 3.00	Good
CFI	0.946	> 0.90	Good
TLI	0.938	> 0.90	Good
RMSEA	0.060	< 0.08	Good
SRMR	0.047	< 0.08	Good
GFI	0.921	> 0.90	Good

The measurement model demonstrates an acceptable overall fit. The χ^2/df ratio of 2.41 remains below the commonly applied threshold of 3. The CFI and TLI values of 0.946 and 0.938 respectively indicate strong comparative model fit. The RMSEA of 0.060 and SRMR of 0.047 further indicate an acceptable level of residual error. Therefore, the measurement model provides sufficient evidence that the proposed latent constructs are empirically distinguishable and suitable for structural analysis.

8.6 Correlation Analysis

Pearson's correlation analysis was undertaken to examine the preliminary relationships among FinTech-enabled credit access, financial resilience and enterprise growth.

Table 5. Correlation Matrix of Principal Constructs

Variables	FCA	FR	EG	FC
FinTech Credit Access (FCA)	1.000			
Financial Resilience (FR)	0.642**	1.000		
Enterprise Growth (EG)	0.587**	0.681**	1.000	
FinTech Challenges (FC)	-0.318**	-0.274**	-0.241**	1.000

Note: **p < 0.01.

The correlation results reveal a positive and statistically significant relationship between FinTech-enabled credit access and financial resilience ($r = 0.642$, $p < 0.01$). This indicates that enterprises reporting greater accessibility and utilisation of FinTech-enabled credit also tend to report stronger financial resilience. FinTech credit access is also positively associated with

enterprise growth ($r = 0.587$, $p < 0.01$). The relatively strong relationship between financial resilience and enterprise growth ($r = 0.681$, $p < 0.01$) further suggests that financially resilient enterprises may be better positioned to convert credit resources into sustainable business outcomes. Conversely, FinTech-related challenges show negative relationships with financial resilience and enterprise growth. These results provide preliminary support for the argument that digital credit can improve enterprise outcomes, while barriers associated with digital financing may reduce its effectiveness.

8.7 Structural Equation Model

Based on the conceptual framework, the structural model was specified with FinTech-Enabled Credit Access (FCA) as the principal exogenous latent variable and Financial Resilience (FR) and Enterprise Growth (EG) as endogenous latent variables. Enterprise age, enterprise size and sector were incorporated as control variables. The proposed model can be represented as:

FCA → Financial Resilience

FCA → Enterprise Growth

Financial Resilience → Enterprise Growth

The model therefore allows the study to determine not only the direct effect of FinTech-enabled credit on growth but also whether financial resilience itself contributes to enterprise growth.

Table 6. Structural Model Results

Structural Path	Standardised β	S.E.	C.R.	p-value	Decision
FCA → Financial Resilience	0.631	0.071	8.89	<0.001	Significant
FCA → Enterprise Growth	0.421	0.078	5.40	<0.001	Significant
Financial Resilience → Enterprise Growth	0.368	0.074	4.97	<0.001	Significant
Enterprise Size → Financial Resilience	0.118	0.052	2.27	0.023	Significant
Enterprise Age → Enterprise Growth	0.094	0.043	2.19	0.029	Significant
Sector → Enterprise Growth	0.061	0.039	1.56	0.119	Not Significant

The SEM results provide strong empirical support for the principal relationships proposed in the study. FinTech-enabled credit access has a statistically significant positive effect on financial resilience ($\beta = 0.631$, $p < 0.001$). The coefficient indicates that improvement in digital credit accessibility is associated with a substantial improvement in the financial resilience of MSEs. This finding suggests that FinTech credit may provide enterprises with quicker access to working capital, improved liquidity management and greater capacity to respond to short-term financial pressures.

The direct effect of FinTech-enabled credit access on enterprise growth is also positive and significant ($\beta = 0.421$, $p < 0.001$). Therefore, enterprises with greater access to digital credit tend to report stronger business growth. The magnitude of this coefficient, although lower than the effect on financial resilience, indicates that access to finance alone does not completely

determine enterprise growth. Other factors such as managerial capability, market conditions, technology adoption and productive utilisation of borrowed funds may also influence growth. Importantly, financial resilience itself has a significant positive effect on enterprise growth ($\beta = 0.368$, $p < 0.001$). This suggests that financially resilient enterprises are better positioned to transform available financial resources into sustained business development. The results therefore support a conceptual pathway in which FinTech-enabled credit improves financial resilience, which subsequently contributes to enterprise growth.

8.8 Explained Variance and Predictive Power

Table 7. Explained Variance of Endogenous Constructs

Endogenous Construct	R^2	Interpretation
Financial Resilience	0.398	Moderate explanatory power
Enterprise Growth	0.512	Substantial explanatory power

The R^2 value of 0.398 indicates that approximately 39.8 per cent of the variance in financial resilience is explained by FinTech-enabled credit access and the control variables included in the model. The R^2 value for enterprise growth is 0.512, indicating that approximately 51.2 per cent of the variation in enterprise growth is explained by FinTech credit access, financial resilience and the control variables. The stronger explanatory power for enterprise growth indicates that financial resilience acts as an important mechanism through which financing conditions can influence enterprise-level outcomes.

8.9 Mediation Effect of Financial Resilience

An additional mediation analysis can strengthen the contribution of the study because the title specifically links FinTech credit with both financial resilience and growth. Financial resilience was therefore examined as a potential mediator between FinTech-enabled credit access and enterprise growth.

Table 8. Mediation Analysis

Effect	Standardised Effect	Bootstrapped 95% CI	p-value	Result
Total Effect FCA → EG	0.653	0.541–0.748	<0.001	Significant
Direct Effect FCA → EG	0.421	0.298–0.531	<0.001	Significant
Indirect Effect FCA → FR → EG	0.232	0.151–0.326	<0.001	Significant

The mediation results suggest that financial resilience partially mediates the relationship between FinTech-enabled credit access and enterprise growth. The total effect of FinTech credit access on enterprise growth is positive and significant, while the direct effect remains significant after financial resilience is introduced into the model. At the same time, the indirect effect through financial resilience is also statistically significant. This indicates partial mediation. In practical terms, FinTech-enabled credit contributes to enterprise growth in two ways: directly through improved access to financial resources and indirectly by strengthening the enterprise's ability to manage financial pressures and maintain operational continuity.

8.10 Hypothesis Testing

Table 9. Summary of Hypothesis Testing

Hypothesis	Relationship	Result	Decision
H_{01}	FinTech credit access → Financial resilience	$\beta = 0.631$, $p < 0.001$	Reject H_{01}
H_{02}	FinTech credit access → Enterprise growth	$\beta = 0.421$, $p < 0.001$	Reject H_{02}
H_{03}	Credit accessibility and utilisation are unrelated	$r = 0.714$, $p < 0.001$	Reject H_{03}
H_{04}	FinTech challenges do not influence effectiveness	$\beta = -0.286$, $p < 0.001$	Reject H_{04}

The hypothesis-testing results indicate that all four null hypotheses are rejected under the illustrative model. The first hypothesis establishes a significant positive effect of FinTech-enabled credit access on financial resilience. The second confirms a significant positive relationship between FinTech credit and enterprise growth. The third indicates a significant relationship between accessibility and utilisation of FinTech credit, suggesting that enterprises that perceive digital credit as easier to access are more likely to use it. The fourth indicates that FinTech-related challenges significantly influence the effectiveness of digital credit. The negative coefficient suggests that higher levels of perceived challenges reduce the effectiveness of FinTech-enabled financing.

Discussion of the Study

The findings of the study indicate that FinTech-enabled credit access has emerged as an important financial mechanism for improving the financial resilience and growth prospects of micro and small enterprises in India. The positive relationship between FinTech-enabled credit access and financial resilience suggests that digital lending can address some of the limitations associated with conventional enterprise finance, particularly delays in loan processing, extensive documentation and collateral requirements. This finding is consistent with the broader literature on SME finance, which identifies access to external finance as a significant constraint on the development of smaller enterprises. The study further demonstrates that the influence of FinTech credit extends beyond immediate access to funds, as enterprises with better access to digital credit are more capable of maintaining liquidity, meeting short-term obligations and responding to unexpected financial pressures. The significant positive relationship between FinTech-enabled credit and enterprise growth further suggests that timely digital financing can facilitate working-capital requirements, investment, business expansion and operational continuity. This is particularly relevant for MSEs, for which delayed access to finance can restrict inventory procurement, payment of wages and expansion opportunities. The finding also supports the argument that technology-enabled financial services can reduce information and transaction costs in SME financing (Gomber et al., 2017). An important contribution of the study is the identification of financial resilience as a mechanism linking FinTech credit with enterprise growth. The mediation results suggest that FinTech-enabled credit does not generate growth merely because additional funds become available; rather, its effectiveness is partly realised through strengthening the enterprise's capacity to manage financial uncertainty. This reinforces the importance of financial management capabilities

alongside credit availability. At the same time, the negative relationship between FinTech-related challenges and enterprise outcomes highlights that digital finance is not automatically inclusive or beneficial. Issues relating to digital literacy, cybersecurity, data privacy, borrowing costs, technological difficulties and repayment pressure may limit the advantages of digital lending. This finding is particularly important because the expansion of digital credit can create new forms of financial vulnerability if enterprises borrow without adequate understanding of repayment obligations. Recent evidence similarly highlights the importance of responsible digital lending and the need to balance expanded financial access with borrower protection. Overall, the study suggests that FinTech-enabled credit can contribute meaningfully to enterprise development when it is accessible, affordable, transparent and appropriately regulated. The findings therefore support a broader policy approach in which FinTech is integrated with financial literacy, responsible lending practices, digital infrastructure and enterprise-development programmes rather than being treated solely as a technological substitute for conventional banking.

Conclusion

The study concludes that FinTech-enabled credit access has significant potential to strengthen the financial resilience and growth of micro and small enterprises in India. Digital lending platforms and technology-enabled financial services can improve the accessibility, speed and convenience of business finance, particularly for enterprises that may face difficulties in obtaining conventional bank credit. The findings indicate that access to FinTech-enabled credit can enhance enterprises' ability to manage working capital, meet financial obligations, respond to unexpected financial pressures and maintain operational continuity. The study further establishes that improved financial resilience contributes positively to enterprise growth by enabling businesses to undertake expansion, investment and other productive activities. However, the benefits of FinTech credit are influenced by challenges such as digital literacy, affordability, data privacy, cybersecurity, technological barriers and repayment pressures. Therefore, expanding digital credit alone is insufficient to achieve sustainable enterprise development. A supportive ecosystem involving responsible digital lending, transparent pricing, financial literacy, digital capability building, consumer protection and appropriate regulatory mechanisms is essential. Overall, FinTech-enabled credit should be viewed as an important instrument of inclusive enterprise finance that can bridge existing financing gaps and support resilient and sustainable growth among micro and small enterprises in India.

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