



COVID-19's Effect on Indian MSMEs: Insights from Stakeholders

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ABSTRACT

Indian MSME (Micro, Small and Medium Enterprises) sector, an invaluable employment generator with a cluster of more than 63 million enterprises, is deeply dented by the noxious coronavirus. The second most significant sector of the Indian economy regarding employment creation is in jeopardy after the COVID-19. The sudden abrupt degradation of performance and eventual threat to the existence of MSME not only captivates the attention but also sets in disquietude in mind to fathom the inherent causes of this fragility and excogitate the ways and means of saving them. Against this background, proper diagnosis of the effect of COVID-19 on MSMEs is inevitable. The analysis is based on Qualitative as well as secondary data. Qualitative data has been collected through semi-structured interviews with 48 MSME stakeholders selected by Judgmental Sampling. The research finds significant challenges before MSME that must be tackled to salvage the industry from an imminent existential threat. The paper recommends the adoption of Industry-4.0 and the closure of gaps identified in the paper to give saving breath to the financially beleaguered and faltering sector. During the last few years, COVID-19 has grabbed literature positioning galore, but they are not specific to Indian MSME. This study is an attempt to gauge the obstacles, measures and gaps faced by Indian MSME post COVID scenario.

Keywords: MSMEs, COVID-19, Impact, Small Businesses, Stakeholders

JEL Classifications: O10, O17, L26, M13, I18, D22

1. INTRODUCTION

The entire world had been under siege of the COVID-19 pandemic. These pandemics are not unprecedented; instances are there in chronology when a malady surfaced and turned pandemic (Morens et al., 2009), posing a lethal threat to humanity. The literature is galore with heart-breaking havoc, such as the Spanish Flu of 1918 (Qiu et al., 2017) and the Plague of the 14th century (Zietz and Dunkelberg, 2004), which killed millions of people. However, what makes this pandemic different from the earlier ones? Among innumerable sound bites tops the magnitude of seriousness and makes this disaster novel (Mahmud et al., 2021; Newman, 2020; Ventriglio et al., 2020). The virus has engulfed more than two hundred countries, infected people are already touching the

119 million mark of infected cases, and the death toll has already crossed 2.63 million worldwide (Worldometer, 2021; WHO Coronavirus Disease (COVID-19) Dashboard, 2021). The fatality is on the up and up, and it will be a little early and unwarranted to arrive at a conjecture about the final impacts of COVID-19 on the socioeconomic structure of the whole world (Rappeport and Smialek, 2020; Roberts, 2020). The lethal virus took more or less 1 month to set foot on Indian land after its breakout in China in December 2019 (Lin et al., 2020). The first case of this life-threatening virus in India was reported on January 30 2020, with the detection of a positive case in Kerala (Kaushik et al., 2020).

The world has started facing multifarious challenges on different fronts. This pandemic is translating into a deeper and stronger

2. RESEARCH METHODOLOGY

economic crisis whose severity is increasing by leaps and bounds (Slezczak et al., 2020). Global supply chains are facing severe disruptions (Javorcik, 2020). Though the health impact of this pandemic is limited, its economic consequences are likely to be devastating and long-lasting (Fernandes, 2020). As a result, the world finds itself hopeless, hapless, and at the mercy of a virulent whirlwind. Indian economy, too, could not remain untouched and has fallen prey to the virus drama. Most of the sectors of the Indian economy (Maliszewska et al., 2020), including MSME, have already lost their momentum on account of this (Pandey and Pillai, 2020). Sahoo and Ashwani (2020) state that the impact of this pandemic on the Indian economy, including Indian MSME, is massive and is likely to face negative growth. The author predicts a recession-like situation, and the economy needs aggressive fiscal and monetary policy measures. Dev and Sengupta (2020), in conformity with the findings of Sahoo and Ashwani (2020), has also talked about the unprecedented shock COVID-19 is wreaking on Indian Economy. They have predicted a prolonged economic slowdown due to consecutive lockdowns, global economic downturn, and disrupted global value chains. Singh and Neog (2020), in agreement with the findings of Dev and Sengupta (2020) and Sahoo and Ashwani (2020), also are of the view that the impact of COVID-19 on the Indian economy is uncertain as the country is still under the siege of this pandemic COVID-19. According to them, the Indian economy was already in distress due to the adoption of demonetization in 2016; the present havoc has fractured and paralyzed the shattered economy.

The performance of the MSME (Micro, Small and Medium Enterprises) sector was already under lens before the outbreak of COVID-19 in India. The Government was serious and took many measures to improve the performance of this sector, including the change in the classification of units of the MSME, Sector from investment-based classification to turnover-based classification (Venkataramanaiah and Suneetha, 2019). However, the maladroit drama of this virus has turned everything topsy-turvy. (Saluja, 2020).

1.1. Objectives of the Study

The onslaught of execrable virus and the resultant unimaginable shock coming from abroad in the form of sluggish international demand for Indian export items and the local restrictions on commercial activities by the Government made the situation go from bad to worse for the whole economy in general and for MSMEs in particular (Berkel, 2020). The MSME sector is considered the lifeline of the Indian economy (Khan, 2019), and its sickness is a grave concern for the whole economy (Economic times, 2020). At this juncture, the sector calls for the urgent attention of the researchers and against this background, the study's objectives are to shed light on the problems faced by MSMEs from different angles and propose solutions to them. More precisely, the objectives of the study may list as follows:

- To evaluate the impact of Corona pandemic on Indian MSMEs
- To assess the self-reliant India Program from a MSMEs angle
- To find out the gaps between the measures taken by the Government for MSMEs and their challenges.

The study has employed the approach of Rowley and Slack (2004) in our study. At the outset, we went for desktop research by attempting to filter materials related to the paper from reputable reservoirs, namely Web of Science, Science Direct, and Google Scholar. The related materials were searched by applying any one of the three filter criteria viz. "pandemic," "Corona," "COVID," and "COVID-19". Bullion operators "and" & "or" were used to segregate these words in search queries on the portals. Since COVID-19 is an inchoate problem, we could find barely 20 relevant papers, including review articles, research articles, and viewpoints (Figure 1). We tried to find a book on the topics suitable for our study. Since there was a dearth of material, we also took into consideration newspaper articles, published interviews, and reports of organizations, including India's Ministry of MSMEs, Ministry of Finance, and WHO, for our study; since newspaper articles, interviews on public domain do not undergo a peer review process and are subject to biases, the veracity of content has been appropriately checked by tallying and counter-tallying and contentious things have not been incorporated in the study (Snyder, 2019).

Based on the literature review (secondary data), and the prevailing market conditions, it was decided to extend qualitative research to find answers to our research questions (Neergaard and Ulhøi, 2007). A questionnaire was designed for conducting this qualitative research (Bluhm et al., 2011). This questionnaire is a set of 20 open-ended questions (Annexure 2). Based on this questionnaire, a semi-structured interview technique of data collection was applied to collect the qualitative data (Bansal and Corley, 2012).

Using qualitative techniques to conduct the interviews enabled our research team to understand the ground-level experiences of MSMEs' industry stakeholders, including managers and owners, during this pandemic (Graebner et al., 2012). Semi-structured interviews helped us achieve respondents' specific reactions towards this pandemic instead of standardized and already established knowledge/information about many crises from the past (Bluhm et al., 2011; Denzin and Lincoln, 2008; Graebner et al., 2012).

Questionnaire Validation and Standardization: The questionnaire was initially designed by collecting all the possible open-ended questions based on the literature (from different sources) reviewed. It was a set of 39 open-ended questions, which were further reduced to 31 questions by the authors before being sent to the experts (under the Delphi method) for the validation of the questions and standardization of the questionnaire. The Delphi method, one of the most prominent techniques to collect expert feedback anonymously, was used to finalize a validated and standardized questionnaire. In order to conduct this process, a questionnaire with 31 open-ended questions was shared with the academicians (who have a research interest in MSMEs and economic policies) and a few business owners from the MSMEs sector. After three rounds of the Delphi technique, the authors found a set of 20 questions that were shortlisted by most of the

experts who participated in the method. The authors decided to use it as the questionnaire.

2.1. Sample

We used judgmental sampling, a kind of non-probability sampling technique widely used in such studies (Morse et al., 2002). Initially, the requests to conduct the semi-structured interview were sent to seventy individuals who are related to MSMEs, come from a top ladder, and have decision-making power (Gaskell, 2000). The selection of these individuals was completely judgmental based on their industry/firm's business and willingness to appear for an interview. Out of seventy, eighteen declined the request, and four could not be available even after consenting to the interviews (Annexure 1). Finally, forty-eight semi-structured interviews were conducted (Guest et al., 2006). The time duration of each interview ranged approximately from 25 min to 65 min. The average time per interview was 35 min. Attributes of the respondents and their firms' are given in Annexure-1.

Sample Size: For doing qualitative research of this type, data analysis was started just after getting the data from the first interview, and it may stop at the point of saturation. This saturation point is when authors stop getting new insights after conducting more interviews. The authors reached this saturation point for this study after interviewing the 41st participant. However, because they had a few more consents, it was decided to interview the last possible person.

3. CLASSIFICATION OF MSME SECTOR IN INDIA AND COVID-19

MSMEs are governed by the MSME Development Act of 2006 (Ministry of MSMEs, nd). The act classifies enterprises in terms of investment in the plant and machinery. Due to many limitations of the investment-linked classification of MSMEs, the new classification of MSMEs (Based on turnover) was approved by Union Cabinet on February 7, 2018, and MSMED (Amendment) Bill 2018 was introduced on July 23, 2018, the monsoon session of the Parliament (Table 1) but it lapsed due to dissolution of last Lok Sabha (Parliament of India) (Pattanayak, 2020). Thus, the older classification (Investment based) was still in place to regulate the MSME sector till the announcement of the "Self Reliant" economic relief package in the country to combat this pandemic (E.T. Online, 2020; Ministry of Micro, Small and Medium Enterprises. (n.d.)).

Indian MSME Sector comprises approx 63 million non-agricultural units, employing over 110 million people until the breakout of COVID-19 in India. It ranked second only after the agriculture sector among all employment opportunity providers in the country (Business Standard, 2019). This sector contributed approx 30% share of the total G.D.P. and Approx. 50% of the country's total export (MSME, 2020). Nevertheless, performance has gone wrong after January 2020 due to this virus. Though all sectors of the economy have suffered setbacks in progress, the MSME sector is harder hit due to limited resources and less exposure to high-end technologies.

4. ANALYSIS AND DISCUSSION

Analysis of the study is divided into three sections 5.1, 5.2, and 5.3. Section 5.1 deals with issues and challenges facing ailing MSMEs. Section 5.2 is devoted to a critical analysis of the measures the Indian Government has taken with much fanfare and claims to be a life-saving measure for the beleaguered MSMEs. Section 5.3 mentions the gaps which will prove to be stumbling blocks against the execution of the economic package announced by the Government.

4.1. Challenges faced by MSMEs amid COVID-19

India's Manufacturing Purchasing Managers Index (Manufacturing PMI), a health index of the manufacturing sector in India, has nosedived to its abysmal lowest point of 27.4 in April 2020 from 51.8 in March 2020 due to COVID-19 (Suneja, 2020). MSME is one of the worst-hit sectors of the economy, and millions of people connected with it are bearing the brunt due to quixotic lockdown to circumvent the inexorable virus spread (Dewan, 2020). This whole maladroitness drama, the selfish attitude of the stakeholders, and the callous policy of the central and state governments have rendered a big chunk of workers unemployed (Blusteina et al., 2020), thereby increasing the rate of unemployment in the country to as high as 27.1% (CMIE, 2020).

Due to the paucity of surplus funds with MSMEs, unlike unencumbered big companies, MSMEs find themselves in acute apathy, and their survival is reportedly at stake (Mishra, 2020). Lack of access to borrowing without a mortgage to remain afloat adds to their woes and angst (Eggers, 2020). Even seeking working capital finance from banks and Non-Banking Financial Corporations (NBFCs) is highly bureaucratic and serpentine. TransUnion CIBIL, a credit rating agency, fears that MSME loans to INR 2.3 lakh crore are at risk of becoming N.P.A.s (Nayak, 2020). If that comes out to be accurate, irrefutably, there will be a massive problem in the cash flow front of the economy (HT-Livemint, 2020).

It emerged from the interviews that customers either cancel or reduce current orders, resulting in the abnormal demand shrink. They feel helpless in meeting numerous cumbersome activities, including repayment of loans, disbursement of salaries to the employees and other day-to-day expenses. Moreover, the wrath of the crisis is so deep that they are apprehensive of any quick rebound of the economy to normalcy (ETBFSI, 2020). In order to make the picture more straightforward, it is a must to categorize the general challenges faced by MSMEs amid COVID-19 into specific ones. Eight sub-challenges have arisen due to virus drama and pose a severe threat.

4.1.1. Essential versus non-essential items game

The challenges facing the MSME sector due to the burgeoning crisis are multifaceted. Let us bifurcate the products made by the MSME sector into significant categories: essential and Non-Essential. The essential item category includes a basket of goods allowed to be sold even during the complete lockdown, and the sale of these items is relatively unaffected compared to non-essential items (Singh and Razdan, 2020).

In some cases, the sale of essential items noticed skyrocketing demand due to lockdown and uncertain future. People started stockpiling these items the world over in anticipation of possible lockdown. It has a small list and covers only daily needed items such as groceries, fruits, vegetables, medicine and hygiene products (Figure 2). On the other hand, non-essential items cover a large share of the MSME sector and the sale of these items were affected very badly, and it became near zero in many industries (Aryan and Raghavan, 2020; Das, 2020).

4.1.2. Abnormal surge in demand of essential Items

The sudden boom in demand for essential items has shaken all stakeholders in the value chain, from the upstream to the downstream part of the supply chain, from brick-and-mortar business to the click-and-mortar Business. None has remained unaffected. A public frenzy in search of essential items is being noticed after the display of stock-out boards by sellers and e-tailers (News Click Report, 2020). It was transient but more than enough to create market instability and insecurity among citizens (Hartmann and Lussierb, 2020). It will also be a big challenge for suppliers and the Government if this situation repeats itself shortly amid Corona (Kirk and Rifkinc, 2020).

4.1.3. Raw material constraint in upstream and logistical bureaucracies in downstream parts of supply chain

Smooth and hassle-free input sourcing is a desideratum for a seamless production process. In today's cut-slit competition among businesses to capture more market space, they race for competitive advantage. One business entity leaves no stone unturned to overtake the other, which is suitable for tiny and medium-sized businesses too. A significant number of MSMEs wholly or partially depend on local or international sourcing of inputs for one reason or another (Hoek, 2020). Due to the stiff lockdown restrictions, the resulting intricate bureaucracies, stringent precautionary measures against contagion spread, and paucity of workers, the once supersonic logistical movement has started crawling, resulting in a delay in delivery. More than 50% of India's organized long-haul trucking fleet needs to be more functional due to the unavailability of drivers and other staff. Trucks carrying essential items are stuck due to many reasons like lockdowns, no labour to load/unload and blocked borders of different cities and states (Khan, 2020; ET Online, 2020).

4.1.4. Low demand and forced inventory clearance due to expiry date

Another challenge facing MSMEs is related to the recovery of costs incurred on inventory. The interview with the MSME stakeholders reveals that the suppliers of finished goods inventory are hard to hit due to a collapse in demand for non-essential items, which applies more to industries which manufacture products of limited life. They are forced to clear their inventory at any cost and face huge losses, which may lead these organizations towards permanent closure. According to CRISIL, a credit rating agency, India has suffered four recessions since its Independence, the worst one to date (Kumar, 2020).

4.1.5. Working capital stress and survival of the firm

The interview further reveals that the most immediate concerns currently on the minds of top-ladder decision-makers of MSMEs are requisite cash inflows and the arrangement of working capital. With little demand for their products/services, MSMEs are finding themselves in hot waters in matters of disbursement of salaries to their employees, cash payables to suppliers, loan payments to banks and other miscellaneous expenses. MSMEs are in jeopardy as the exposure to the risk of temporary or permanent closure due to the current situation is looming large (Berkel, 2020). The largesse of the Government branded as "Economics Measures" will indubitably prove to be a sigh of relief but only in the long term. At this point, it will be a precocious and impetuous attempt to celebrate the success of these economic measures like fund of funds and collateral-free loans.

It will not be fallacious to say that the seeds of new opportunities exist in any novel crisis, and entrepreneurs can create, identify and exploit the market opportunities (Alarjani et al., 2020). Nevertheless, the vociferous clamour and call for help to MSME are undoubtedly vindicated, and all sorts of help can and should be meted out in no time; more warranted is the notion of some experts who perceive the current turbulent crisis as a wake-up call for Indian MSMEs and call for modernization and up-gradation of the ecosystem of MSME sector with a particular focus on technology, operations and value chains (Soni, 2020). In addition, the MSMEs have to inculcate a sense of innovative entrepreneurship (Farooq et al., 2019), where entrepreneurs use strategies to cope with turbulent times by bringing out innovative products and services. Big businesses should also focus on corporate social responsibility by salvaging small businesses from the financial morass under challenging times. There is no denying that the environment in which MSME functions is very capricious, and it ought to get ready henceforth to face any unforeseen tumult, but updating the entire modus operandi of MSME will entail a colossal amount of dollars to the exchequer and thus becomes another challenge to be dealt with by the Government beleaguered from all sides.

4.1.6. Post corona workforce crisis in big cities

The persecution suffered by workers due to lockdown boondoggling has been horrendous, and their perception towards the government machinery and employers has turned highly damaging (Caligiur et al., 2020). Instances of maltreatment and handling of labourers like dirt are galore. It came to the fore from the interview that MSME units are sans required strength as around 75% of the workers have migrated to their hometowns with no intention of returning for good. Resuming production with an abject thin attendance of labourers will be a tough nut to crack as the production units are bereft of skeleton staff (Chaudhary and Kotoky, 2020).

4.1.7. To provide safe working environment to employees

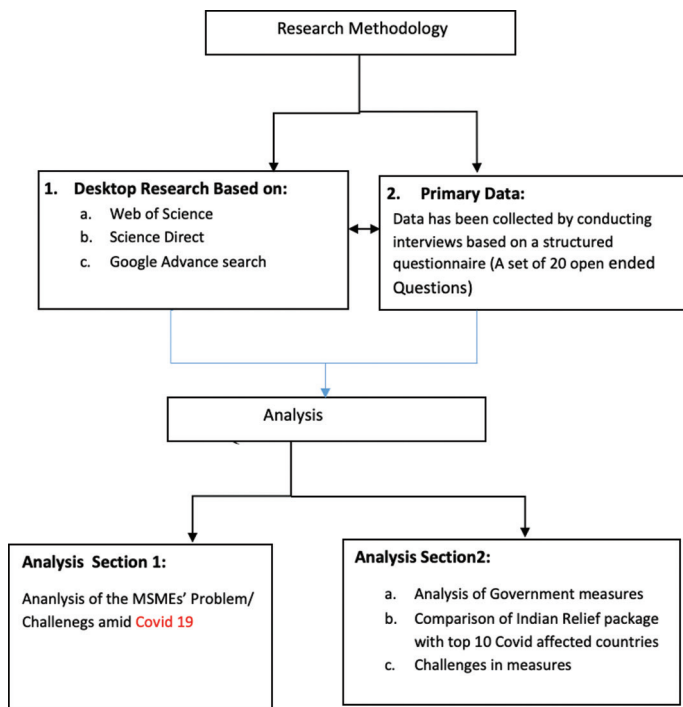
Since 99% of MSMEs (MSMEs, 2019) are micro-enterprises operating in cottages and hutments with no rooms left for workers to stretch their legs, they will find it unpragmatic to comply with the safety directives to curb the inexorable spread of horrifying coronavirus. Working workers nearby and their free mingling may engender virus spread and be a punishable offence. Abidance of authoritarian rules and regulations in tiny workplaces will prove

Table 1: Comparison of MSMEs: Old classification versus new (revised) classification

Types of enterprise	Investment based classification (Old*)		Composite classification based on investment and annual turn over both (New**)
	Manufacturing sector (Investment in plant and machinery in million USD#)	Service sector (Investment in equipment in million USD#)	Manufacturing/service sector investment and annual turn over in million USD#)
Micro	Investment ≤0.033	Investment ≤0.013	Investment ≤0.13 and Turnover ≤0.67
Small	Investment ≤0.67	Investment ≤0.26	Investment ≤1.3 and Turnover ≤6.67
Medium	Investment ≤1.3	Investment ≤0.67	Investment ≤2.67 and Turnover ≤13.33

Source: Compiled based on MSMED act, 2006 (<https://www.wipo.int/edocs/lexdocs/laws/en/in/in114en.pdf>) and MSME_gazette_of_india.pdf (https://msme.gov.in/sites/default/files/MSME_gazette_of_india.pdf). *Means classification according to MSMED Act, 2006, **Means classification according to recently announced in Economic relief package #USD 1= INR 75 (Conversion Rate)

Figure 1: Schematic diagram of research design



Source: Authors

to be a quixotic project, and thus safe work environment is another challenge to consider (Chakravarty, 2020).

4.1.8. Automation of business and technology exposure

The current crisis has forced MSMEs to either go digital or perish. It is incumbent on them (MSMEs) to rise to the occasion and automate business processes. Industry 4.0 is a buzz term for dealing with situations like the current crisis. Industry 4.0 uses modern and up-to-date technology, such as artificial intelligence, in day-to-day business. Nonetheless, the transition is incontrovertibly going to be cumbersome and rancorous (Ghosh, 2020), adoption of Industry 4.0 is expected to bring about splendiferous change in the way the business is done, and the investment will prove to be highly remunerative and proficuous for the MSME sector in the long run (Nambiar, 2020).

4.2. Government Measures

Like other countries, India, too, is drastically trying to salvage its doomed-MSME sector from the morass of a financial crunch

by announcing a relief package. The largesse announced by the Government is expected to be a life-saving elixir when a dreadful emergency has brought the ill-fated MSME on the verge of demise. Out of INR 20.97 lakh crore (Approximately USD 280 billion), INR 3.7 lakh crore (USD 49 Billion) has been earmarked for helping the MSME sector. The total package needs to be broken down into parts and critically examined for better understanding.

4.2.1. Three lakh crore INR (USD 40 Billion) package of collateral free loans

The economic package announced by the Government has been welcomed with much fanfare and is being considered to give a sigh of relief to the shattered and devastated MSME sector. Nevertheless, the exuberance will be fallacious if it is assumed to be a cure-all for the current MSME's anathema of financial famine. The package will indubitably proffer some relief, but only a tiny fraction of the total number of MSMEs will benefit under the collateral-free loan scheme. It would be a mistaken belief to take this package as a Bailout package because the Government has yet to transfer money directly into the bank account of business owners or employees, nor is this providing any relief in no time. Yes, it will, of course, better liquidity in the market but only in the form of readily available collateral-free loans, which may also make this measure problematic in the long term. Moreover, the guarantee in case of any default given by the Government is feared to have sown the seed of intentional payment default, which is speculated to add to worries about the exchequer and again, liquidity in the market will be at stake (Bansal and Mukherjee, 2020).

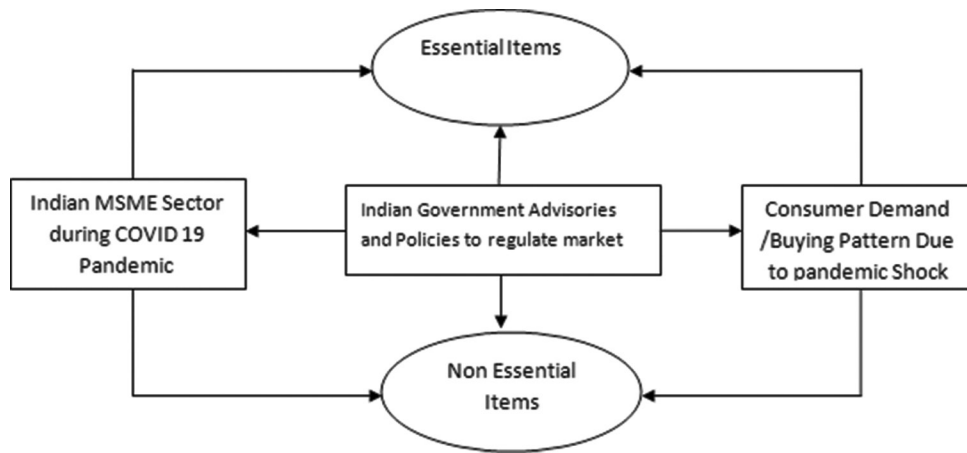
4.2.2. Subordinate fund for stressed MSMEs and fund of funds for MSMEs

Twenty thousand crores INR (USD 2.67 Billion) of subordinate funds and 50 thousand crores (USD 6.67 Billion) of funds are two more monetary measures that MSMEs can avail of under the economic relief package. However, these measures are also focusing on long-term results. Another challenge before the Government is the proper selection of deserving MSMEs as it is an unorganized sector, and 99.4% (63.3 million) are micro units (Soni, 2020).

4.2.3. 200 crore (USD 26.67 million) limit for global tendering for government organizations

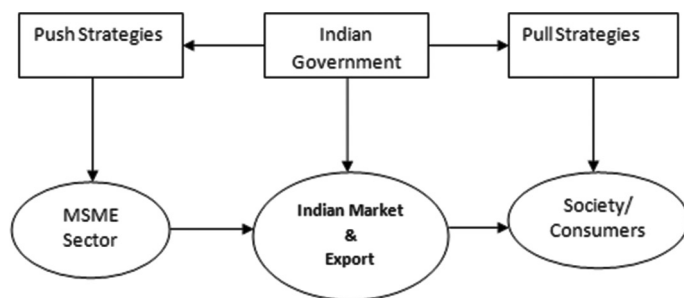
The two Hundred Crore (USD 26.67 million) limit for global tendering for government organizations is a safeguard for the Government. The cap will demotivate foreign competitors from

Figure 2: Indian MSME business environment portraying sale of essential items versus non-essential items during pandemic COVID-19



Source: Authors

Figure 3: Proposed push and pull strategies to be taken by government and MSMEs



participating in a local business. The measure is expected to be a soothing emollient for domestic players doing business with limited resources. Nevertheless, it is not easy to speculate how much it will soothe until the ministry declares the final guidelines because there is a chance to include more than one item in the tender to make it over 200 crores (FE Bureau, 2020).

4.3. Gaps Identified

Nonetheless, these measures look promising and are being perceived to be helpful as a bulwark against COVID-19, execution of them is a tough nut to crack for the Government because of the numerous gaps given below, which need to be closed for smooth implementation of such a package.

4.3.1. Gaps in government's push strategies (facilitation to push MSMEs products in the market)

The measures of the Government, like the current package, come under the ambit of a push strategy. In push strategy, the Government pushes the products of the MSMEs down the value chain. The MSMEs of India need to be more organized, and it is not feasible recently to identify the deserving units for facilitation (Figure 3). Apart from this, the package does not have any provision for cash transfer in no time; thus, the prospect of the sector's turnaround could be better. It also emerged from the interviews that most of the owners of these firms need to be made aware of the schemes of the Government. Lack of awareness is another issue to be dealt with for the package to succeed.

4.3.2. Gaps in government's pull strategies (facilitation to pull MSMEs products from market)

Like the abovementioned gaps, pull strategies must also bridge a few gaps. For instance, in tandem with MSMEs, the Government must devise a strategy to generate demand for the MSME's products in the market. They also must focus on e-retailing and technology-enabled logistical service provision.

5. CONCLUSION, IMPLICATIONS, LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

Most of the world's countries are bearing the wrath of a fatal virus, and the same holds good even for the second most populous country- India. The encumbered Government has to save the penurious masses from the onslaught of highly execrable Corona and salvage the economy from the morass of financial famine. The doomed MSME sector, which once was rather exuberant, is now dejected and pessimistic of imminent revival. The slump in the export of MSME products due to lockdown boondoggling and lackadaisical demand in the Indian market has aggravated the agony of MSMEs. Nonetheless, the Government has come out with an economic package to help MSMEs wade through the emergency; it does not prove an elixir for the sick sector in no time. The Government must act hand in hand with the MSME sector towards strengthening and invigorating the way MSME functions. Its archaic working style needs to be done away with, and adopting Industry 4.0 will make it invincible to attacks such as the current one. The revamping of the system of its working will make it less susceptible to future evanescent but disastrous crises (Wilson, 2020). The recent initiatives of the Government are indubitably commendable. However, the central Government, state governments and the sector have to devise strategies to deal with any emergency in the future and formulate policies for a more robust and independent sector.

5.1. Implications of the Research

The present study will help various stakeholders of the MSME sector think and redesign their policies to salvage the sinking sector from the financial morass, especially after the onslaught

of the execrable COVID-19. The contribution of the MSME sector to the Indian economy as the engine of growth is well acknowledged. The dilapidation in its financial state, as has been portrayed in this paper, will indubitably draw the attention of the Indian Government towards taking actions commensurate with the significance it has in building the economy to help MSME out of precarious condition. The mighty pandemic has been wreaking havoc on the Indian economy, more particularly on the susceptible MSME sector, and this paper has tried to bring home a point that any callousness in dealing with the present threat will pose a lethal threat to the very existence of one of the most important sectors of India. The papers point out that required steps be taken by the central and the state governments, to prevent the MSME of India from slipping into bankruptcy-like situations from where there will be a herculean task in no time.

5.2. Limitations and Future Research Directions

Though the present study has significant implications, it has a few limitations. For example, COVID-19 is a new catastrophe of the modern era and has not stopped. Therefore, it needs to be more mature to arrive at any conclusion regarding the negative impact it has wreaked on the MSME sector. Due to the present pandemic being new, more literature in the public domain must be available. As time passes, more good pieces of research will validate the findings in this paper. Nevertheless, COVID-19 has negatively impacted the whole economy; the scope of the paper is confined to the MSME of India. Therefore, the impact of COVID-19 on other sectors of the Indian economy is highly appreciated. Future research on the impact of COVID-19 on the MSME sectors of other developing countries and the actions of the governments of those countries to revive them will also find out the whether the Indian Government and Indian machinery rose to the occasion to weather the storm and salvage the important Indian MSME sector. Future research into making this MSME sector invincible against any future shocks of the magnitude of the present COVID-19 is also much appreciated.

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ANNEXURE-1

Attributes of the respondents			
Respondents	Status	Industry	Informant's Position
R1	Micro	Manufacturing	Owner
R2	Micro	Manufacturing	Owner
R3	Micro	Manufacturing	Partner
R4	Small	Manufacturing	Owner
R5	Micro	Food Products	Owner
R6	Micro	Social Work Activities	Manager
R7	Small	Manufacturing	Owner
R8	Small	Manufacturing	Owner
R9	Micro	Information Technology	Partner
R10	Small	Manufacturing	COO
R11	Small	Manufacturing	Owner
R12	Micro	Tourism Services	Owner
R13	micro	Manufacturing	Owner
R14	small	Manufacturing	Owner
R15	Micro	Manufacturing	Owner
R16	Micro	Service Activities	Owner
R17	Small	Head-Marketing	
R18	Micro	Manufacturing	Owner
R19	Micro	Manufacturing	Owner
R20	Medium	Manufacturing	CEO
R21	Small	Manufacturing	Owner
R22	Small	Logistics & Customs	Owner
R23	Medium	Manufacturing	COO
R24	Micro	Manufacturing	Owner
R25	Micro	Manufacturing	Owner
R26	Small	Manufacturing	Owner
R27	micro	Manufacturing	Owner
R28	small	Manufacturing	CEO
R29	Micro	Manufacturing	Owner
R30	Micro	Manufacturing	Owner
R31	Small	Manufacturing	Owner
R32	Micro	Other Services	Son of Owner
R33	small	Manufacturing	CEO
R34	Micro	Manufacturing	Owner
R35	Micro	Manufacturing	Owner
R36	Small	Manufacturing	Owner
R37	Micro	Other Services	Son of Owner
R38	Small	Manufacturing	Owner
R39	Small	Manufacturing	Owner
R40	Small	Manufacturing	Owner
R41	Small	Manufacturing	Owner
R42	Small	Manufacturing	Owner
R43	Small	Manufacturing	Owner
R44	Micro	Manufacturing	Owner
R45	Small	Manufacturing	Owner
R46	Medium	Manufacturing	COO
R47	Small	Manufacturing	COO
R48	micro	Manufacturing	Owner

ANNEXURE-2

Questionnaire

A. Challenges

1. What are the main challenges for MSMEs?
2. Do you think that MSMEs which are engaged in the business of essential item are also affected? What are the specific challenges/problems for this sector
3. According to you, what are the top 5 worst hit MSME industries?
4. What do you think about e retailers during this pandemic? Are they helping or taking their business away from MSMEs
5. Many Businesses are shutting down. Do you think these business owner will be able to restart their businesses again in the near future with or without Government help.
6. Do you think, Ultimately COVID -19 is opening new innovative ways of doing business?
7. What is your take on high rate of unemployment? Do you think it's temporary?
8. Do you think that Indian MSME sector could do better if it was self-reliant on technology front
9. Where do you rate our logistic system out of 10? Do you think better logistic system may help MSMEs
10. How do you look the future with Corona?

B. Access to Public Information and Government Support

1. Do you think information of government measures are easily available to all entrepreneurs including rural
2. Do you think government help will be easily accessible and available to all entrepreneurs including rural
3. Don't you think, it will be a great challenge for government also to tackle such a big but unorganized sector of more than 60 million registered or unregistered MSMEs?
4. What is your take on 100% lock down? Is this the solution of Corona virus?
5. Are you satisfied with the measures taken by government? Any specific help/measure, which you think, government should include in the list of Measures for MSME.
6. Are you planning to apply in any scheme under the self-reliant program of Indian Government?
7. If you apply, do you think, that, you will get the benefits of Schemes very easily?
8. How long can you survive in your business with or without government help if Corona continues?
9. Do you have any plan B (If government help is not reaching you) to survive in business if Corona Continues
10. Do you think that this pandemic is not bad for all? It is creating new opportunities as well in the market.