

REPERCUSSION OF COVID-19 ON MSMES-IN INDIAN PANORAMA

Sowmya D N

Research Scholar

Department of Studies and Research in Commerce

Tumkur University

Sowmyasharath23@gmail.com

9036760688

Dr. P Paramashivaiah

Professor

Department of Studies and Research in Commerce

Tumkur University

An overview and Introduction:

India is one of the fastest growing economies in the world. India has 3rd largest group of scientists and technicians in the world. Our country ranking in global innovation index at 52nd position.

The Indian economy is getting ready to become an Innovation and 5 trillion economy in coming days. Inclusion and initiation by Government of India through Make in India, Atal Innovation Mission, Start-up India, Digital India, Artificial Intelligence, IoT and much more schemes and its contribution. Nevertheless, this 2020 is not allowing us to fulfil our dream. Already due to Global Economic Slowdown, India is affected by these circumstances and resulted in decrease in GDP.

Admits the threat of COVID-19 creates hot pan of problems and crisis. This COVID-19 has no precedent in humankind's recorded history records were found. The 207 countries are affected from the COVID-19. The increasing number of COVID-19 cases has formed a lot of complications and uncertainties day by day especially for a developing country like INDIA.

COVID-19 is a large family virus that causes illness and it is a new strain of virus that has not been identified in human so far. In Jan2020, the WHO acknowledged the outburst the new Corona virus as COVIA-19 which is pandemic virus to be public health emergency.

Now it's a stint to squared India's blockages situation or circumstance analysis because India is urging towards to reach 5 trillion economy directly and to mark increasing trend in GDP. To achieve this growth all the sectors should play prominent role. Indian economy is a mixed economy where India should focus towards holistic development. The contribution to GDP is earned from different sectors. Of course, even though agriculture is a backbone of our economy. Here we should also know that the contribution of MSMEs towards GDP and economic growth.

In India agriculture is not only gambling with environment or situation but even MSMEs also gamble with business dynamics and business atmosphere which includes both controllable and uncontrollable environment. Sustainability and Surviving stages of MSMEs is not a relaxed job at the same time it is not a hard chore too. In order to enhance the 2s (Survivability and Sustainability) Government of India initiated and efforts made to bring for main stream. *That results in 33% of GDP is contributed by MSMEs to Indian economy. 114 million people are employed and I can say that people are directly and indirectly involved in MSMEs and become the stakeholders. Where 16.5% of GDP is earned from food and agriculture, 7% from automobiles, real estate 13% and remaining shared by other sectors.*

Now the present the era of coronavirus, away from the unhappiness and fear, makes the entire globe is in quarantine or in lockdown heat. This COVID-19 has created a bad atmosphere(business) to all the sectors but MSMEs has a major tragic effect. **“The MSME Minister said nearly 8-10 lakh units will be restructured in the coming days, asserting that owners will have to take care of their workers and put in place mechanisms for proper sanitisation as a preventive measure once they return to work”.**

Objectives of the Paper:

The foremost delinquent arises from this COVID-19 on MSMEs are as:

➤ MSMEs stare at labour and raw-materials supply	➤ Agony of long-term sustainability and failure.
➤ Deficiency of convenient capital (both Human and Financial resources)	➤ Uncontrollable market condition or circumstances leads to cut-throat

<ul style="list-style-type: none">➤ Back stabbing in providing or delivering quality infrastructure.➤ Issues in Cope-up with upgradation of technology.➤ Hard to impression the end-users and stake holders.➤ Deprivation of research and Innovation➤ Impending fiscal policies.	<p>competition</p> <ul style="list-style-type: none">➤ Failure in framing strategies and its implementations.➤ Absence of trained and skilled people to raise up business in any situation.➤ Low-slung of emotional corresponding of things and increasing negative sentiments➤ Neediness of Leadership➤ Imbalanced regional development.
--	---

Status of MSMEs:

<ul style="list-style-type: none">▪ <i>33% of GDP is contributed by MSMEs to Indian economy</i>▪ There are more than 106 lakh MSME units in India with an investment of more than Rs 1 lakh crore.▪ The sector has recorded double digit growth in the last four years.▪ The contribution of the MSME sector to the entire output of the country is 40% and to the GDP 6.11%.▪ Currently, there are over 11 million MSME units in India that produce more than 8000 products.▪ India's Micro, Small, and Medium	<ul style="list-style-type: none">▪ These MSMEs units contribute 35% to Indian industrial exports.▪ 40% of the work force▪ 344 products from India that carry the GI-tag▪ The state of Uttar Pradesh has the largest number of estimated MSMEs with a share of 14.20 percent of the total MSMEs in the country. West Bengal comes as close second with a share of 14 percent, followed by Tamil Nadu and Maharashtra at eight percent.▪ As per the official estimates, there are about 63.05 million micro industries,
--	---

<p>Enterprises (MSMEs) base is the largest in the world after China.</p> <ul style="list-style-type: none">▪ The government of India's latest 'Make in India' push, along with a significant jump in the FDI flows, the Indian MSMEs sector is poised for rapid growth and integration with major global value chains.	<p>0.33 million small, and about 5,000 medium enterprises in the country.</p> <ul style="list-style-type: none">▪ 90% of the industrial units in India belong to the MSME sector.
---	--

Prospects for MSMEs to shine in India as major source of light:

- ✓ Indian regulators should give much attention on Innovation Economy by strengthening all MSMEs with vibrant strategies.
- ✓ Both Central and State government should workout with new strategies to avoid bottlenecks in such kind of situation in future too. By enforcement of Intellectual Property Rights in MSMEs from Investments risk. **As Sri Nithin Gadkari, Union Minister said that "a Rs 10,000 crore "Fund of Funds" has been approved by the Finance Committee and will be placed before the Union Cabinet for approval. This fund, he said, will facilitate MSMEs to raise money from the capital mark".**
- ✓ Accelerate the traditional Industries working conditions and revisits its marketing (including building brand leadership) tactics too.
- ✓ MSMEs can promote and focuses towards interdisciplinary research.
- ✓ Scaling up of technology clusters and consider the MoUs of European countries.
- ✓ Both Central and State government, Judiciary and other authorities must proceed with operative step in implementation of IP system for MSMEs.
- ✓ India has 100s and 100s of GI tag products (Geographical Indication) are there. These are come Under MSMEs. So, it's a high time to get benefited from this IP to grab the market.

- ✓ Effective addressing of Infrastructural issues and build a qualitative lab for better innovation and research.
- ✓ Motivate, Assist and encourage the MSMEs who are fighting to take patents, copyrights etc through their R & D.
- ✓ Creative effective global standards in association with large scale industries.
- ✓ Making MSMEs and Start-up product and services through user friendly by effective environment approach.
- ✓ Very Vital work should undertake by MSMEs is enhance the skills of employers as well as employees too.
- ✓ MSMEs should learn or undergo with the crisis leadership management training and development programmes to meet the wicked circumstances like COVID-19.
- ✓ Indian MSMEs should pay attention to digital sector, soft power projects and make complete digitalization of MSMEs.
- ✓ Most of the Indian Venture Capitalists are wealthy can also turn off to MSMEs growth to avoid cut-throat competition and hurdles.
- ✓ Effective or revisit the HR policies as per MSMEs requirement to meet global standards and sustainability.
- ✓ Effective and Strong accounting and auditing policies should be strictly implemented by MSMEs for greater growth.
- ✓ Strengthening effective supply chain concrete process.
- ✓ Effective utilization of Make in India, Atal innovation machine, Start-up India and other schemes towards holistic development in Indian economy.
- ✓ Initializing appropriate alternatives responses for production and delivering of services by MSMEs.
- ✓ Developing effective Communication system among employers and employees.
- ✓ Enhancing the emotional intelligence.

Confidence and Conclusion: The extensive expansion of COVID-19 impact the whole world by creating bundle of issues. Even stronger and Developed countries are also suffering from ambiguity of COVID-19. The current slump trembles the world economic direction. In

this state of affairs India is never lose the hopes in its aspirations. Whole world bowed their eyes on India. Since Positive Growth in GDP by 1.9% in comparison to any other country of the world. IMF Has Projected a Growth rate of 7.4% in 2021-22. Forex reserve of India is 476Bn \$ as on 10th April. The recent development between Face book and Jio, Korea, US, Japanese companies are ready to Invest in India. If large scale sector moves obviously the MSMEs can gain in better way by providing essentials to large scale sectors. Acknowledging that this COVID-19 introduced the new aversion in economic order so. It's a high time to navigate with effective leadership as whole world consider India is in good leadership.

Stay safe, stay at home and Be healthy

References:

- Sowmya D N, Paramashivaiah P, Traditional Knowledge System-A Key to MSMEs Growth after COVID-19, Juni Khyath (UGC Care list Journal) ISSN-2278-4632, Vol.10, Issue 5, 14 may 2020, pp151-157
- Ruchi Pant. 2015. Protecting and promoting traditional knowledge in India: what role for geographical indications? IIED Working Paper. IIED, London. <http://pubs.iied.org/16576IIED> ISBN 978-1-78431-029-5
- J. Tarunika and J. Tamilselvi Saveetha School of Law, International Journal of Pure and Applied Mathematics Volume 119 No. 17 2018, 1249-1264 ISSN: 1314-3395 (on-line version) url: <http://www.acadpubl.eu/hub/> Special Issue
- R. Gopalakrishnan, Executive Director, Tata Sons Ltd. Tapasya winter 2010 Vol.II, PP 25-30.
- <https://www.pwc.in/assets/pdfs/publications-2011/innovation-msme-2011.pdf>
Innovation: Changing the MSME landscape
- FKCCI SOPs April 2020
- Indian Council for research in International Economic relations and European Business and Technology Centre, 2018
- https://economictimes.indiatimes.com/small-biz/startups/newsbuzz/for-indian-gaming-startups-covid-19-lockdown-is-a-boon-for-business/articleshow/75115595.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst
- <https://www.businesstoday.in/opinion/columns/covid-19-coronavirus-lockdown>
- KPMG report 2020
- Newspapers, Panel discussions and Online interaction with experts