

IMPACT OF COVID-19 ON SMALL AND MEDIUM SCALE BUSINSS: A REVIEW ANALYSIS**C. Prakash**

Assistant Professor

SRES Group of Institutions, Tirupati.

E. Venkatesh

Assistant Professor

Krishna Chaithanya Institute of Science and Technology , Nellore.

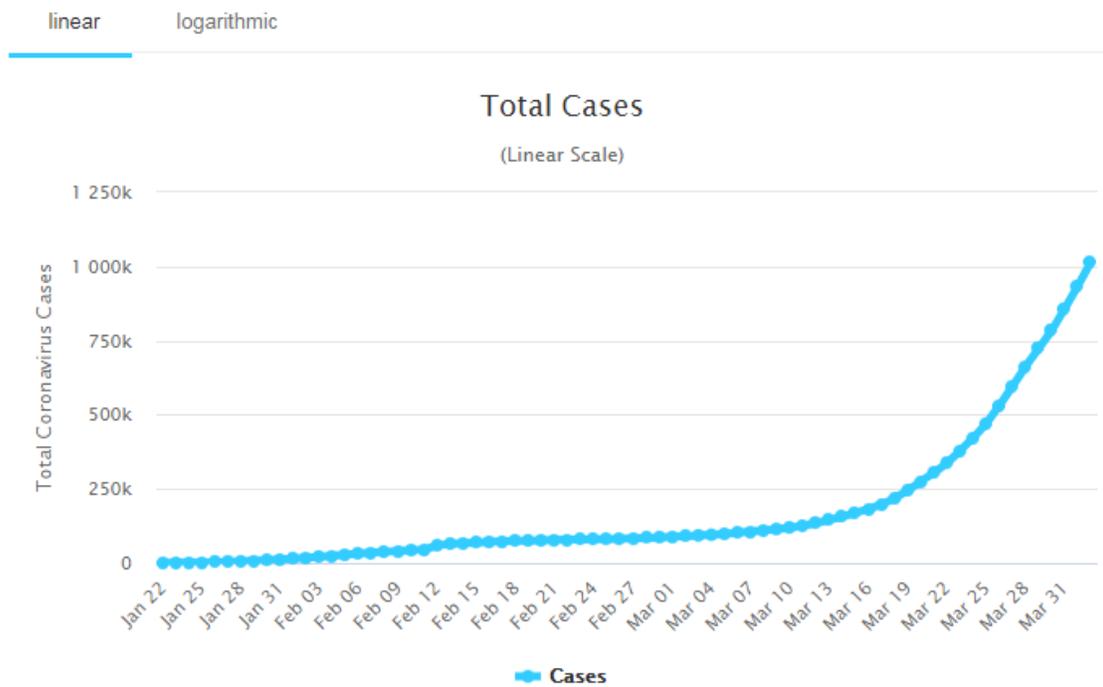
ABSTRACT:

The pandemic keeps on extending. In excess of 175 nations and regions have announced instances of COVID-19, the malady brought about by the coronavirus (SARS-CoV-2). Case development has quickened to in excess of 735,000 cases and 35,000 passings as of March 30. A few topographies have a bunch of cases, others with early network transmission have a couple hundred, and those with uncontrolled, across the board transmission have many thousands. Governments have propelled uncommon general wellbeing and financial reactions. The circumstance develops constantly. As business near assistance forestall transmission of COVID-19, money related concerns and occupation misfortunes are one of the primary human effects of the infection. Not knowing how this pandemic will play out likewise influences our financial, physical and mental prosperity. Regardless of this dread, organizations and networks in numerous districts have indicated a progressively philanthropic reaction even with emergency – activities which could help nations getting ready for COVID-19. As of late, we have seen the huge monetary effect of the coronavirus on money related markets and powerless businesses, for example, producing, the travel industry, friendliness and travel. Travel and the travel industry represent 10% of the worldwide

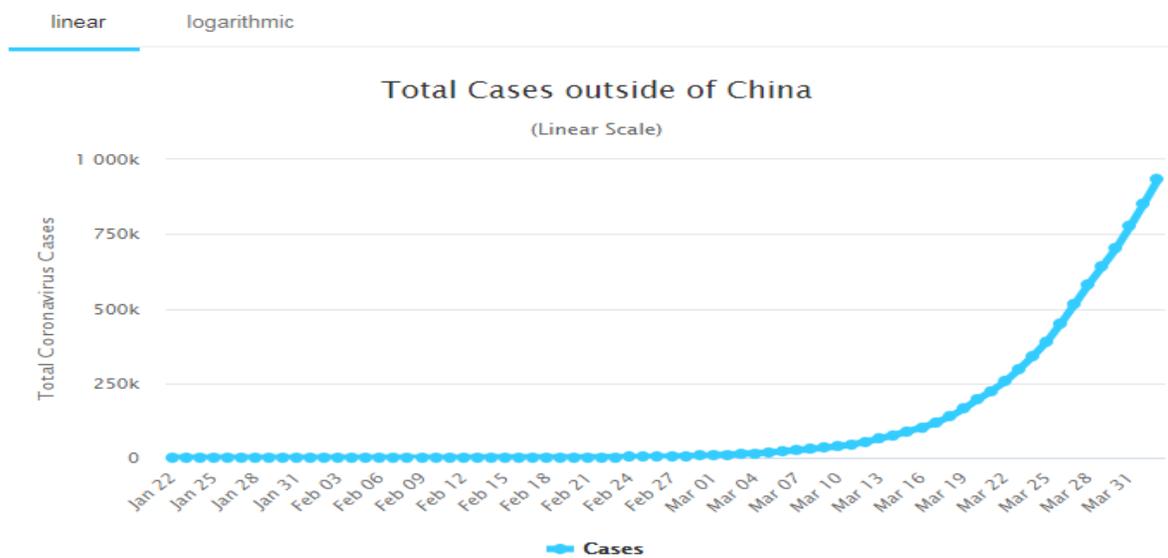
GDP and 50 million occupations are in danger around the world. Worldwide the travel industry, travel and friendliness organizations shutting down influences SMEs all inclusive. This, thus, influences numerous individuals, normally the least generously compensated and those independently employed or working in casual conditions in the gig economy or in low maintenance work with zero-hours contracts. A few governments have declared financial measures to protect occupations, ensure wages and bolster the independently employed, however there is an absence of clearness in numerous nations about how these measures will be actualized and how individuals will deal with lost pay for the time being. In this paper we are trying to elaborate the impact of MSMEs with the cause of Covid-19 and how the cases are in it.

INTRODUCTION:

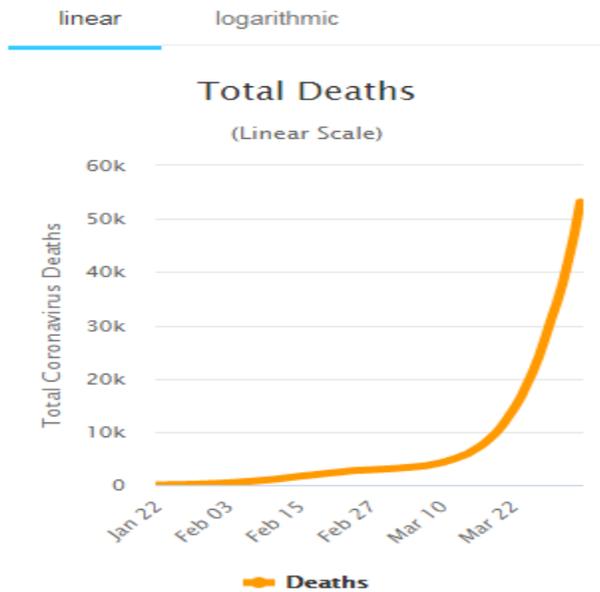
According to WHO, Coronavirus disease (COVID-19) is an communicable disease caused by a newly discovered coronavirus. most of the people infected with the COVID-19 virus will experience mild to moderate respiratory disease and recover without requiring special treatment. Older people, and people with underlying medical problems like disorder , diabetes, chronic respiratory illness , and cancer are more likely to develop serious illness.



Total Cases
Source: worldometers



Total Cases outside of china
Source: worldometers



Total deaths

Source: worldometers

The best thanks to prevent and hamper transmission is be informed about the COVID-19 virus, the disease it causes and the way it spreads. Protect yourself et al. from infection by washing your hands or using an alcohol based rub frequently and not touching your face.

The COVID-19 virus spreads primarily through droplets of saliva or discharge from the nose when an infected person coughs or sneezes, so it’s important that you simply also practice respiratory etiquette (for example, by coughing into a flexed elbow).

At this point , there are not any specific vaccines or treatments for COVID-19. However, there are many ongoing clinical trials evaluating potential treatments. WHO will still provide updated information as soon as clinical findings become available.

In the wake of the coronavirus (Covid-19) outbreak, the Confederation of Indian Industry

(CII) is fixing a fund to help rehabilitation of small enterprises and Micro, Small & Medium Enterprises (MSMEs).

The Confederation will request all its members (mainly corporates) to contribute an amount from their CSR allocation for the fund, CII COVID Rehabilitation and Relief Fund (CRR), the body said during a statement.

The MSME sector is one among the foremost severely affected as steps to curtail the outbreak like travel bans, closure of malls, theatres and academic institutions have led to widespread disruptions in economic activity. This, in turn, has hampered MSMEs’ businesses

“Multiple actions got to be taken on extension of bank loans, a special fund, steps regarding filing of GST and improving welfare of workers. CII stands able to support MSME sector during this hour of need through the CII CRR,” Shreekant Somany, Chairman, CII National Council on MSME, said.

OBJECTIVES:

- To study the impact of Covid-19 on MSMEs
- To study the various sectors are affected with the Covid-19

SOURCES OF DATA:

The study is used secondary data publish in different article of economic times, The hindu and abplive etc.

CORONAVIRUS IMPACT ON VARIOUS SECTORS:

Coronavirus outbreak has assembled new roadblocks for the Indian economy now, causing severe disruptive impact on both demand and

provide side elements which has the potential to derail India's growth story.

The rapid outbreak of deadly Coronavirus pandemic within the country has not only led to a panic-like situation amongst the citizens, but has also hit Indian economy - which was already reeling under a big slowdown over the past few quarters. The medical rampant has presented fresh set of challenges for the country's economy, causing severe disruptive impact on investment and consumption demand.

Country's economy, which was growing at a six-year low rate of 4.7 per cent within the third quarter of the present fiscal, had strong hopes of recovery within the fourth quarter. However, the new Coronavirus epidemic has made the recovery extremely difficult within the almost medium term.

According to a survey conducted by industry body FICCI, the outbreak has assembled new roadblocks for the Indian economy now, causing severe disruptive impact on both demand and provide side elements which has the potential to derail India's growth story.

Impact of Covid-19 on Demand Side

As per FICCI survey, tourism, hospitality and aviation are among the worst affected sectors that face the utmost brunt of this Coronavirus pandemic. Closing of cinema theaters and declining footfall in shopping complexes have affected the retail sector by impacting consumption of both essential and discretionary items.

Consumption is additionally getting impacted thanks to job losses and decline in income levels of individuals, particularly the daily wage earners thanks to slowing activity in several

sectors including retail, construction, entertainment et al., the survey stated.

With widespread fear and panic rapidly increasing among people across the country, overall confidence level of consumers has dropped significantly, resulting in postponement of their purchasing decisions. Even the travel restrictions imposed by Central government to stop the spread of Covid-19 in India have severely impacted the transport sector.

Impact of Covid-19 on Supply Side

Large scale shutdown of factories and resulting delay in supply of products from China have affected many Indian manufacturing sectors. consistent with the FICCI report, sectors like automobiles, pharmaceuticals, electronics, chemical products etc. face an imminent staple and component shortage.

Besides having a negative impact on imports of important raw materials, the slowdown in manufacturing activity in China and other markets of Asia, Europe and therefore the US is impacting India's exports to those countries also, the report added.

Impact of Covid-19 on Financial Market

Greater uncertainty about the longer term course and repercussion of Covid-19 has also made the financial market extremely volatile, resulting in huge crashes and wealth erosion, which successively is impacting consumption levels, FICCI report said. one among the huge crashes of domestic equity market was seen on March 12, when following the trend of the worldwide equity markets, both the BSE Sensex and NSE Nifty crashed by quite 8 per cent during a single day.

An estimated Rs 10 lakh crore of market cap was reportedly wiped off thanks to this single day fall. The autumn has continued till date as investors resorted to relentless selling amid rising cases of Coronavirus. With equity markets likely to stay volatile in future also, further wealth erosion of investors is predicted.

Growth Projections Revised Down

The Coronavirus pandemic has also pulled down India's economic process projections. Given the challenges that the companies and other people face currently, the Indian economy is presumably to experience a lower growth during the half-moon of the present fiscal, the report claimed.

It is also being said that just in case the spread of Coronavirus continues, India's growth may remain subdued within the half-moon of FY 20-21 also. Rating agency Moody's Investors Service has revised down its growth forecast for India to five .3 per cent for 2020 from its earlier estimate of 5.4 per cent made in February.

EPIDEMIOLOGICAL SWING FACTORS FOR COVID-19

Every country is seeking to join the few that have controlled the epidemic for now and are focusing on stopping a resurgence. But in our view, the unfold or manager of the virus within the next 12 months comes down to 5 factors:

- **Growth of new transmission complexes and proof of seasonality:** While maximum countries inside the international have as a minimum one case, maximum counts are rather low. The extent to which those countries follow the course of countries which include Singapore that have executed rapid manipulate, versus that of western Europe and the United States, will be a primary driver of outcomes. Moreover, those geographies also skew to more tropical climates and will provide some proof on how an awful lot of a mitigating impact warmth and humidity may have on the coronavirus. If the virus proves to be seasonal, this has the capacity to form each emerging and existing transmission complexes.
- **Impact of physical-distancing measures:** We know that rigorous, at-scale bodily-distancing measures can force a sizable reduction inside the number of new COVID-19 instances. However, given the range of approaches in use—and the varying stringency with which they are being applied—there's a great deal nonetheless to study what precisely works and how lengthy it takes. In the next one to 2 weeks, we can learn tons extra, as we start to see proof of the effect of bodily distancing in Europe and the United States.
- **Efficacy of health-device surge:** As the sector has awakened to the ability dangers of COVID-19, there has been a big effort to add capacity to the healthcare gadget swiftly. This has rightly centered on adding acute-care ability, offering ventilators, and building stocks of other essential medical supplies, inclusive of non-public shielding equipment. If this surge (combined with efforts to reduce the call for at the health gadget) can prevent health structures from being overwhelmed, mortality from COVID-19 will be significantly lower. The development of clinically validated remedies may be a similar boon, but the rising evidence on that front is mixed, as a result far.
- **Readiness of the health machine to navigate recurrence:** As authorities start to think about what's needed to navigate a

postpeak environment, the public-health equipment deployed could have a extraordinary emphasis from today's consciousness in Europe and the United States. They will encompass at-scale testing, sophisticated real-time surveillance, rigorous touch tracing, and rapid, centered quarantine to isolate cases and contacts. This mix of equipment is how Korea, Singapore, and Taiwan have swiftly contained COVID-19. An antibody check might be a powerful tool on this arsenal, since it would show which humans are at hazard and which aren't. Even as public-health government negotiate an unprecedented length of demand on the health machine, they may want to design and build systems to prevent resurgence of the disorder as we pass the peak.

- **Emergence of herd immunity:** Herd immunity occurs while a sufficient part of the populace isn't at risk of an infectious disease; at that point, transmission doesn't propagate, for lack of to be had hosts. It normally occurs thru either significant publicity or immunization. With a disease as infectious as COVID-19, experts accept as true with that more than two-thirds of the population would need to be resistant to create herd immunity.¹ But there's a good deal that we don't understand approximately the opportunity of multiple traces of the virus—and about the period of human immunity. Answering the ones questions could have important implications for the direction of the pandemic.

SEEKING RELIEF MEASURE

With MSMEs facing cash crunch, CII has requested for extra ad-hoc sanction of working capital to the tune of 25 per cent of sanctioned

restrict as comfort measure. The industry physique additionally counseled deferment of Equated Monthly Installments (EMIs) and activity price on working capital as well. Setting up of a special MSME Factoring Fund to allow MSMEs to discount their bills to authorised outlets in 15 days and permit retailers to pay in a hundred and twenty days would help in quicker realisation, it added.

According to CII, developing a corpus through the government to assist MSMEs tide over the disaster would help them pay wages. Extension of non-performing asset norms instances to one hundred fifty days from the existing 90 days and if required via industry, ad-hoc limits to an extent of 25 per cent of sanctioned limits may also be allowed by using banks on SOS groundwork to overcome temporary liquidity crunch, would also provide temporary relief, it said.

Measures for improving welfare of the MSME people at some stage in the transient shutdown period are additionally required. Some of these should encompass supporting laid-off people during the crisis period, dealing with the statutory compliance of compensating employees in case of a shutdown and exploring insurance cover selections via the Employee State Insurance Corporation, 90-day extension for fee of employer's contribution of Provident Fund and ESIS, insurance plan cover or phase financing wages for these laid off due to Covid-19 through ESIC or new Government schemes, permitting of CSR cash to guide payment of wages to laidoff employees among others, it added.

The Confederation has proposed that the government must draw up contingency plans for three intervals – until March 31; for subsequent two months until May 31 and then for next two months until July 31.

CONCLUSION:

India, however, prefers something more substantial. Mani says that whilst the Government has already taken quite a number measures to make matters less complicated for MSMEs due to the fact the introduction of GST, such as hike in composition limit, making return frequency quarterly, reducing prices for many merchandise etc. However, the issues faced with the aid of MSME may not be due to GST alone, however also due to liquidity crunch, NBFC issues, demand curtailment etc. “Multiple actions has to be taken by the government on extension of bank loans, a special fund, steps regarding filing of GST and improving welfare of workers.

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