SUMMER TRAINING

RESEARCH PAPER

HOW COVID 19 IS AFFECTING MSME SECTOR IN INDIA

Purnima Rathore

MBA HM-24, SEC-B

Roll no. – 0961

MBA Hospital and Health Management

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Purnima Rathore

MBA, Hospital and Healthcare Management

IIHMR University, Jaipur

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ABBREVIATIONS

- **MSME:** Micro, Small and Medium Enterprises
- **CARES Act.:** Corona Aid, Relief, and Economic Security Act
- **EO**: Entrepreneurial Orientation
- **MO**: Market Orientation
- **SMEs**: Small and Medium Enterprises
- **RBI**: Reserve Bank of India
- **ILO:** International Labor Organization
- **FY:** Fiscal Year
- **GDP**: Gross Domestic Product
- **GST:** Goods and Service Tax
- **AIMO**: All India Manufacturers Organization

INTRODUCTION

The ongoing Corona virus (COVID19) pandemic has just not caused the countries but the whole world a serious threat. It has annihilated the health system, economy, agriculture, transport of goods etc. Originated from Wuhan in China on 15 April 2020 to the first case in India on 30 January 2020, it has engulfed the whole world. Due to the magnitude of the situation, on 24 March 2020 Prime Minister of India has announced the lockdown for 21 days as a preventive measure and further extended it to 3 May 2020. The step taken by the government regarding the lockdown are apt and for the safety of all the citizens of the country, but this has led to the catastrophic mismanagement of the whole economy. This article focuses on how the lockdown has inflicted one of the major pillars of our Indian economy i.e., micro, and small enterprises. India has faced a no. of outbreaks since time unknown, starting from the Spanish flu in 1918 , Small pox in 1974, Plague in 1994 , Swine flu in 2009 and now this novel coronavirus in 2020 but none of the pandemic was as widespread as this and has attacked all systems of the country like transport, entertainment, retail and stock market has witnessed unpredictable large drops. Now what actually is MSME sector? According to Micro, small, and medium enterprises development (MSMED) Act, 2006 the MSME are divided into two categories: -

1. Manufacturing Enterprises: - These enterprises are responsible for goods production and manufacture. Depending on the investment in plant and machinery, divided into following categories: -

   a. Micro enterprises: - Investment should not be more than 25,00,000 rupees

   b. Small enterprises: - Investment should be more than 25,00,000 rupees but less than 5,00,00,000 rupees.

   c. Medium enterprises: - Investment should be more than 5,00,00,000 rupees but less than 10,00,00,000 rupees.

2. Service Enterprises: - These enterprises are responsible for providing and supplying services rather than manufacturing. Depending on the investment on equipment, divided into following categories: -

   a. Micro enterprises: - Investment should not be more than of 10,00,000 rupees.

   b. Small enterprises: - Investment should be more than of 10,00,000 rupees but less than 2,00,00,000

   c. Medium enterprises: - Investment should not be more than of 2,00,00,000 rupees but less than 5,00,00,000 rupees

According to report of the Prime Minister's task force on small and medium level enterprises, "The contribution of MSME sector in the wholesome development of India's economy is commendable. This sector contributes 8 per cent of the country's GDP. The MSMEs provide employment to about 60 million persons through 26 million enterprises." The current GDP of India is 2.72, out of which 8% is a bit large margin showing the cruciality of this sector. According to the annual report of the department of MSMEs 2018-19 which is latest, there are total no. of 6.34 crores MSMEs in India, out of which 51% are rural and 49% are urban. The MSMEs alone gives employment to approximately 11 crore people showing the no. of people associated with this sector and going to face losses if the lockdown prolongs or if the crisis lasts for more time. In an article published in The Hindu on 20th March 2020 titled, "For MSME sector in Madurai region trouble comes in threes", focussing on the problems faced by the MSMEs of Madurai. MSMEs in Madurai contributes to more than 95% of Industries which employees over 2 lakh people. Currently these MSMEs are facing very critical problems because of ongoing pandemic such as obstruction in supply of raw materials, large drops in demand of the finished products, disturbance in credit cycle of business etc.

OBJECTIVE

To study the impact of COVID 19 and lockdown imposed due to this pandemic on micro, small and medium level enterprises (MSME) in India.

- To assess how COVID 19 has affected the operations of MSMEs.
- To know the effect of pandemic on workforce of small businesses.
- To identify the steps government can take to address the problems MSMEs are facing.

METHODOLOGY

This paper is a systematic literature review. A transparent approach was used for research synthesis so that the bias can be minimized. Multiple databases were used as sources for this literature review. Google scholar, PubMed and PMC were utilized, to search paper related to the main objective key words have been used. Internet has been used as the main method of data/literature collection because of its infinite access to various authentic networking. Articles and papers appeared in the search are further narrowed down based on how recent the research is, to obtain the better results. Sources used in the research are selected on some criteria, first is source should be authentic and renowned and the second is source must be in line with the purpose of literature review based on the objective of the article. Only those articles which are peer reviewed are taken in this paper. After selecting the articles/papers/data, I checked if the correct research procedure is followed in the papers or not. A variety of key words has been used to locate different articles such as *MSMEs, economy, COVID, entrepreneurship, business operations, finance* etc. Literatures are not excluded based on which type of data has been used, both qualitative and quantitative data type are included if they are aligned with the proposed research question. Only those literatures and papers that were thematically aligned with the research question and which have met the inclusion criteria were included and summarized. References from articles of India today, Hindustan times have also been used. Relevant details regarding the objective of study are extracted from each paper. All the literature reviews are crosschecked with name of their authors and official source of data that has been used.

LITERATURE REVIEW

Alexander W. Bartik, Marianne Bertrand, Zoe Cullen, Edward L. Glaeser, Michael Luca, and Christopher Stanton. The impact of Covid-19 on small business outcomes and expectations (May 26,2020). Working paper 20-102 online published by Harvard Business School.

In this study a survey was conducted in partnership with Alignable. Alignable is a network of small businesses across North America. Currently it is a network of 4.6 million small businesses. The main aim of this study is to explore and understand the impact of pandemic on small business outcomes and expectations of the owners of business for the further future. Data of more than 7511 business owners/employees were collected between March 28 and April 4, 2020. The survey has 43 questions in total. The main idea of this study is to get answer to these three questions, first is how this pandemic has affected the business, i.e..., Is this business is close to closure or it can sustain? Second is to know the financial condition or financial fragility of the business by determining how much cash is left in hand which can help business to grow or to remain efficient. Third question is what are the expectations of business owners regarding the duration of crisis and for how long they can survive in market. It also asks questions about how CARE act has been beneficial in this crisis time? The results suggested that most of the businesses were temporarily closed which accounts for almost 41.3%, during the first few week of crisis because of safety measure and supply chain disruptions like unavailability of raw material. 1.8% of the businesses were permanently shut down due to the crisis. About 1.3% businesses were closed due to some other reasons and 55.5% businesses were still operational. Financial conditions of firms were not up to the mark, about one fourth of firms have enough cash to support their business for not more than a month and half of the firms have cash in hand which can last for more than a month or two in order to support their business. The expectations of business owners for how long this crisis will last has varied however they were not very confident about their answers. The firms with more cash in hand were positive with their answer for survival in the market even after the crisis ends while the firms or businesses with less cash in hand were pessimistic and responded that they are quite uncertain about being open again. CARES loan program acted as silver lining in gray clouds for these enterprises but at the same time some enterprises were reluctant to use this policy complaining about complicated application process, eligibility criteria, dilemma in people w.r.t government forgiving the total loan amount.

Eggers., Fabian. Masters of disasters? Challenges and opportunities for SMEs in times of crisis. Published online 2020 May 26. doi: 10.1016/j.jbusres.2020.05.025. PMCID: PMC7247971.

This study has conducted a literature review on 69 manuscripts that has studied the SMEs in different other crisis situations and also suggested ideas and way to overcome economic downfall in different domains such as resource allocation, finance, strategy etc. The main idea of this paper is to propose the effective solutions to deal with the challenges provide by crisis. The paper is divided into three sections:- Finance, strategic orientations & strategy and institutional environment. Manuscripts in the area of finance suggested that how several organisations and banks took SMEs as high risk entity during the time of crisis due to which SMEs face major issues such as lack of funding, problems in taking loan and tough investment policies. Another area which is strategic orientations and strategy, manuscripts and researches suggested that firms or enterprises which are opened based on the demand of market or external environment are likely to survive more in the time of crisis as compared to the businesses which are opened just out of necessity. This is associated with the concept of entrepreneurial orientation (EO). EO involves proactiveness, risk taking ability, openness to innovation etc. It has been observed that firms with higher can easily sustain during and also after the crisis. Market orientation (MO) is another concept of the responsiveness towards the current need and necessity of a customers. Literatures suggested that a combination of EO and MO can help SMEs to fight during the times of crisis and make them stand still. Some manuscripts suggested the way institutional environment can help SMEs. Taking macroeconomic view, government can made policies, provide subsidies, give loan on low EMIs etc. Other than this financial institutions as well local government can also help small businesses. This paper has discussed the path forward which can be taken to overcome the crisis.

Bijoy Rakshit, Daisy Basishtha. Can India stay immune enough to combat COVID 19 pandmeic. An economic query. J Public Aff. 2020 Jun 19 : 10.1002/pa.2157. PMCID: PMC7323438.

The main aim of this article is to examine the effect of COVID 19 on Indian economy and how it is affecting different domains of Indian economy. It also deals with “what is the role of public health in dealing with this crisis?” This article suggests that after demonetization in 2016 and GST rollout in 2017, Indian economy was already in hazardous condition and this crisis has put the economy in more danger. About different sectors of economy which got affected according to the article are agriculture, supply chains, manufacturing sector, service sector, international trade and educational sector. Highlighting about the MSME sector this article suggests that is has been the most affected sector in these times. Contributing about 16.6 % of India’s economy, a major chunk of people are also associated with this sector who will be going to loose their jobs. Article recommends government to provide the financial assistance as well as employment opportunities to the people associated with this sector. According to the growth projections for Indian economy by different agencies such as Asian development bank and fitch ratings which suggests that economy is facing severe risk. The role of public health in dealing with this crisis is very crucial so given the status of public health expenditure in current times, government needs to spend more in this sector to ensure the proper medical facilities.

Maryam Anas Ganaie, Farhan Zafar, Nadia J. Seth. Impact of COVID 19 on small and medium enterprises in Pakistan. DOI: 10.13140/RG.2.2.21236.09607. Research: April 2020. Published on research gate.

This study highlights the issues which Pakistan's enterprises are facing due to the lockdown and halt situation in their country as well as globally. In this study an online survey is conducted in which 920 enterprises participated. It is being conducted from April 3, 2020 to April 14, 2020. In these 920 respondents all the sectors of MSMEs are covered such as agriculture, manufacturing, marble, mining & quarrying, textile, retail, wholesale, travel, handicrafts, automotive etc. The operations of SMEs are widely affected, 95% of enterprises admitted that their operation were affected due to crisis in one way or other. Only 5% have agreed that their production has not been affected due to COVID 19 at all. According to survey results, 48% of enterprises has laid off their employees among which 26% enterprises have planned to hire them again in one month, 18% enterprises have planned to rehire them in 2 months and about 15% enterprises have planned to rehire employees in three months and 25% have planned to rehire or find a way out as soon as the situation improves. When asked about the future expectations and their strategy to survive during the lockdown, it has been observed that 60% of enterprises will continue with their current business at least for one year while rest of the enterprises decided to downsize, diversifying into another line or close down their business on the other hand only 6% of enterprises planned to expand their business. The main issues SMEs are facing in the lockdown are supply chain disruptions, financial crisis, issues in selling their product or service, conveyance, inventory issues, import and export. In totality the survey is of 920 respondents which have approx. 19641 employees and it has 8950 daily wagers which results in annual sales turnover of PKR 29 billion. This paper also recommends the steps government can take to help SMEs. Those steps are can be taken by financing SMEs by providing them loan on very low interest rates, financial assistance to micro enterprises, uncomplicated and smooth loan taking processes, special schemes and policies for women entrepreneurs. By giving relaxation on taxes and also by giving wage support so that enterprises can sustain employees.

Isidora Beraha1*, Sonja Đuričin1. The Impact of COVID-19 Crisis on Medium-sized Enterprises in Serbia. Online published on June 2, 2020. DOI: 10.28934/ea.20.53.1.pp14-27.

The main objective of this study is to know how COVID 19 has affected the functioning of SMEs in Serbia. To determine the effect an online survey has been conducted during March and April 2020. The questionnaire consists of 19 close ended questions and a 7 point likert scale is used. 50 medium sized enterprises which are analysed since 2016 under the publication of "National network of medium size enterprises" published by the institute of economic sciences. The survey was conducted during the state of emergency to get better idea of what enterprises are going through. Results of survey suggested that 56% of MSMEs are affected by pandemic, 22% of enterprise has stated that their operations are not yet affected by crisis but they are expecting negative, economic downturn in their business activity in coming 2-5 months. 11% of enterprises are also expecting slow growth in next 2 months while 11% of enterprises are not at all affected neither they are expecting any negative effect due to crisis. 20% enterprises has allowed their employees to work form home. 16% of enterprises reported decline in liquidity and supply chain disturbance. About the economic stimulus package which has been adopted by Republic of Serbia, only 56% of total enterprises are completely aware about the package, 33% of enterprises are partially familiar and 11% enterprises stated that they are not familiar with the regulation. In the survey a question about the concern of employees health has also been asked to enterprises and results suggested that 44% of enterprises are extremely concerned about the health of employees while 22% stated that they are not at all concerned and 22% stated that they are unconcerned and 11% are moderately concerned. Research has also compared the policies which are made in several different countries to Serbia and it has been found out the major steps taken by the government in all countries are similar but at the same time research suggests government to re-examine the potential of adopting new policies.

Sipahi, E. (2020). Covid 19 and MSMEs: A Revival Framework. Research Journal in Advanced Humanities, 1(2), 7-21, Retrieved from https://royalliteglobal.com/advanced-humanities/article/view/146. Published on June 30, 2020.

In this study a framework is proposed for the renewal of MSMEs from the problems they are facing due to the crisis in India. According to this study the two major problems which this MSME sector is currently facing are as follows. The first problem is informality in this sector. A most recent survey by periodic labour force shows that the consistent salaried employees in non agricultural sector, 71.1% of employees have no written contract, 54% of them are not allow to take paid leave and 49.6% are not eligible for any societal safety benefit. So these employees are solely dependent on this enterprise in which they are working as they have no other source of income therefore, they are directly affected by this lockdown. The most common people affected in this crisis are vendors, vegetable sellers, labours and specially the employees belonging to the sector which do not supply essential goods. Second problem is identification of beneficiaries is very difficult as there is no recent data set from which target enterprises can be find out. The last census on MSME was conducted in 2006-2007. The framework proposed by this study is as follows:
Financial aid is one of the most primary requirement and which has been provided by government also collateral free loans for MSMEs and Atma nirbhar package but the issue is the reach of these policies to target population and the correct implementation of government directives. Finding new opportunities for these enterprises for e.g., some businesses started making masks and sanitizers would be an effective measure. Giving wage support to the employees of MSMEs so that enterprises can retain employees for long. Some measures can be taken to defer utility and social security payments so that they don't have to pay full taxes and rent. Government can also establish a digital platform for learning new skills for free so that growth never stops and it can be served as preparedness for future. The government along with business enterprises can help MSME and whole economy to overcome this crisis and regrow.

Takupiwa Nyanga, Herbert Zirima. Reactions of small to medium enterprises in Masvingo, Zimbabwe to Covid 19: Implications on productivity .

This study asses how the lockdown due to pandemic has affected MSMEs in Masvingo, Zimbabwe. This is a descriptive type of study. In this study seven enterprises are selected randomly and among these 7 enterprises 10 participants have been selected by convenient ssampling. In depth interview of these 10 employees have been conducted over a period of three days with all due permissions from chief executive officers. Results of survey revealed that SMEs has experienced a real downturn. Most of the SMEs has to close close down because they don't come under essential services. Some SMEs has to lay off their employees because enterprise was not able to pay wages. Respondents have suggested interventions to minimize the spread of virus, by providing optimal knowledge through posters, social media, IECs about the spread of virus, what causes this virus, so that effective precautionary measures can be taken by enterprises to omit the spread of virus. It has been found out by this study that enterprises in Zimbabwe have developed an alternative source to improve the productivity and growth and that is by selling their products online and also keep in touch with their employees and customers through whatsapp. Some SMEs are not following all the guidelines issued by government for the lockdown because they are not able to meet their financial obligations like paying electricity bills, rent and other related costs. This study recommends government to give SMEs a relief package so that they can survive even after lockdown. It also recommends SMEs to find creative ways of doing business rather than relying on traditional old methods such as doing online business, making employees work form home and making operations more digital.

Udayan Rathore, Shantanu Khanna. From slowdown to lockdown: Effects of the COVID-19 crisis on small firms in India. May 31, 2020. JEL Codes: O14, D22, D24, H32.

The main aim of this study is to find out the current situation of MSMEs and what are the future expectations of business owners in India. To asses this a questionnaire was developed it has 52 questions in total. The survey was started on 4th of may and it is still going on. This paper is a part of a large project for MSMEs so only data till 24th of May has been included which covers 361 enterprises. This survey covers respondents from 20 states from all over the India. Results of this survey revealed that the firms which were functional at 75% utilization rate, post lockdown it fell to just 11% in which 55% of the firms have stopped operations completely. It has been found out that smaller businesses and firms have experienced bigger losses. It has severely affected the livelihoods, survey results shows that 14,230 out of 27,265 workers were employed before the lockdown and this wave of unemployment caused urban-rural migration. Findings revealed that MSMEs are also facing delay in payments, supply of raw materials and also the cancellation of orders. One of the major problem MSME facing is financial crisis, findings suggested that 45% firms are operating on their own savings and informal channels. Among all the enterprises taken in survey 63% haven't even applied for loan and rest of them which approached the banks only less than a third somehow managed to get a loan. On asking for how long firm can survive, 70% of firms replied that they would be able to survive for three months or less. After the announcement of relief package by government for MSMEs, asking about whether respondents see it as any help, less than one third believe that this package would be of any help, 57% respondents believe that it would be of no help and 11% respondents stated that it would cause harm to their business. This study recommends government to get in more touch to MSMEs as their revival is essential for country's economic growth.

SUMMARY

TITLE OF PAPER	AUTHORS	YEAR OF PUBLICATION	RESEARCH DESIGN	PLACE OF STUDY	METHODOLOGY USED	DATA SIZE	KEY FINDINGS
The impact of Covid-19 on small business outcomes and expectations in the United States.	Alexander W. Bartik, Marianne Bertrand, Zoe Cullen, Edward L. Glaeser, Michael Luca, and Christopher Stanton.	2020, Working paper 20-102	Exploratory research	North America	Online survey consists of 43 questions.	7,511 enterprises	41.3% enterprises were temporarily closed, 1.8% permanently shut down, 55.5% still operational.
. Masters of disasters? Challenges and opportunities for SMEs in times of crisis.	Menlo College, Department of marketing, 1000 El Camino Real, Atherton	2020	Descriptive research	Global	Literature review of 69 manuscripts	69 manuscripts	Issues faced by MSME are lack of funding, complex loan processes. Demand target business are more likely to survive, Combination of EO and MO can help MSME to fight this crisis.

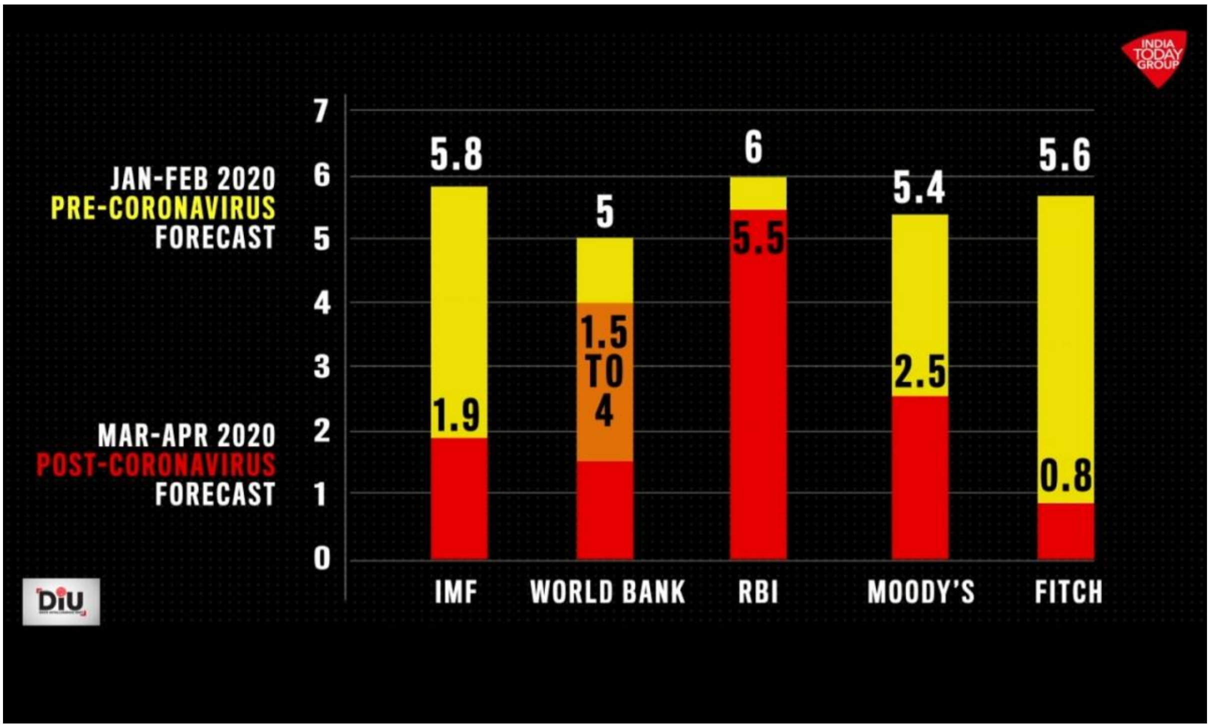
. Can India stay immune enough to combat COVID 19 pandmeic. An economic query.	Bijoy Rakshit, Daisy Basishtha	2020	Descriptive research	India	Literature review		Sectors affected due to crisis are agriculture, supply chains, manufacturing sector, service sector, international trade and education. Lowered GDP growth projections, MSME, the most affected sector
Impact of COVID 19 on small and medium enterprises in Pakistan.	Maryam Anas Ganale, Farhan Zafar, Nadia J. Seth	2020	Descriptive research	Pakistan	An online survey	920 enterprises	95% of enterprises affected by pandemic, , 48% of has laid off employees. After lockdown that 60% of enterprises will continue with current business. Main issues SMEs are facing are supply chain disruptions, financial crisis, issues in selling their product or service, conveyance, inventory issues, import and export
. The Impact of COVID-19 Crisis on Medium-sized Enterprises in Serbia.	Isidora Beraha1*, Sonja Đuričin1	2020	Exploratory research	Serbia	An online survey	50 MSMEs	56% of MSMEs are affected by pandemic,11 % are not at all affected, rest are expecting negative growth in coming times but not yet affected. 56% of total enterprises are aware about relief package by govt., 33%

							are partially familiar and 11% are not familiar with the regulation.
Covid 19 and MSMEs: A Revival Framework	Sipahi, E.	2020	Evaluation research	India			Framework should provide Financial aid, also collateral free loans, correct implementation of government directives, also establish a digital platform for learning new skills
REACTIONS OF SMALL TO MEDIUM ENTERPRISES IN MASVINGO, ZIMBABWE TO COVID 19: IMPLICATIONS ON PRODUCTIVITY .	Takupiwa Nyanga, Herbert Zirima	2020	Descriptive study	Masvingo, Zimbabwe	An online survey	7 enterprises, 10 responedents by convenient sampling	SMEs has to close down because they don't come under essential services, SMEs has to lay off their employees because enterprise was not able to pay wages. Enterprises joined digital platform to sell their products online.

From slowdown to lockdown: Effects of the COVID-19 crisis on small firms in India	Udayan Rathore, Shantanu Khanna	2020	Descriptive study	20 states all over the India	An online survey	361 enterprises	Firms which were functional at 75% utilization rate, post lockdown it fell to just 11% in which 55% of the firms have stopped operations completely. 14,230 out of 27,265 workers were employed before the lockdown. 45% firms are operating on their own savings and informal channels. Less trust and awareness regarding aatma nirbhar package.

ADDITIONAL FINDINGS FROM ARTICLES/SURVEYS/REPORTS:

- An article was published in India Today titled, “Coronavirus to leave Indian economy battered, say GDP growth projections” dated April 24, 2020 in which comparative analysis of GDP growth rate projections i.e., pre corona virus forecast, and post corona virus forecast of India. The intelligence unit of India today had compiled data from various credible sources and did the analysis. It has taken international rating agencies such as Moody’s and Fitch, IMF (International monetary fund), world bank, and RBI (Reserve bank of India). The following graph shows the data obtained from the credible sources.

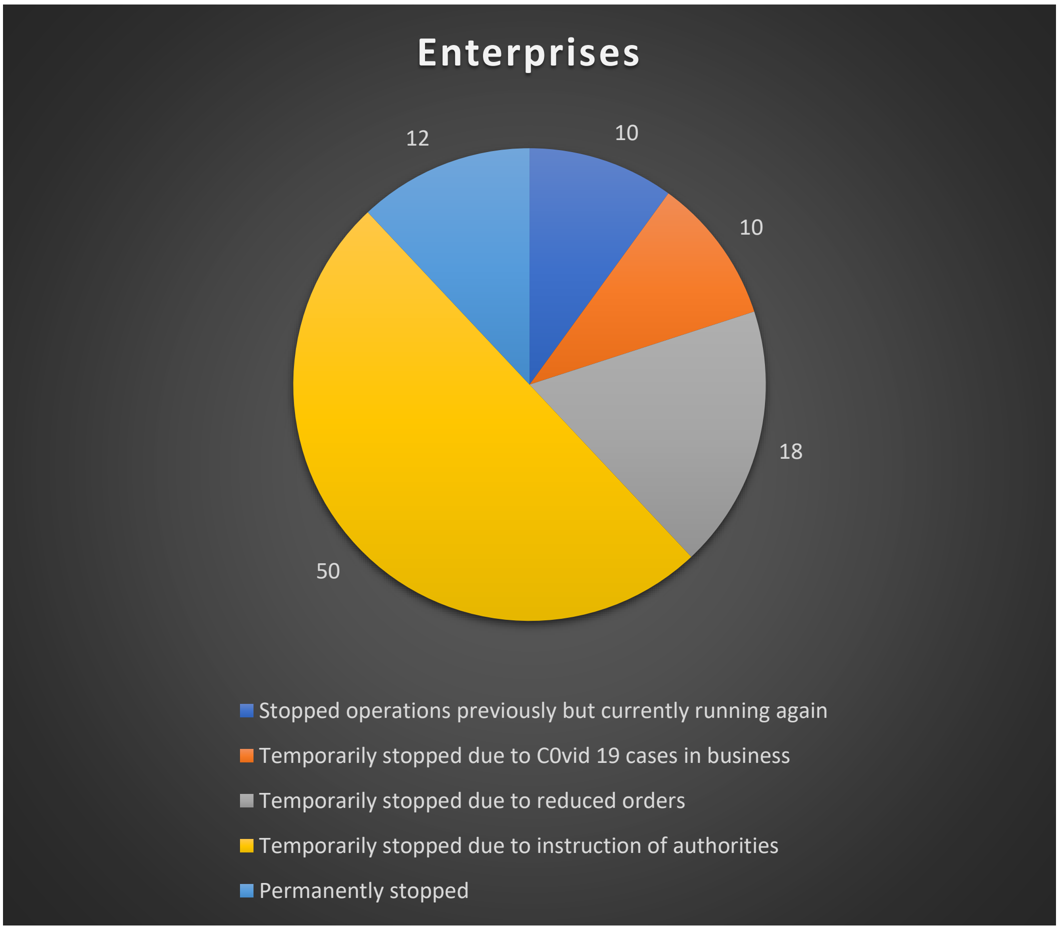


SOURCE: – DIU (DATA INTELLIGENCE UNIT) OF INDIA TODAY

The GDP growth rate projections are quite clear from the graph. Most of the financial institutions has considered this pandemic to affect GDP of India adversely while RBI is bit hopeful and doing its best to mitigate the consequences of lockdown. DIU of India today compared the projections of these selected financial institutions and found that on average they project a 2-3% GDP growth rate for FY2020-21 for India.

- In a study conducted by ILO (International labour organisation) on 15 May 2020 in which they have conducted a global COVID 19 enterprise survey to check how enterprises are affected by pandemic and how can we support them. In this survey 7 countries were included. Countries are Indonesia, Peru, Myanmar, Colombia, Ghana, Tunisia, Bolivia, and Pakistan. Some of the vital readings from the study/survey are following: -
    - ➢ 27% of total sample size (1066 enterprises) responded that there enterprise has not stopped operations due to Covid 19 while 70% has responded that there enterprise has stopped operations.The following data is of those 70% enterprises showing the reasons behind the closure

of various enterprises.



DISCUSSION

The economic disruptions due to COVID 19 has left the MSME sector in India in severe damage. Various global rating agencies like S&P stated that Indian economy is in deep trouble, expected growth to fall by 5% this fiscal year. According to the literature reviews taken in this study it is evident that not only India but the whole world is severely affected by the COVID 19 and lockdown measures. The most common problems MSME are facing right now are supply chain disruptions, lack of availability of funds, complex loan processes, unable to pay wages, lay off employees, manpower shortage, bankrupty etc. The enterprises which are not into essential goods production such as furniture, handicrafts, cutlery etc have to close down their businesses permanently. The families which have the only source of income by these enterprises are facing real troubles and lending money from their family and friends. Enterprises which are closed due to lockdown still have to pay rent, electricity bills and other such expenditures. Although government has requested landlords to waive at least one month of rent but it still do not overcome all of the issues. Banks are always have been reluctant to give loans to MSMEs as they have doubts about them not able to pay them back. Due to this small business owners are taking loan from their family and friends with high interest rates. A study by AIMO estimated that if lockdown gets prolonged, about 18.5 million MSMEs will be going to face closure if closure goes beyond 4 weeks which will eventually affect the employment of around 114 million people which in turn will affect GDP. Enterprises has to lay off the employees as they are not able to pay wages which results in migration of these employees from urban to rural area. So even if lockdown gets over businesses are going to face shortage of labour. Although government has introduced a lot of relief stimulus packages for MSMEs such as aatma nirbhar bharat, collateral free loans but the issue here is lack of awareness among the local public about these packages and the people who know about these packages found availing loan a complex process, some also believe that these schemes are going to cause trouble and negative effect on their businesses. Policies and government directives are in favour of MSMEs but they are not reaching target audience. Some enterprises are changing there operational platform, they are shifting form conventional methods to new and more advance methods such as shifting their business online by selling and buying products online. A very little no. of enterprises are also getting more creative by changing their businesses and shift to demand based business, such as manufacturing the masks and sanitizers, changing this crisis time into opportunity for revenue generation. A lot of employees started doing work form home, abiding government guidelines but not all enterprises can afford to do that some are still operating which is dangerous but the reason they state is they are not able to pay their bills and rents. Framework provided in the literature study above "*Covid 19 and MSMEs : a revival framework"* suugets government to provide free online platform for the enterprises so that employees can learn new skill and work for better tomorrow but for enterprises which have very small scale operations and low level digitalisation, technology advancement cannot be implemented there in that case government have to look for better and multiple ideas. A few recommendation this paper gives to both government, enterprises and large business firms are that , In the time of crisis large businesses can help small businesses by collaborations, giving them new idea for alternative business, merge small enterprises with them to support them. Government can give loan at 0% interest rate and increase the reach of their programs and policies, so they are accessible to needy. Government can also take ideas from enterprises itself about what is good for them as there is an essential requirement of government to engage with MSME sector and give consideration to their thoughts and suggestions. Banks can ease access to credit and other financial services. Enterprises can shift their business model and make it more customer demand driven. Government should provide training programs in order to sharpen the skills and to encourage entrepreneurship. Government should also work on increasing awareness about the policies and measures they take to support MSMEs.

CONCLUSION

This paper tries to assess the impact of pandemic on micro, small and medium sized enterprises with some previously done research studies. MSME proven as the most significant domain of Indian economy yet facing extreme economic downturn due to the COVID 19 pandemic. The most recent trends suggests that if government will not take appropriate measures situation can worsen more. Almost all the studies taken in this paper reveals the similar issues faced by every country in this sector. Implementation of lockdown through out the world has not only affected the operations of enterprises, it has also caused havoc in other sectors associated to it. If the essential steps will not be taken by now, a major chunk of MSMEs will disappear when situation will come back to normal. India has to focus more on digital learning, technological advancement, bringing innovation and specially focus more on make in India as it is the time now to support the business of our country more and make Indian brands renowned. Banks and other funding agencies have to become have to focus more on easing the loan taking processes as financial aid is the most primordial level of problem enterprises are facing right now. Not only government but businesses also have to stand up for themselves by stepping foot into digital market and try to avoid conventional methods of physical workshops. Collaboration between government and enterprises can solve the issue of supply chain disruptions. Small businesses have to see this challenge as an opportunity and become more demand driven to sustain in market as well to grow in future.

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