

## **An Analytical Study on the Government Policies for the Sustainable Growth of MSME's in India During Covid-19**

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### **Abstract**

The Micro, Small, and Medium Enterprise (MSME) sector is the foundation of the Indian economy. It represents 48% of India's products and utilizes 110 million individuals. The pandemic has, true to form, had a broad financial effect, yet the extent of its belongings isn't surely known. Small-scale organizations, which are basic to the working of India's manufacturing and administration sectors, have experienced the most. Notwithstanding, the COVID-19 and its consequence almost stopped the MSME sector in 2020, with a huge drop in income. The sector experienced the most as far as guaranteeing business congruity, because of a serious liquidity crunch and declining demand. During the emergency, the government's thought for the focused on sector has given critical catalyst to MSMEs. Thus, it is basic to evaluate the impediments, uncover them, and devise a system to beat the pandemic emergency. Hence, the researcher has made an attempt to do an analytical study on the government policies for the sustainable growth of MSMEs in India during COVID-19. Both primary and secondary sources of information have been used for the study.

**Keywords:** COVID Outbreak, GDP, MSME Facilitation, Information Dissemination, Essential Economic Activities, Relief Measures and Packages.

### **Introduction**

As a result of COVID-19 flare-up, the Government of India (GOI) implemented lockdown estimates that incorporated the conclusion of instructive organizations, modern establishments, and neighborliness administrations, as well as the preclusion of homegrown street, rail line, and air travel, as well as a large number of different measures. During the lockdown time frame, the declared measures expressly recorded a bunch of disallowed non-essential financial exercises (e.g., all business, private establishments including manufacturing, café administrations, lodgings, dispatch administrations, and so forth) and a bunch of allowed essential monetary exercises (e.g., emergency clinic administrations, power and water, ATM banking).

Up to this point, India has been generally liable for containing infection spread. In the event that India doesn't act rapidly, the pandemic's effect will turn out to be progressively perilous, and the perception of its effect will be genuinely surprising from now on. The pandemic affects each industry. Yet, it is not yet clear whether India will bear the outcomes of the COVID-19 pandemic soon<sup>1</sup>. It is muddled the way that long it will take to refocus with development. India is now encountering high unemployment, which will just deteriorate. Each incident in life shows us a genuinely new thing, whether it is positive, negative, or both. Fortunately, this pandemic permits India to survey its potential. India is excessively dependent on different nations for products imports; how India has managed this present circumstance is through home obtaining arrangements as opposed to bringing in from different nations<sup>2</sup>. This will help India's BOP circumstance to some extent. The idea of telecommuting will turn into another culture in India. Accordingly, the utilization of computerized practice will fill sooner rather than later.

### Objectives Of The Study

The present study associated with following objectives:

1. To know the status of COVID-19 and MSME Sectors in India.
2. To concise the result of COVID-19 situation on Indian MSMEs.
3. To analysis on the reach of government schemes for MSMEs in India.
4. To summarize the COVID-19 relief measures for MSMEs in India by the Government.

### Reviews Of Related Literature

**Bansal, Tamana and Bansal, Rohit.<sup>3</sup> (2022)** have done an investigation and discovered that the MSME are viewed as the foundation of the Indian economy. As per MSME Department information delivered on May 16, 2021, India has almost 60 million MSMEs that contribute roughly 45% of manufacturing yield, 29% of the nation's Gross domestic product, and utilize 11 million individuals. The unforeseen pandemic and cross country quarantine stunned the business, especially the MSME sector. A portion of the significant issues defying MSMEs during the pandemic are an absence of capital, a shortage of unrefined components, and an absence of work<sup>4</sup>. The government answered rapidly, reclassifying MSMEs and declaring security free programmed credits and extraordinary bundles. The objective of this paper was to investigate the difficulties that MSME looked during the downturn and the restorative estimates that the government set up to safeguard the sector. The specialist's writing, as well as some other auxiliary examination sources, are analyzed during the exploration.

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<sup>1</sup> Affandi, Azhar et al. (2020). *Optimization of MSMEs Empowerment in Facing Competition in the Global Market during the COVID-19 Pandemic Time. Systematic Reviews in Pharmacy. 11. 1507-1515. 10.31838/srp.2020.11.213.*

<sup>2</sup> Lal, B Suresh & Sachdeva, Phalguni & Chandeliya, Simran & Mittal, Tanu. (2022). *Impact of Covid-19 on microsmall and mediumenterprises (MSMEs): An overview.*

<sup>3</sup> Bansal, Tamana & Bansal, Rohit. (2022). *CHALLENGES AND REMEDIAL MEASURES FOR MSME DURING COVID-19 IN THE INDIAN ECONOMY.*

<sup>4</sup> Mahajan, Yogesh. (2020). *Title: Study of impact of COVID-19 pandemic on small and mediumenterprises (SME's) in India. 7. 1-6.*

**Mungila Hillemane, Bala Subrahmanya.<sup>5</sup> (2021)** summed up their exploration as the COVID-19, explicitly its Most memorable Wave followed by a Subsequent Wave, has been causing unprecedented harm to the entire Indian economy, including its dynamic SME sector, since Walk 2020. Before the pandemic, the SME sector accepted huge significance because of its colossal commitment as far as employment, public pay, and commodities, in addition to other things. A rejuvenated public DIC organization, with the help of SFBs, SIDBI, NABARD, and SFCs, can be wanted to assume a basic part in the restoration of the SME sector. Rustic Business Hatcheries are one more suitable move toward reinforce and advance entrepreneurship at the grassroots level. Together, they would support the future financial rejuvenation of the Indian economy.

**Shaikh, Samiullahjahan.<sup>6</sup> (2021)** have summed up their concentrate as the Indian MSME's give biggest employment after agribusiness sector in India. It is viewed as the foundation of the Indian economy since it adds to the development of entrepreneurship culture, the advancement of the country's financial status on a worldwide scale, the creation of modern things, and the commodity of different things, for example, garments, craftsmanship items, calfskin things, etc. Because of the COVID-19 Pandemic, which brought about monstrous death toll and property for residents from one side of the planet to the other, the Government of India forced a fractional and severe lockdown the nation over. The review found that while different plans under the Atmanirbhar Bharat Abhiyaan would be valuable for now, more strategies are required on the grounds that the misfortune made by the pandemic had driven India's economy enduring the most terrible shot in 10 years. Coordination from that Centre and State Government is expected with a legitimate mix of Financial, Money related and Managerial strategies<sup>7</sup>.

**Sipahi Döngül, Dr.<sup>8</sup> (2020)** have done an investigation and discovered that the economies from one side of the planet to the other is experiencing COVID-19, which has made the entire world frenzy and the pandemic infection has taken over very nearly 195 nations in its grasp. Due to their size, size of activity, restricted monetary managerial assets, and, all the more critically, their powerlessness to manage something so surprising, enterprises in the MSME sector are plainly the weakest in the time of the COVID-19 pandemic. Very few women entrepreneur are also showing interest to do microbusinesses (salini & Venkateswaran, 2020)<sup>21</sup>.

### Need For The Study

The recent Covid attacked both the nation's wellbeing and monetary frameworks. On this site, small entrepreneurs are searching for ways of managing the functional pressure brought about by the infection. Accordingly, in our review, we endeavored to measure the new predictability to be embraced to recover the business and live with the COVID-19. As

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<sup>5</sup> Mungila Hillemane, Bala Subrahmanya. (2021). *The Impact of Covid-19 Pandemic on Indian SMEs: Causes, Dimensions and Challenges*. 6.

<sup>6</sup> Shaikh, Samiullahjahan. (2021). *IMPACT OF COVID-19 LOCKDOWN ON INDIAN MSME SECTOR*. 10.13140/RG.2.2.10914.56000.

<sup>7</sup> Muhamad, Mira. (2022). *A Comparison on The Impacts of Covid-19 on SMEs from Cross-Regional Countries: A Systematic Literature Review*. *International Journal of Academic Research in Business and Social Sciences*. 12. 10.6007/IJARBS/v12-i7/13359.

<sup>8</sup> Sipahi Döngül, Dr. (2020). *COVID-19 and MSMEs: A Revival Framework*. 1. 7-21.

the COVID-19 keeps on causing ruin, the jobs of many entrepreneurs and small entrepreneurs are endangered. Our current circumstance is incredibly unsettling. Entrepreneurs face various difficulties, especially in the MSME sector.

### **Covid-19 And Indian Msme Sectors**

SMEs are one of the essential drivers of the Indian economy's development story. Throughout recent many years, the SME sector, which incorporates the help business, manufacturing, bundling, foundation, food handling, data innovation, and synthetics, has arisen as the most unique wellspring of development in the Indian economy. In recent years, the MSMEs sector has developed at a quicker rate than the modern sector. This sector gives an enormous number of occupations, however it likewise assists with keeping up with territorial equilibrium by carrying industrialization to far off country and in reverse regions. As per the 73rd Round of the Public Example Overview (2015-16), the MSME sector gave around 11.10 crore occupations, with 3.6 crore in manufacturing, 3.9 crore in exchange, and 3.7 crore in different administrations. Considering these statistical data points, obviously the development of SMEs is basic for India's objective of turning into a \$5 trillion economy by 2025<sup>9</sup>.

As a result of its size, size of business, and accessibility of monetary assets, the MSMEs sector was one of the most powerless sectors during the pandemic. As per studies and overviews, roughly 95% of firms were harmed by the public lockdown forced in April 2020, and 70% of organizations were disturbed until August 2020. Indeed, even after moderate opening, reports demonstrate that almost 40% of organizations will be upset for the rest of February 2021. MSMEs face three basic obstructions: market access, generally efficiency, and admittance to additional assets<sup>10</sup>.

### **Result Of Covid-19 Situation On Indian MSMEs**

As indicated by one recent study<sup>11</sup>, Lockdown 1.0 and Lockdown 2.0 impacted 116.18 million (25%) and 78.93 million (17%) of India's laborers, separately. By far most of them are found in the sloppy manufacturing and administration sectors. For laborers in the manufacturing and administration sectors, the probability of telecommuting is very low. As per the Centre for Checking Indian Economy (CMIE), no less than 5,000,000 salaried laborers were laid off in July, bringing the all number of employment misfortunes in this class to 18.9 million since April 2020. The Covid lockdown has disabled the country's economy by closing down all modern and transportation exercises. As per CMIE information, 17.7 million salaried representatives were laid off in April. One more 0.1 million positions were lost in May. In June, 3.9 million individuals were employed, however 5,000,000 more were laid off in July.

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<sup>9</sup> Baporikar, Neeta & Deshpande, Mukund. (2021). *Strategies to Mitigate COVID-19's Impact on Indian SMEs. International Journal of Political Activism and Engagement*. 8. 1-16. 10.4018/IJPAE.2021070101.

<sup>10</sup> Bhalerao, Kuldeep & Patil, Vaishali & Swamy, Shalini. (2022). *Impact of COVID 19 on small and mediumEnterprises. Asian Journal of Management*. 13. 115-119. 10.52711/2321-5763.2022.00021.

<sup>11</sup> IMF World Economic Update, June 2020

**Table 1: Commodities under Negative Growth during COVID-19 Pandemic Period (July, 2020)**

<b>Petroleum</b>	<b>Gems and Jewelry</b>	<b>Leather Products</b>	<b>Man-made Fabrics</b>	<b>Textiles</b>
-51.54%	-49.61	26.96%	-23.33%	-22.09%
<b>Cashew</b>	<b>Marine Products</b>	<b>Tobacco</b>	<b>Electronic Goods</b>	<b>Spices</b>
-21.25%	-20.14%	-19.49%	-17.42%	-11.38%
<b>Minerals</b>	<b>Handicrafts</b>	<b>Tea</b>	<b>Chemicals</b>	
-8.21%	-6.12%	-3.97%	-0.05%	

*Source: Annual Report of the Ministry of MSME, 2020*

The drawn out lockdown is said to essentially affect the import of unrefined components (sports merchandise, silk, elastic, and so forth) and their transportation from ports to manufacturing units.

### ANALYSIS ON THE REACH OF GOVERNMENT SCHEMES FOR MSME'S IN INDIA

Following tables are describing the details of reach of government schemes for MSMEs in India and 100 respondents randomly selected in study area:

**Table 2: Situation of MSMEs in India during COVID-19 Period after the Outbreak of the Pandemic**

<b>GDP Growth Rate (2020) ===== - 9.0 % (reduced)</b>		
Permanent Employees	49 percent of firms that reduced employees	17 percent of firms that reduced their number of employees by more than 40percent
Temporary Employees	60percentof firms that reduced employees	22 percent of firms that reduced their number of employees by more than 40 percent

*Source: ADBI Working Paper*

The total GDP growth rate has been reduced during 2020 to -9.0 percent as the result of COVID-19, it leads to the employee reduction as mentioned in the table 2.

**Table 3: Socio-Demographic Profile of the Respondents**

<b>Basics</b>	<b>Factors</b>	<b>Percent</b>	<b>Cumulative Percent</b>	<b>Mean</b>	<b>S.D.</b>
Gender	Male	77	77	1.23	0.423
	Female	23	100		
Age	Below 25 years	19	19	1.96	0.585
	26 – 50 years	66	85		
	Above 50 years	15	100		
Marital Status	Married	77	77	1.23	0.423
	Unmarried	23	100		
Educational Qualification	Up to HSC	19	19	2.46	1.132
	Under Graduation	43	62		
	Post-Graduation	16	78		
	Professional Courses	17	95		

	Others	5	100		
Business Level	Micro	35	35	1.79	0.671
	Small	51	86		
	Medium	14	100		
Income Level	Up to Rs. 3,00,000	31	31	1.88	0.700
	Rs. 3,00,000 – Rs. 5,00,000	50	81		
	Above Rs. 5,00,000	19	100		

*Source:* Primary data

**Table 4: Opinion of the respondents on the Benefits of Initiatives by Government of India as Relief Measures for COVID-19**

(*HS – Highly Satisfied; S- Satisfied; N – Neutral; DS – Dissatisfied and HDS – Highly Dissatisfied*)

Relief Measures for COVID-19	HS	S	N	DS	HDS	Mean	SD
New Definition of MSMEs (B1)	39	32	9	16	4	2.14	1.215
Credit and Finance Scheme (B2)	38	32	12	14	4	2.14	1.189
Allocation funds for equity participation (B3)	21	46	12	15	6	2.39	1.154
Discourage international tenders in turn for localization (B4)	30	38	10	17	5	2.29	1.209
Clearance of debt dues (B5)	29	40	9	18	4	2.28	1.181
Relief in NPAs (B6)	22	44	9	21	4	2.41	1.164
Promotion of E-market linkage (B7)	19	43	15	17	6	2.48	1.159
Banks and the Credit Guarantee Trust Fund Scheme (B8)	25	45	10	16	4	2.29	1.131
Patent registration is subsidized by up to 50% (B9)	31	38	7	19	5	2.29	1.233

*Source:* Primary data

It is inferred from the table 4, the maximum number of the respondents have opined *highly satisfied* for the factors ‘new definition of MSMEs’, ‘credit and finance scheme’, ‘allocation funds for equity participation’ and *satisfied* for the rest of the benefits initiatives by Government of India as relief measures for COVID-19.

**Table 5: Challenges faced by MSME Businesses in India during COVID-19**

Challenges	Garratt Score	Percentage
Survival difficulties	908	2
Capital and cash shortages	879	3
Ratings and creditworthiness have declined	963	1
Transaction costs are high	621	8
Customer purchasing power	748	5
Revenue loss from operations	689	7
Stock obsolescence	599	9
Supply chain breakdown	860	4
Working capital maintenance is insufficient	713	6

Over thinking causes inability to make decisions	501	10
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*Source: Primary data*

It is clear from table 5, out of 100 respondents the challenge ‘ratings and creditworthiness have declined’ have secured first rank, followed by ‘survival difficulties’, ‘capital and cash shortages’, ‘supply chain breakdown’, ‘customer purchasing power’, ‘working capital maintenance is insufficient’, ‘revenue loss from operations’, ‘transaction cost are high’, ‘stock obsolescence’ and ‘over thinking causes inability to make decisions’ have secured second, third, fourth, fifth, sixth, seventh, eighth, ninth and tenth ranks respectively.

**Table 5: Ranking Opinion of the Respondents for the Adoption of New Normal to Overcome the Challenges of Business Disruptions because of COVID-19**

Adoption of New Normal	Weight Score	Rank
Long-term viability of Business	769	2
Strategic awareness or focus	701	3
Management procedures	643	4
Innovativeness	770	1
The strategic procedure	562	5
People's use of technology	432	8
Wisdom for better decision making	509	6
Incorporation of equity and transparency	498	7

*Source: Primary data*

It is explored from the table 5, opinion asked to the respondents for the adoption of new normal to overcome the challenges of business disruptions because of COVID-19 the factor ‘innovativeness’ secured first rank, followed by ‘long-term viability of business’, ‘strategic awareness or focus’, ‘management procedures’, ‘the strategic procedure’, ‘wisdom for better decision making’, ‘incorporation of equity and transparency’ and ‘people’s use of technology’ have secured second, third, fourth, fifth, sixth, seventh and eighth ranks respectively.

**Table 6: Cross Table Analysis on Socio-Demographic Profile of the Respondents and Credit and Finance Scheme as Relief Measures for COVID-19**

		Credit and Finance Scheme					Total
		HS	S	N	DS	HDS	
Gender	Male	32	25	10	7	3	77
	Female	6	7	2	7	1	23
Total		38	32	12	14	4	100
Age	Below 25 years	9	4	4	1	1	19
	26 - 50 years	25	21	6	11	3	66
	Above 50 years	4	7	2	2	0	15

<b>Total</b>		<b>38</b>	<b>32</b>	<b>12</b>	<b>14</b>	<b>4</b>	<b>100</b>
<b>Marital Status</b>	Married	27	27	10	10	3	<b>77</b>
	Unmarried	11	5	2	4	1	<b>23</b>
<b>Total</b>		<b>38</b>	<b>32</b>	<b>12</b>	<b>14</b>	<b>4</b>	<b>100</b>
<b>Educational Qualification</b>	Up to HSC	7	5	4	2	1	<b>19</b>
	Under Graduation	15	17	3	7	1	<b>43</b>
	Post-Graduation	7	3	2	3	1	<b>16</b>
	Professional Courses	7	5	3	1	1	<b>17</b>
	Others	2	2	0	1	0	<b>5</b>
<b>Total</b>		<b>38</b>	<b>32</b>	<b>12</b>	<b>14</b>	<b>4</b>	<b>100</b>
<b>Business Level</b>	Micro	14	11	4	4	2	<b>35</b>
	Small	19	16	6	6	2	<b>51</b>
	Medium	5	5	2	2	0	<b>14</b>
<b>Total</b>		<b>38</b>	<b>32</b>	<b>12</b>	<b>14</b>	<b>4</b>	<b>100</b>
<b>Income Level</b>	Upto Rs. 3,00,000	10	12	5	3	1	<b>31</b>
	Rs. 3,00,000 - Rs. 5,00,000	21	13	5	8	3	<b>50</b>
	Above Rs. 5,00,000	7	7	2	3	0	<b>19</b>
<b>Total</b>		<b>38</b>	<b>32</b>	<b>12</b>	<b>14</b>	<b>4</b>	<b>100</b>

*Source:* Primary data

**Table 7: Association between Socio-Demographic Profile of the Respondents and Benefits of Initiatives by Government of India as Relief Measures for COVID-19**

<b>Socio Demographic Profile</b>	<b>Benefits of Initiatives (B)</b>	<b>df</b>	<b>Significance</b>	<b>Result</b>
Gender	B1	4	0.127	Not Significant
	<b>B2</b>	<b>4</b>	<b>0.048</b>	<b>Significant</b>
	B3	4	0.276	Not Significant
	B4	4	0.235	Not Significant
	B5	4	0.055	Not Significant
	B6	4	0.700	Not Significant
	B7	4	0.811	Not Significant
	B8	4	0.445	Not Significant
	B9	4	0.189	Not Significant
Age	B1	8	0.586	Not Significant



	B2	8	0.174	Not Significant
	B3	8	0.314	Not Significant
	B4	8	0.436	Not Significant
	B5	8	0.679	Not Significant
	B6	8	0.092	Not Significant
	B7	8	0.788	Not Significant
	B8	8	0.399	Not Significant
	B9	8	0.637	Not Significant
Marital Status	B1	4	0.687	Not Significant
	B2	4	0.316	Not Significant
	B3	4	0.955	Not Significant
	B4	4	0.718	Not Significant
	B5	4	0.626	Not Significant
	B6	4	0.679	Not Significant
	B7	4	0.321	Not Significant
	B8	4	0.678	Not Significant
	B9	4	0.956	Not Significant
Educational Qualification	B1	16	0.950	Not Significant
	B2	16	0.306	Not Significant
	B3	16	0.402	Not Significant
	B4	16	0.178	Not Significant
	B5	16	0.573	Not Significant
	B6	16	0.154	Not Significant
	<b>B7</b>	<b>16</b>	<b>0.056</b>	<b>Significant</b>
	B8	16	0.519	Not Significant
	B9	16	0.113	Not Significant
Business Level	B1	8	0.996	Not Significant
	B2	8	0.629	Not Significant
	B3	8	0.502	Not Significant
	B4	8	0.420	Not Significant
	B5	8	0.909	Not Significant
	B6	8	0.452	Not Significant
	<b>B7</b>	<b>8</b>	<b>0.567</b>	<b>Significant</b>
	B8	8	0.342	Not Significant
	B9	8	0.652	Not Significant
Income Level	B1	8	0.841	Not Significant
	B2	8	0.944	Not Significant
	B3	8	0.244	Not Significant
	<b>B4</b>	<b>8</b>	<b>0.035</b>	<b>Significant</b>
	B5	8	0.247	Not Significant
	<b>B6</b>	<b>8</b>	<b>0.048</b>	<b>Significant</b>
	B7	8	0.547	Not Significant

	B8	8	0.649	Not Significant
	B9	8	0.478	Not Significant

**Source:** Primary data

It is clear from the above table 7, all the Socio-Demographic Profile of the Respondents are not associated with the benefits of initiatives by Government of India as Relief Measures for COVID-19 except 'gender' and 'Credit and Finance Scheme', 'educational qualification' and 'Promotion of E-market linkage', 'business level' and 'Promotion of E-market linkage' and 'income level' and 'Discourage international tenders in turn for localization' and 'Relief in NPAs' which are having significant association.

**Table 8: Challenges faced by MSME Businesses in India during COVID-19 with its Various Level**

Challenges	Level			Mean	Standard Deviation
	High	Medium	Low		
Survival difficulties	33	48	19	1.86	0.711
Capital and cash shortages	42	48	10	1.68	0.649
Ratings and creditworthiness have declined	41	48	11	1.70	0.659
Transaction costs are high	37	50	13	1.76	0.668
Customer purchasing power	40	49	11	1.71	0.656
Revenue loss from operations	34	53	13	1.79	0.656
Stock obsolescence	44	42	14	1.70	0.704
Supply chain breakdown	51	37	12	1.61	0.695
Working capital maintenance is insufficient	51	39	10	1.59	0.668
Over thinking causes inability to make decisions	52	38	10	1.58	0.669

**Source:** Primary data

It is inferred from the above table 8, the maximum of the respondents have opined they are facing *medium level* of challenges except for the challenges 'supply chain breakdown', 'working capital maintenance is insufficient' and 'over thinking causes inability to make decisions' are in *high level*.

### Discussion And Recommendations

The infection represents a serious danger to the worldwide economy, which is now in peril. The Indian economy is now faltering at quite possibly of the slowest rate over the most recent six years, and the new arrangement of financial difficulties released by this infection is unleashing devastation on many sectors, especially the MSME sector. Human insight should chip away at this present circumstance to battle the pandemic<sup>12</sup>. Halted tasks, payments, receivables, new clients, new clients, everything in the new typical to eliminate the effect of

<sup>12</sup> Hossain, Mohammad & Akhter, Fahmida & Sultana, Mir. (2022). SMEs in Covid-19 Crisis and Combating strategies: A Systematic Literature Review (SLR) and A Case from Emerging Economy. *Operations Research Perspectives*. 9. 100222. 10.1016/j.orp.2022.100222.

something very similar, different thinking and activities are expected at different levels. The financial specialists by and large lost their capacity to settle on proper choices, the association all in all ended up being anxious, and the money managers learned illustrations to beat the emergency circumstance as their organizations were in danger. Associations should give lucidity to their representatives about the progressions that should be implemented as well as the income requirements through a successful methodology that identifies needs and evaluates the effect of reengineering the interaction to empower exercises with restricted assets<sup>13</sup>. Coming up next are the proposals made to the government, the MSME sector, and entrepreneurs to conquer the interruptions brought about by COVID-19:

1. Businessmen in the MSME sector, both in promoting and manufacturing, should expect and plan for the COVID pandemic.
2. The government and central banks are helping MSMEs in conquering the emergency by offering various incentive plans and credit repayment bans<sup>14</sup>.
3. The World Wellbeing Association is additionally worried about the strength of its workers, as well as furnishing monetary help with meeting with the government and the RBI. In any case, entrepreneurs should step up and team up with the government, the RBI, and the World Wellbeing Association to overcome the COVID and reestablish their tasks.
4. Businesses that back up moral statements with functional activities will stick out, which should be considered as an essential discernment to push the COVID-19 ahead. Most importantly, the insurance of the representative's wellbeing and monetary requirements should be esteemed.
5. Employee retention and redeploying their capacities to meet society's quick necessities could bring about a more steadfast labor force. Each organization's principal pointer is long haul development.
6. The MSME sector should look forward and push ahead with another essential center focusing on 3PT for a superior rebooting of their association.
7. India has 63 million MSMEs, yet just 32% are carefully drawn in, and the leftover 68% are excessively far away to take on advanced rehearses. To get by over the long haul, the undiscovered part of MSMEs should change their system and digitize their business processes. Taking on computerized rehearses is very hard for some MSMEs, yet without them, it will be incredibly challenging to get by during the post-plague time frame, as individuals will keep on abstaining from meeting and party.
8. MSMEs ought to be given more attention concerning advancement. Obviously, advancement in the MSMEs business is surprising, however development will be essential for MSMEs after this scourge, or they will fail to exist.
9. Cross-preparing staff will be useful to some extent in the business premises, as they will actually want to play out different jobs in the business.
10. A more noteworthy accentuation on working capital management. Speedy assortment of receivables will help with meeting salary and wage expenses.

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<sup>13</sup> Kalogiannidis, Stavros. (2020). Covid Impact on Small Business. *International Journal of Social Science and Economics Invention*. 6. 10.23958/ijsssei/vol06-i12/257.

<sup>14</sup> Kornyluk, Anna & Ivashchenko, Alla & Polishchuk, Yevheniia & Tereshchenko, Oleg & Onikiienko, Serhii. (2022). Government early policy responses on COVID-19 challenges in central and eastern europe: SME support. *Acta Innovations*. 50-58. 10.32933/ActaInnovations.42.4.

The sector has had the option to take off, prearranging a recovery story, because of solid government support and MSMEs' versatility. In any case, with the economy in specialized downturn, the sector requires a lot more grounded strategy push to understand its full potential. The sector is managing well established issues, for example, an absence of working capital, complex administrative and permitting instruments, stringent credit disbursement strategies, various consistence requirements, nascent computerized reception, and, to wrap things up, a confounded tax collection framework. Most MSMEs can't get advance disbursement measures because of how much desk work, documentation, absence of record of loan repayment, and absence of satisfactory guarantee, especially for first-time borrowers. Consistence costs, including all licenses and complex tax collection, force a critical monetary weight on organizations. The challenges of maintaining a business amidst a pandemic and a downturn in demand muddle the generally focused sector.

The sector will benefit in the event that a smart methodology is taken and changes are implemented to make credit and capital all the more effectively open to MSMEs. Subsequently, the loaning environment should be improved and reinforced by utilizing computerized innovations for a more consistent loaning process and evaluating potential borrowers' credit risk. Other strategy changes that ought to be considered are:

1. Increasing computerized reception in the sector
2. Promoting computerized proficiency
3. Addressing expertise deficiencies
4. Lowering GST
5. Relaxing authorizing and consistence requirements
6. Making interventions that would coordinate the sector to bigger business sectors by means of internet business.

As far as employment creation, the MSME sector positions second just to agribusiness. It is additionally liable for 48% of India's commodities. The sector, with its solid and complex forward and in reverse linkages, offers basic help to huge enterprises and their worth chain. It assumes a significant part in the formation of Atmanirbhar Bharat. While government support has been basic in guaranteeing the sector takes off from the runway, releasing another flood of bolder and all around designated changes would drive the business much higher.

## **Conclusion**

Throughout the course of recent many years, the Micro, Small, and Medium Enterprises (MSME) sector has arisen as an exceptionally lively and dynamic sector of the Indian economy. It contributes essentially to the nation's monetary and social development by empowering entrepreneurship and setting out huge employment open doors at a lower capital expense than farming. MSMEs act as auxiliary units to enormous enterprises, and this sector contributes altogether to the country's comprehensive modern development. MSMEs are growing their space across sectors of the economy, creating a different scope of items and administrations to meet homegrown and worldwide market demands. The Service of MSME runs various plans pointed toward helping MSMEs in India with monetary help, innovation help and upgradation, framework development, expertise development and preparing, improving seriousness, and market help. India is as yet attempting to "straighten everything

out" of the COVID-19 pandemic. The pandemic has, true to form, had a sweeping monetary effect, however the extent of its belongings isn't surely known. Small-scale organizations, which are basic to the working of India's manufacturing and administration sectors, have experienced the most. Indian MSMEs will assume a significant part in assisting India with becoming self-sufficient. The change of MSMEs from "nearby to worldwide" is a significant focal point of India. The COVID-19 pandemic will fundamentally affect Indian MSMEs. It is basic to the formation of occupations in India. The Government of India has gone to various lengths to reinforce the groundwork of Indian MSMEs and accomplish the fantasy of a self-sufficient India.

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