

## **THE IMPACT OF COVID-19 ON BUSINESS PERFORMANCE WITH SPECIAL REFERENCE TO SMALL SCALE INDUSTRIES**

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**Abstract**—Covid-19 pandemic situation is affected all the sectors and especially medium and small scale industries, Impact of which many industries are faces a huge loss in a business and they are unable to run and maintain the business expenses in which employees were removed to reduce the cost of business. WTO said that the degree of the impact for little scope declaration of the World Trade Organization (WTO) which has foreseen the overall trade stock is set to rot steeply between 13 percent and 32 percent in 2020 as countries over the world are doing battling with the covid-19 pandemic. The study is to know in detail about the challenges faced by small scale industries and to understand the global impact of COVID-19 on small businesses. The point of this investigation is to comprehend the antagonistic impact so theft are-up on independent companies, and how they adapt to it. For analysis Regression tool has been used to know the performance and effect on industries. From this it is cleared that 0.03% employment level as affected. Smoothing out the application procedure and explaining the qualification model and advance absolution rules may, accordingly, increment the take-up directly for credits. It has concluded that 40% of industries are closed and other industries are struggling in pandemic situation.

**Keywords**—COVID-19, Economy, Growth Rate, Private Ventures, Small Scale Industries.

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### **INTRODUCTION**

The covid-19 pandemic is the characterizing plague of general well-being in recent memory and the individuals' best perceived danger. Nations claim to defer the spread of the infection by watching and rewarding patients, following associations, confining travel, isolating individuals, and dropping huge assemblies, such as games, shows, schools, universities. The pandemic ventures like a wave-one that can crash on the people who would no longer dare hope. It can potentially create disastrous social, monetary, and political problems by focusing on each of the nations it hits that will leave deep scars. A lot of societies are now unrecognizable if they were in a strange area. Many of the planet 's largest urban areas are abandoned while individuals remain inside, either by decision or by government orders. Shops, theatres, restaurants, and bars are shut out around the world. People's groups lose their positions and wage search day, with no chance of getting to know when or diaries returning the universal work association reports that more than 195 million jobs could be lost The small-scale enterprises exporters will be more affected by the lock somewhere near the righteousness of the covid-19 pandemic as the territory speaks to more than 45 per cent in, as Shown to expert masters of the profession. They said the World Exchange Association (WTO)'s degree of impact on small-scale declaration that predicted the overall trade stock is set to rot steeply between 13% and 32% in 2020 as countries around the world are fighting the covid-19 pandemic.

The Covid-19 pandemic has left its impact on all segments of the economy, yet no place is the harmed as much as India's Medium, Small and Micro Enterprises (MSMEs). All episodic evidence accessible, for example, the enormous number of abandoned transient workers across the nation, recommends that MSMEs have been Covid-19's most terrible loss lockdown. It was also accounted for simply as the primary alleviation bundle, called the PM Garib Kalyan Yojana, which was declared by the administration on March 26, would also concentrate the subsequent bundle on the MSME part in principle.

## **LITERATURE REVIEW**

For the same nearly ten scholarly articles, research based on Descriptive Research Approach was reviewed and information was taken from various websites and the data was collected using regression analysis to apply all tests.

**Jennifer bouey (2020)** Although official data are not yet available, most analysts believe that the outbreak, mass quarantine, and international travel ban started to seriously affect the economy of China at the end of the financial industry that suffered the most during this period. Revenue lost in both retail and food services is reported to be RMB 1 trillion (\$142 billion) during the new year as major chains shut down stores across the country. Sales of real estate and cars slumped as well. Losses from the services sector during the Chinese New Year in 2020 are expected to cost China 1 per cent of the first quarter's lost GDP growth. According to a survey of 761 business owners by University International Business and Economics in mid-February, the widespread outbreak, mass quarantine, and confidence of both domestic businesses and international businesses. Of the 761 firms, half of us private Chinese firms, 20 percent were international point ventures and 27 percent were state-owned firms (SOEs); 18 percent had online business. 35 percent of businesses had more than 1,000 employees, 29 percent had 1,000 employees, 14 percent had 50-100 employees, and 21 percent had fewer than 50 employees.

**Rajeev Singh (2020)** Studied Indian economy assessment at the crossroads of growth and development, global corona influenced lockout infection is entering the economy through, financial channel, real channel, and channel of confidence. It has caused shocks both in supply and demand. Business disruptions have lowered production, causing shocks in supply. And shaky consumers and businesses do not want to spend, putting the negative multiplier into action. Demand contraction is most severe in all sectors of travel, tourism, hospitality, transportation, where it has fallen to nil

**Subhashsasidharan et.al (2020)** Studied and evaluated on micro-small and medium-sized enterprises The ongoing covid-19 pandemic poses an extraordinary challenge to the micro-small and medium-sized enterprise (MSME) sector, since this sector mainly comprises 'offline' enterprises that rely on personal interaction and have much lower liquidity reserves and less liquidity reserves and less credit access. Therefore, the nationwide lockdown since March 2020 is bound to break the back of the MSME sector.

**Pravakarsahoo (2020)** It is very clear that the coronavirus outbreak has brought an unprecedented and severe setback to the world economy, much more than the global financial crisis, that it has studied and assessed policy responses to minimize the covid-19 impact on trade and MSMEs. Nearly half of the world 's population is under lockdown and economic activity has almost stalled in major centers of growth, namely the US, EU, USA, China. Restricting the movement of people, goods and services has disrupted global value chains, world trade, manufacturing, services, and so on and has taken away millions of people. The UN and ILO projected unemployment figures are alarming, much more so than the world had faced in the 2007-08 global financial crisis. In fact, the world economy is heading for a prolonged recession if no near, if not exact, COVID-19 cure is available soon.

**Keshab das (2020)** studied and evaluated pump priming MSMEs during a covid-19 pandemic: fostering connections beyond the formal one. Globally, the uncertainty of the covid-19 pandemic 's spread, pace, and impact across societies and economies has confused policy initiatives to return to the path of recovery.

**According to the international monetary fund(IMF)** Estimates that India 's growth could slide to a mere 1.9 percent (or even less than 0.9 percent as per the Confederation of Indian Industry (CII)) during this fiscal year, even as the economy may recover sooner than several others with targeted fiscal support. Production, distribution, and consumption of goods and services have been hit hard and supply chains, logistics, and trade have been hit.

## **NEED FOR THE STUDY**

Discussions about the monetary ramifications of the flare-up rotate around budget markets and bailouts for big business yet the most extreme effects on independent ventures are being felt. Private ventures are the foundation of the Indian economy, which adds 45 per cent of mechanical yield, 40 per cent of fares and uses more than 1.3 million people. The purpose of this investigation is to understand and adapt to the antagonistic effects of the flare-up on independent companies.

## **STATEMENT OF THE PROBLEM**

Within excess of 100 million people used right around 40 percent of Indians work power of the nation watching out for the prerequisites of the MSME (miniaturized scale, little and medium undertakings) India is managing the effect of the overall covid-19 pandemic which has stagger the economy representing an expected danger.

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If there is one segment of the Indian economy that urgently needs quick assistance, it is the little scope ventures. It is viewed as the foundation of the economy and assembling half of the yield in a nation. So, the investigation will examine the financial effect of covid-19 for little scope businesses.

#### **OBJECTIVE OF THE STUDY**

1. This study entails understanding the global impact of COVID-19 on small businesses.
2. The aim of the study is to analyze the impact of the pandemic on the normal operations of small businesses.
3. To know the challenges faced by small scale industries

#### **SCOPE OF THE STUDY**

The world is engaging with today's repulsions such as covid-19, which has confused the entire world with how one infection has brought the entire world to a halt. The staggering infection that is proclaimed as the pandemic by the WHO has taken in its grasp just about 195 nations.

This infection also creates an intense danger for the world economy, which is at serious risk from now on. There is no uncertainty that over the last six years, the Indian economy, which is now collapsing, is developing at probably the lowest rate. What is more, at present, another arrangement of monetary difficulties arising from this infection leaves many parts shredded.

As indicated by all India dealers' confederation (CAIT), which is speaking to 70 million brokers in India, most of them are MSMEs. The exchange sway for India is evaluated to be associated with RS 380 lakh, and a hotshot of RS 12 crore 90 lakh is required of the synthetic division. Miniaturized scale, small scope ventures is the area that at that point was reeling under immense misery right off the bat in the light of demonetization, at that point as a result of demonetization, at that point due to inadequately updated GST followed by the drawn-out monetary lull, lastly, the largest of all-covid-19 that will total the emergency in the particular division.

#### **DATA ANALYSIS**

The assortment of information from MSME has been organized according to the goal of the examination to recognize most significant realities in the emergency all the information gathered through the form the writing survey., that is from optional sources like past academic articles.

#### **LIMITATIONS**

1. The study is based on secondary data for Analysis and interpretation
2. The study is limited to 2001-2002 to 2015-2016.
3. Change in data- this study is based on an ongoing pandemic, hence, the data collected will keep changing.

#### **DATA ANALYSIS AND INTERPRETATION**

**TABLE 1**

#### **PERFORMANCE OF SSI/MSME UNIT, EMPLOYMENT, INVESTMENT AND GROSS OUTPUT**

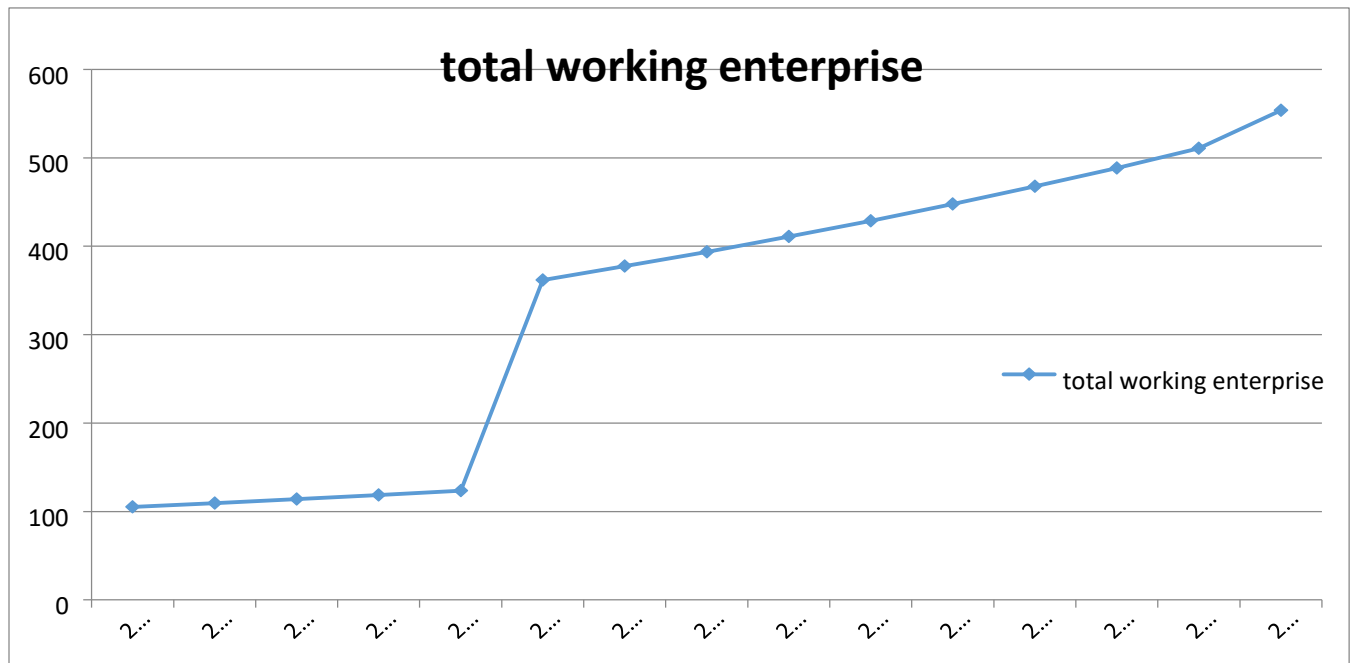
<i>Year</i>	<i>Total working enterprise</i>	<i>Employment (in lakhs)</i>	<i>Market value of fixed asset (in crore)</i>	<i>Gross output(in crore)</i>
2001-02	105.21	249.33	154349	282270
2002-03	109.49	260.21	162317	314850
2003-04	113.95	271.42	170219	364547
2004-05	118.59	282.57	178699	429796

2005-06	123.42	294.91	188113	497842
2006-07	361.76	805.23	868543.79	1351383.45
2007-08	377.37	842.23	917437.46	1435179.26
2008-09	393.7	881.14	971407.49	1524234.83
2009-10	410.82	922.19	1029331.46	1619355.42
2010-11	428.77	965.69	1094893.42	1721553.42
2011-12	447.73	1012.59	1176939.36	1834332.05
2012-13	467.56	1061.52	1182757.64	1268763.67
2013-14	488.29	1114.29	1268763.67	1363700.54
2014-15	510.57	1171.32	1363700.54	1471912.94
2015-16	553.65	805.24	1363700.32	107721286

**TOTAL WORKING ENTERPRISES**

Complete work undertaking is another word for a revenue-driven business or organization but is often linked to pioneering adventures. Individuals with innovative achievements are referred to as "venturesome" on a regular basis. There are numerous types of legitimate endeavours, with the most well-known in the US.

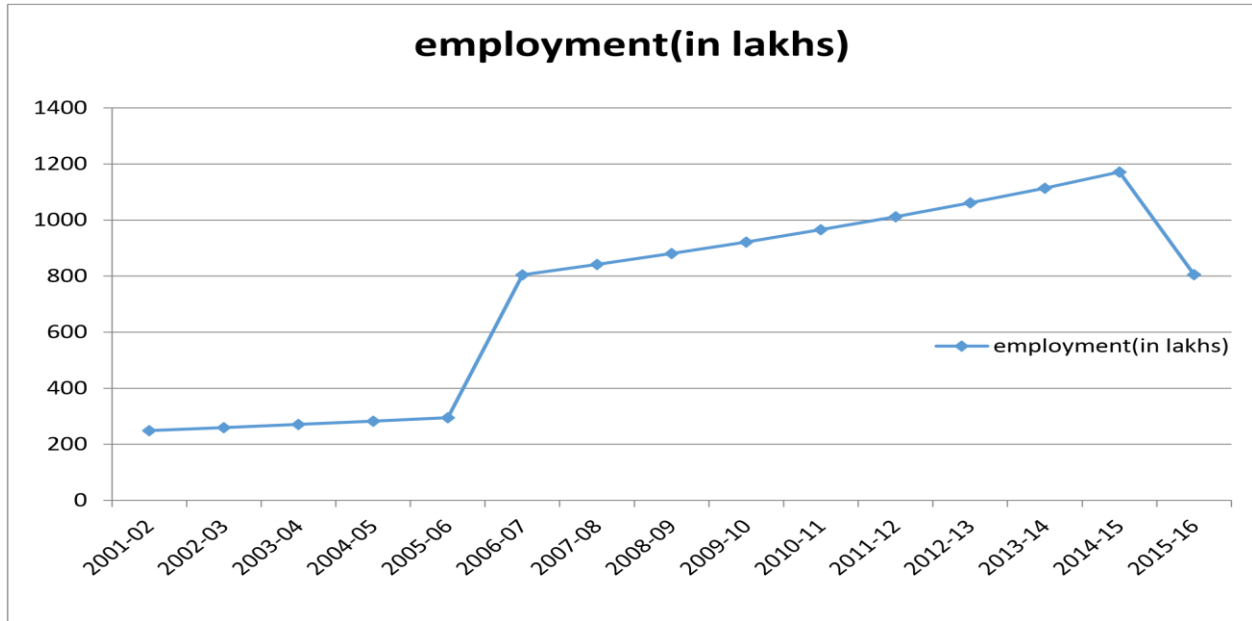
**CHART 1**



**EMPLOYMENT**

Employment is a connection between two gatherings, typically dependent on a work-paying agreement, where one gathering, which could be a business, is the business for benefit, non-revenue-driven association, co-usable or other element, and the other is the representative. Representatives work as an end-result of the instalment, which could be a time-based compensation, a piece of work or an annual pay, depending on the kind of work a worker does or part in which they work. Workers can get tips, reward instalments, or investment opportunities in certain fields or parts. Representatives may receive benefits in certain kinds of work, regardless of instalment. Advantages may include medical coverage, accommodation, disability protection or rec-centre utilization. Business is usually represented by employment laws, association laws, or lawful agreement.

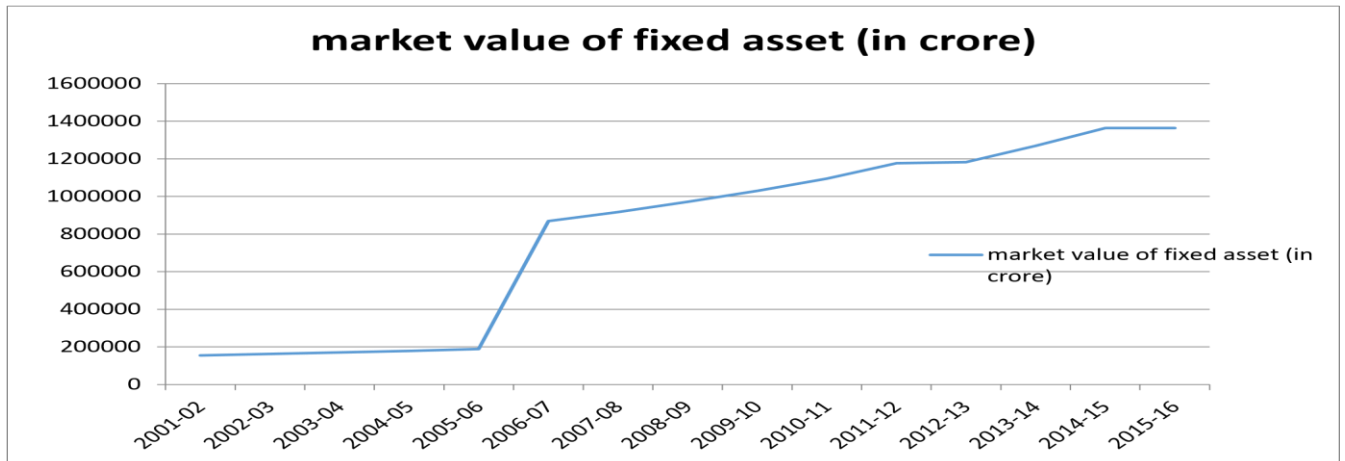
**CHART 2**



**MARKET VALUE OF ASSET**

The market esteem speaks to an organization's estimate, as indicated by the exchange of securities. While advertising esteem is a conventional term that speaks to the value that a benefit would get in the commercial center, it speaks to organizations' market capitalization. It is an organization's total market estimate which was spoken to as a dollar amount. As it speaks to an organization's "advertise" estimate, it is processed according to the current market value (CMP) of its offers.

**CHART 3**

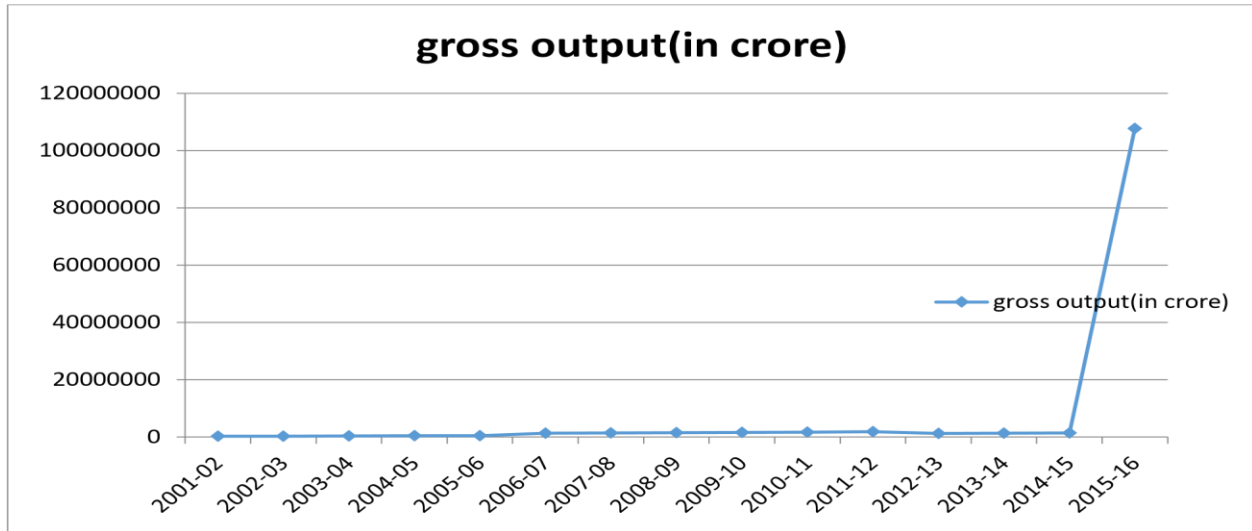


**GROSS OUTPUT**

In economics, gross output (GO) is the measure of total economic activity during an accounting period in producing new goods and services. It is a much broader economic measure than the gross domestic product (GDP), which is essentially limited to the final output (finished goods and services). The Bureau of Economic Analysis estimated that gross output in the United States was \$37.2 trillion as of the first quarter of 2019, compared with \$21.1 trillion for GDP.

GO is defined by the Bureau of Economic Analysis (BEA) as 'a measure of the sales or receipts of an industry, which may include sales to end users in the economy (GDP) or sales to other industries (intermediate inputs), and gross output may also be measured as the sum of the value added and intermediate inputs of an industry.'

**CHART 4**



**TABLE 2**

Mean	729.3253	8213400.	806078.1	334.0587
Median	842.2300	1363701.	971407.5	393.7000
Maximum	1171.320	1.08E+08	1363701.	553.6500
Minimum	249.3300	282270.0	154349.0	105.2100
Std. Dev.	350.8136	27533767	486332.0	168.3993
Skewness	-0.431560	3.471886	-0.444789	-0.435079
Kurtosis	1.540772	13.06072	1.511703	1.545049
Jarque-Bera	1.796452	93.39623	1.878985	1.796286

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Probability	0.407292	0.000000	0.390826	0.407325
Sum	10939.88	1.23E+08	12091172	5010.880
Sum Sq. Dev.	1722983.	1.06E+16	3.31E+12	397016.6
Observations	15	15	15	15

**INTERPRETATION**

In this table it is found that the maximum employment rupees 1171.320 I in the year 2014-2015 and the minimum employment rate has been reduced to 249.3300 rupees in the year 2001-2002, it shows that the employment rate has increased from 2001-2002 to 2014-2015 when the maximum gross output rupee price is 1.08E+08 in the year 2015-2016 and the minimum gross output rupee. And also the minimum market value of the fixed asset rupee 154349.0 in the year 2001-2002 it shows that the market value has increased from the year 2001-2002 to 2015-2016. When it comes to the total working enterprise rupees 553.6500 have been increased in the year 2015-2016 when it begins rupee 105.2100 in the year 2001-2002 it shows that from the beginning of the total working enterprise has been increased.

***Regression modelling for MSME***

Dependent Variable: EMPLOYEMENT\_IN\_LAKHS\_

METHOD: LEAST SQUARES

DATE: 06/16/20 TIME: 12:09

SAMPLE: 1 15

INCLUDED OBSERVATIONS: 15

**TABLE 3**

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	70.22058	18.85919	3.723415	0.0034
TOTAL_WORKING_ENTERPRISE	1.267560	0.321210	3.946200	0.0023
GROSS_OUTPUT_IN_CRORE_	-3.90E-06	1.22E-07	-31.93505	0.0000
MARKET_VALUE_OF_FIXED_ASSET__IN_CRORE_	0.000332	0.000109	3.038882	0.0113
R-squared	0.999671	Mean dependent var		729.3253
Adjusted R-squared	0.999581	S.D. dependent var		350.8136

S.E. of regression	7.176984	Akaike info criterion	7.002814
Sum squared resid	566.6001	Schwarz criterion	7.191627
Log likelihood	-48.52110	Hannan-Quinn criter.	7.000803
F-statistic	11146.36	Durbin-Watson stat	1.239465
Prob(F-statistic)	0.000000		

## INTERPRETATION

According to the regression analysis from MSME data, the country's employment depends on the availability of the number of working enterprises, the gross output, and the fixed assets market value. According to the analysis each work enterprise provides employment to 1 lakh of the population at an average of 1.26 in number. Also, the market value of fixed assets has a significant impact up to 0.0003 percent on the level of employment, and the output has a significant impact too. The model explains the level of employment up to 99 per cent as per R-square value based on statistical parameters. As per the methodology, the F-ratio, T-statistics, and Durbin – Watson are also significant

## FINDINGS

The evaluation found that we are finally asking organizations to anticipate the extent to which the COVID-19 emergency will last and whether they will be reopened towards the end of 2020. To predict the end of the emergency, we asked the respondents of the study what was "the most likely date" when the emergency was to end. We also got some information on the one to ten scale of this information. The dispersion of expected end dates is shown in Figure 7. The figure shows that approximately one-fifth of respondents accept the emergency will be over before the end of May. Another 30 per cent of respondents agree that between the end of May and the beginning of July, the emergency will end. Very nearly a portion of the organizations said they felt the emergency was going toward the start of July at the moment.

## CONCLUSION

Close to 50 per cent of American specialists are used by private companies. However, our results underline the budgetary delicacy of numerous independent businesses, and how deeply they are influenced by the current emergency. In our example, which is aimed at retail deals, we found that incidentally 43 percent of organizations have been shut down and that business has fallen by 40 per cent. This speaks to a stun to the small firms in America that have been minimally equal since the 1930's. Our results recommend that a significant number of these organizations close by have little money, which implies that they will either have to cut costs drastically, assume additional obligations or opt out of payment. This features ways the promptness of new subsidizing can affect medium-term outcomes. The reactions of independent ventures to our study suggest that many will likely bomb missing aid. As of the last week in March 2020, it was seen by 38 organizations as unlikely or just too likely to be open as of the end of 2020. While good faith expanded when educated on the CARES advance programmer, it is hazy whether the CARES demonstration will empower a large portion of America's private ventures to endure – or whether convictions about its effect are excessively idealistic. Additionally, the results feature the significance of monetary and general wellbeing strategy measures that are very much structured and supported. Three relevant consequences of our study approach stick out. First, more than 13 percent of the respondent's claim that they don't hope to take out CARES Act PPP credits as a result of the application bother, doubts that the central government will forgive the advances, or stress enmeshed skill rules. Accordingly, smoothing the application procedure and explaining the qualification model and advance absolute rules may increase the take-up for credits directly.

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