



Research Article

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COVID-19 EFFECTS ON INDIAN COMPANIES¹

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ABSTRACT

At the beginning of 2020, the novel covid-19 starts hitting the economies of various countries and terrifying lives of humans. On 30th January 2020, the first case of the coronavirus appeared in India. Covid-19 has impaired the economy of India and the financial performance of companies belonging to different sectors has been affected badly. The main objective of the research is to assess the effect of a pandemic on the fiscal accomplishment of companies registered on the Indian Stock Market. It was a matter of deep consideration for the Indian government as the covid-19 spread was becoming uncontrollable. No choice was left for the government but to enforce a nationwide lockdown. The selected companies for this research are HDFC Bank, Bajaj Finance Ltd, Hindustan Unilever Ltd, Infosys, Tata Consultancy Services, Maruti Suzuki Ltd, and Tata Motors. These companies belong to different sectors including financial, banking, IT, automobile and consumer goods sectors. The overall impact on MSMEs (Micro, small and medium enterprises) and on the economy is also examined in this study. A qualitative research approach is utilised for this study and a secondary data collection method was used. The findings of this study revealed that a significant decline in net profit, total income, sales, expenses and operating profit was recorded in Tata Motors, Maruti Suzuki and Bajaj Finance Ltd during the covid-19 period while Infosys, TCS and Hindustan Unilever Ltd faced more decline during lockdown period and these companies start coming towards recovery after lockdown period. The most affected sectors include the automobile and financial and banking sectors while the less affected sectors include micro, small and medium enterprises, IT and consumer goods sector. The overall economy also faced a decline and stock exchanges faced drop in their closing indexes during lockdown period.

Keywords: Covid-19 Pandemic, Indian Government, Sales, Financial Problems

COVID-19 PANDEMİSİNİN HİNTLİ ŞİRKETLER ÜZERİNDEKİ ETKİSİ ÖZET

2020'nin başında yeni tip covid-19, çeşitli ülkelerin ekonomilerini vurmaya ve insanların hayatını korkutmaktadır. 30 Ocak 2020'de Hindistan'da ilk koronavirüs vakası ortaya çıkmıştır. Covid-19, Hindistan ekonomisini olumsuz etkilemiştir. Araştırmanın temel amacı, bir pandeminin Hindistan Menkul Kıymetler Borsası'na kayıtlı şirketlerin mali başarıları üzerindeki etkisini değerlendirmektir. Bu araştırma için seçilen şirketler HDFC Bank, Bajaj Finance Ltd, Hindustan Unilever Ltd, Infosys, Tata Danışmanlık Hizmetleri, Maruti Suzuki Ltd ve Tata Motors'tur. Bu çalışmada, MSME'ler (Mikro, küçük ve orta ölçekli işletmeler) ve ekonomi üzerindeki genel etki de incelenmektedir. Bu çalışma için nitel araştırma yaklaşımı kullanılmış ve ikincil veri toplama yöntemi kullanılmıştır. Bu çalışmanın bulguları, Covid-19 döneminde Tata Motors, Maruti Suzuki ve Bajaj'da net kar, toplam gelir, satışlar, giderler ve işletme karında önemli bir düşüş kaydedilirken Infosys, TCS ve Hindustan Unilever Ltd. karantina döneminde daha fazla düşüş olmuştur ve bu şirketler karantina döneminden sonra toparlanmaya başlamaktadır. En çok etkilenen sektörler otomobil ve finans ve bankacılık sektörlerini içerirken, daha az etkilenen sektörler arasında mikro, küçük ve orta ölçekli işletmeler, BT ve tüketim malları sektörü yer almaktadır.

Anahtar Kelimeler: Covid_19 Pandemisi, Hindistan Hükümeti, Satış, Finansal Problemler

¹ This article is derived from the thesis work.

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1. INTRODUCTION

For all countries, Covid-19 act as a transition element, no matter it is the developed country or the developing one (Shankar & Dubey.,2021). In past thirty years the world has undergone thirty different infections. The 2020 era initiated with an alarming and hapless existence of a new viral disease (Kaushal & Srivastava.,2021).

In December 2019, Covid-19 was initially detected in China. On January 7, 2020, the virus was detached from the sample of patient (viral pneumonia) in Wuhan and World Health Organization named this virus as Covid-19 or temporary 2019 novel coronavirus. The first death from coronavirus was resulted in China on January 11, 2020 and WHO declared 2019-nCoV as infection caused virus on large scale and highly transmissible (Alsamhi et al.,2022).

In a very short time period, the covid-19 pandemic open out in all over the world and every country has been affected from this viral disease. This pandemic has various direct and indirect impacts (Chowdhury et al.,2020).

The cases spread in an exponential rate in India and within two months, the cases elevated to ten thousand and four hundred people died from covid-19. Government of India sensed the abhorrent circumstances and implemented lock down and other control measures in the country (Yadav et al.,2020).

In the initial phase of 2020, around seven million people have been contrived by this viral disease. Corona virus family consist of large number of viruses which also includes Acute Respiratory Syndrome (Kim et al.,2021). SARS-CoV-2 caused covid-19 viral disease and a number of viruses belongs to this family are known which caused infections in humans. As a result of this viral outbreak, a deferred public health and global economic confrontation has been generated (Shinde et al.,2021).

Covid-19 has rendered as a pervasive infection and its neuro-endocrine characteristics are complex and this viral disease captivate various organs such as heart, CNS (central nervous system), lungs and blood vessels. In the second flap of pandemic all over the world, some of the cases come up with thrombotic microangiopathy syndrome symptoms. Cough, fever and fatigue are the most general symptoms of covid-19. Vomiting, anorexia, dizziness, productive sputum and abdominal pain are other symptoms of covid-19. Pharyngodynia and nasal congestion are included in organ specific symptoms. A study revealed that diarrhea, abdominal pain and vomiting are included in 50% gastrointestinal symptoms of covid-19 (Hatmi.,2021).

Covid-19 (SARS-COV-2) is a gram positive virus. Membrane protein, spike protein, envelope and nucleo-capsid constitutes structural proteins of covid-19. Corona virus's spike protein confined among receptor protein of host cells and results in fusion of host cell and spike protein. Covid-19 caused disastrous impacts on health and global economy. The covid-19 pandemic resulted in adverse challenges for every sector. The consequences of covid-19 outbreak are far-hitting. It is predicted by researchers that the covid-19 will cause more calamity than any other depression in history. To restrain the covid-19 from spreading, most of the countries imposed lockdown (Gupta et al.,2022). The most affected countries from this novel disease includes Italy, Brazil. The United States, India, China and many other states.

Initially there was no vaccine available for this viral disease and precautionary measures was the only way to get rid of covid-19 and World Health Organization suggested to avoid from close contact and shaking hands with people having symptoms of infection (Ramasamy.,2020). For the detection of covid-19, different diagnostic tests are available such as RT-PCR and gold standard test.

Use of personal protective equipments can minimize the risks of catching covid-19. The most suitable defensive strategy in all affairs is personal protective equipments. Wearing of masks was necessary in public places all over the world during covid-19 period (Kim et al.,2021).



1.1. Covid-19 in India

Rate of confirmed cases and mortalities were enhancing continuously In India. On financially vulnerable populations and their livelihood the impacts of quarantine measures were devastating. India declared a nation-wide lockdown on 22nd March,2020. the first wave of pandemic spiked in September 2020 and around 0.1 million cases start reporting on daily basis. Daily occurrence turns down ahead of February when they start to rise quickly. In April 2021, the range of new cases was 0.2 million. In India, the first and second flaps of Corona virus outbreak emerged five months apart. In the light of enhanced covid-19 cases in India, the overall economy of country and every sector dribbled with eruption (Alsamhi et al.,2022). Sixteen million cases of corona virus and 2,00,000 mortalities were reported at the end of April,2021. Demolition stemmed by second flap of corona virus was far more significant than first flap and this second flap was spread out as giant sea swell (Jain et al.,2021).

1.2. An Overview of the Initial Impacts of Covid-19

The unstoppable decampment resulted from covid-19 outbreak has solidified the dark doom on the economy of the globe. The businesses all over the world undergone devastation caused by pandemic. The supply chains all over the world affected adversely. The economic situation has faced an imbalance around the globe. Even the biggest currency of the World (USD) has negatively affected by this pandemic. The adverse situation of covid-19 was monitored by Central Government of India and the nationwide lockdown implemented by the government affected the firms and economy of country (Poddar .,2020).

The economic sector of India gets a huge shock during pandemic. In contrary to USD, Indian rupee is moving to an enduring down fall on every next day. Various sectors such as Services, Production Construction, Manufacturing and logistics were undergoing downturn because of the sudden spread of pandemic and adoption of control measures such as quarantine, closure of business activities and lockdowns (Poddar.,2020). On supply and demands of goods the impact of pandemic was devastating and unemployment rate has been enhanced as a result of pandemic (Bharti.,2021).

In 2020, International Monetary Fund reported a decline of - 7.9% in the e GDP of India. Indian economy has experienced economic bumps in the form of demand and supply shocks (Oikawa et al.,2021). covid-19 outbreak has relentless effects on global international trade and in 2020, World Trade Organization revealed that in light of crisis caused by outbreak the trade of the globe may dropped by 12-31% (Chowdhury et al.,2021).

The negative impacts of pandemic were also reported o disposable incomes and financial performance of the companies. The companies from different sectors including manufacturing, auto-mobile, banking, financial industry, consumer goods and IT sector faced decline in liquidity and returns. But the degree of impacts was different in companies belonging to different sectors. The size of the company also matters. During pandemic the most highly impacted industries were medium-small sized industries. Covid-19 comes up as a financial crunch and companies faced decline in revenue, net income, profit and on their overall performance (Shankar & Dubey.,2021).

1.3. Research Objectives

This research is undertaken to analyse the impact of covid-19 pandemic on Indian companies. This outbreak caused decline in the performances of firms belonging to different sectors and range of effects were different in different sectors. Companies from different sectors are selected in this study and the range of impacts are assessed on selected sectors and companies. The main purpose of the research is to assess the performance of selected firms during pandemic and to assess the financial performance of the companies



1.4. Research Questions

Research questions answered in this research includes:

1. The effect of covid-19 on Indian companies belonging to different sectors?
2. The effect of pandemic on Indian economy?
3. Variation in profit, income and sales of different firms before and during the pandemic?
4. Initiatives and control measures adapted by different firms to minimize the harmful impacts of corona virus outbreak?

2. LITERATURE REVIEW

A great many studies have directed to assess the effects of covid-19 outbreak on different Indian companies belonging to different sectors and on the overall economy of India. Covid-19 proved as a dearth point for all economies whether it is World superpower the US or a developing country such as India. In case of India, the first flap of covid-19 caused damage to all industries but second flap of covid-19 act as a transition point for the country and its economy. All sectors faced the crunch caused by this outbreak. All reputable industries from consumer, manufacturing, production, banking and financial sectors undergone downfall. This outbreak ended in negative impacts on market capitalization, decline in revenue and increase in unemployment rate.

To assess the impacts of corona virus outbreak on manufacturing sector of India a study was directed by researchers. The manufacturing industries including rubber and plastic industry, equipment production, machinery and cement production industries and auto-mobile industry were aiding in economy and making huge profit. The outbreak affected all of these manufacturing industries in a significant rate and these industries reported decline in net profit and in income during covid-19 period. These industries must develop such systems to make their businesses efficient and government should take initiatives to support such industries (Joseph et al.,2022).

A team of researchers assessed the impression of pandemic on the ebullience of asset prices in the country. This study used the generalized autoregressive conditional heteroscedascity model. From a period of last quarter of 2019 to the third quarter of 2020 daily closing prices of Nifty and Sensex stock indices were analysed for this study. The stock prices in September 2019 was compared with the stock prices in covid-19 period and analyses was made on this basis. The findings of this study revealed that during covid-19 period the stock prices fell down and Indian stock market gone through fickleness (Bora et al.,2021).

A study was conducted by researchers to examine the impression of pandemic on Indian MSMEs (Micro,small and medium enterprises). Qualitative approach was used in this study and for this purpose secondary data were utilized. The findings of this study disclosed that almost 50% of essential and non-essential goods manufacturing firms experience destruction. The net sales rate of these enterprises decreased during pandemic and small businesses faced the consequences of this decline. Indian government introduced a relief package for these small industries but this relief package was not enough to minimize the consequences of covid-19 (Roy et al.,2020).

Moreover, a research was directed by researchers to indicate the difficulties fronted by IT companies of India during covid-19 outbreak. These companies give their services on a global level. Most of the companies were unable to provide services to customers and run their business effectively. Companies including TCS,Infosys want their customers to work from any remote location because of the nationwide lockdown. The nature of work in this sector is different from other sectors. This sector enjoys the benefits of online working. This sector faced downfall and faced challenges in the form of loss in income, late deliveries and disrupted services to customers (Ramsey.,2020).

Another research was directed to analyse the effect of corona virus outbreak on the economic accomplishment of companies exclusive from various sectors. A number of 371 companies were selected for this research. The selected sectors for this study were hospitality, construction, food, consumer good and tourism sector. Prowess database was used for data collection. The findings of the research revealed that a decline was recorded in net profit, earnings, total income and net sales of



companies belonging to tourism, consumer and hospitality sectors during covid-19 period (Alsamhi et al.,2022).

Furthermore, a research was conducted by researchers to evaluate the effect of outbreak on Indian stock exchange. Trading volume and daily average return were the basis used for investigating the impact on stock exchange. The main aim of this research was to examine the impression of corona virus outbreak on different sectors and on overall market trends. During covid-19 period, all selected sectors had undergone through drastic change. During this period all sectors faced drop in their net income and production rate. The results revealed a drop in returns and enhancement in liquidity (Shankar & Dubey.,2021).

Another related investigation was directed to examine the impression of outbreak on NSE (National Stock Exchange) listed companies in India. The study assessed the decline faced by the companies during covid-19 period. A number of ten companies were selected for this study which includes Bharti airtel, ICIC Bank, Infosys Reliance industries and HUL. Several models were used in this study for analysis of data including Arima, Beta and CAGR. The analysis of data highlighted that it will prove beneficial to invest in ICIC Bank, Infosys and Reliance and it is crucial for investors to look sharply on Price Index (Mahesh et al.,2021).

3. RESEARCH METHODOLOGY OF THE STUDY

This research paper employed qualitative research approach and secondary data collection method was used. The data was aggregated from different journals, research articles, annual reports of selected companies and from screener website. Qualitative research approach was suitable for this research since the main objective of this research was to figure out the effect of corona virus outbreak on Indian companies and this approach aid in conducting a deeper and appropriate research. Covid-19 is a recent eruption and information regarding this disease is not available in history. A great number of research has been undertaken to understand every aspect of it but it will take time to fully understand this phenomenon. Qualitative research approach assists in providing integral intuition and in illustration of sudden and novel events.

Companies listed on Indian stock exchanges are the population for this study. The selected sectors for this study includes auto-mobile, financial, banking, consumer goods sector and IT sector. The selected companies include Hindustan Unilever Limited (HUL), Tata motors, Tata Consultancy Services (TCS), Infosys, Bajaj Finance Ltd, HDFC bank and Maruti Suzuki Ltd.

A well planned approach was used for collecting secondary data. By analysing available literature, annual reports of the selected companies, the assessment was made for the study. The annual reports of the firms were utilized from screener website. The data was gathered in pre-pandemic period and during pandemic period (2018-2021). The quarterly reports of the companies were also taken into the account.

4. FINDINGS OF THE STUDY

This section uncovers the findings or results highlighted in this study. The impression of corona virus outbreak on selected companies and on the overall economy of India and which measures has been taken by the selected companies to cope up with this adverse situation will discussed in this chapter.

4.1 Impact on Information Technology Sector

IT industry of India shipping its services to more than sixty-five countries around the globe and this industry is developing in a faster rate. This industry adds more than eight percent to the total Gross Domestic Product of India. This sector of India has generated a discern label in the global IT market. The top companies of this sector includes Tech Mahindra, Infosys, IBM, Wipro and Tata Consultancy



Services. These companies are making great accomplishments because of skilled and smart professionals and flexible government policies (Ramsey.,2020).

4.1.1 Effects of covid-19 pandemic on Infosys

It is one of the most profitable IT company in the country and company was working at its best before covid-19. covid-19 impacted the normal operation of company. But the electronic format of work helped the company in managing the adverse effects of this pandemic. The lockdown period was shaking for the company and decline in net profit, total income and in operating profit were recorded during this period.

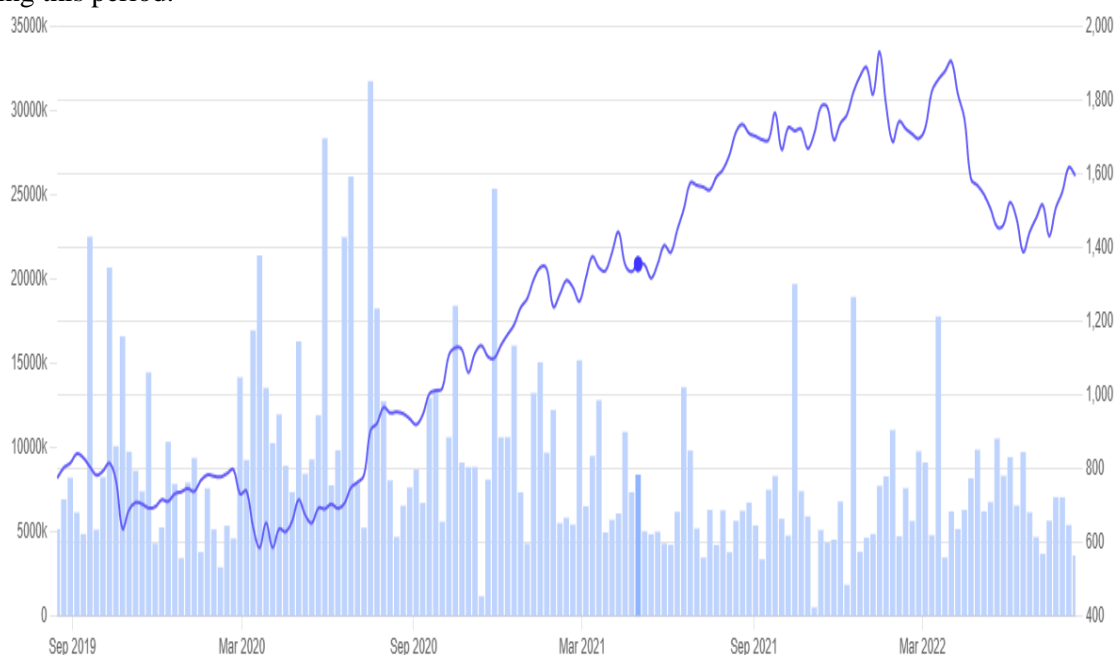


Figure 1.: Infosys's Stock Market performance (Price on National Stock Exchange)

Source: <https://www.screener.in/company/INFY/consolidated/>

The stock market performance of the company is presented in figure 1. There was a prominent drop in the stock market performance in the first quarter of 2020. the company face decline in first two quarters of 2020 and from third quarter, the company start growing.

Table 1.: Quarterly report of Infosys from September 2019- June 2021
Figures in Rs. Crores

	Sep,30 2019	Dec 30,19	Mar 30, 20	Jun 30,20	Sep,30 2020	Dec,30 2020	Mar,30 2021	Jun,30 2021
Operating profit	5,639	5,801	5,676	6,121	7,083	7,415	7,271	7,432
Net profit	4,019	4,457	4,321	4,233	4,845	5,197	5,076	5,195
Expenses+	16,990	17,291	17,591	17,544	17,487	18,512	19,040	20,464
Sales+	22,629	23,092	23,267	23,665	24,570	25,927	26,311	27,896
Other incomes	626	827	614	475	570	611	545	622

Source: <https://www.screener.in/company/INFY/consolidated/>

The quarterly report of the company is given in Table 1. there was a drop in operating profit of the company in March,2020. The operating profit in the first quarter of 2020 was 5,676 crores while in the last quarter of 2019, the operating profit was 5801 crores. The net profit of the company was 4,457 crores in December,2019. The net profit decline in March,2020 and was 4,321 crores.



Table 2. Income statement of Infosys March 2018-2021
Figures in Rs. Crores

	March30, 2018	March 30, 2019	March30, 2020	March 30, 2021
Working Profit	18,822	20,170	22,267	27,889
Net profit	16,029	15,404	16,594	19,351
Expenses +	51,700	62,505	68,524	72,583
Sales +	70,522	82,675	90,791	100,472

Source: <https://www.screener.in/company/INFY/consolidated/>

The annual report of the company from March 2018-2021 is given in Table 2. It is shown in the table that there was no significant decline recorded in 2020. There was a increase in operating profit, net profit and net income of the company during 2020 but the growth rate was not fast while in 2021, the company managed to make huge profit. The lockdown period was crucial for the company and after that period company start operating in a normal way.

4.1.2 Effects of covid-19 pandemic on TCS

Tata Consultancy Services Ltd is an multinational consulting and IT services firm. This firm faced the consequences of covid-19 pandemic. During first and second quarter of 2020, company's stock market performance, net profit and income affected badly. It was reported by the company that during covid-19 period the company faced nine percent drop in its profit and During covid-19 period, the company announced nine percent decline in its profit and in contrary the company reported drop in revenue by six percent.

Table 3: Income statement of TCS March 2018-2021
Figures in Rs. Crores

	Mar 30, 2018	Mar 30, 2019	Mar30, 2020	Mar 30,2021
Working Profit	32,516	39,506	42,109	46,546
Net profit	25,826	31,472	32,340	32,430
Expenses +	90,588	106,957	114,840	117,631
Sales +	123,104	146,463	156,949	164,177

Financial statement of TCS from March 2018-2021 is given in Table 3. During FY2020, there was no significant drop in operating profit, net profit and in sales. But the growth rate was not that fast.

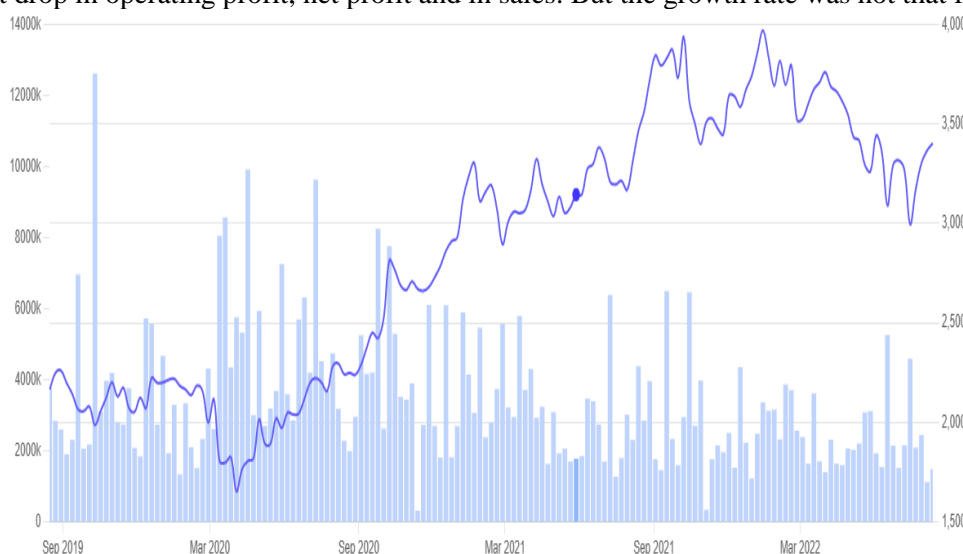


Figure 2: Stock Market performance of TCS (Price on National Stock Exchange) from a period of September 2019- March 2022).

Source: <https://www.screener.in/company/TCS/consolidated/>



The stock market performance of the company dropped in a remarkable rate during first quarter of 2020 and after lockdown period TCS start coming towards the process of recovery.

Table 4: Quarterly report of TCS from September 2019- June 2021
Figures in Rs. Crores

	Sep,30 2019	Dec 30,19	Mar 30, 20	Jun 30,20	Sep,30 2020	Dec,30 2020	Mar,30 2021	Jun,30 2021
Operating profit	10,225	10,871	10,976	10,024	11,513	12,208	12,801	12,663
Net profit	8,042	8,118	8,049	7,008	7,475	8,701	9,246	9,008
Expenses+	28,752	28,983	28,970	28,298	28,622	29,807	30,904	32,748
Sales+	38,977	39,854	39,946	38,322	40,135	42,015	43,705	45,411
Other incomes	13,61	818	738	598	-304	691	931	721

Source: <https://www.screener.in/company/TCS/consolidated/>

The quarterly report of the company from September 2019- June 2021 is presented in Table 4. The company faced decline in its sales, operating profit, net profit and in expenses during March-June 2020. The lockdown period (from March to May 2020) was crucial for TCS.

4.2 Impact on Auto-mobile Industry

Indian auto-mobile industry is one of the most developing sector in the country. A large number of companies belongs to this sector including Maruti Suzuki India and TCS. These companies are making enormous success in this field. The contribution of this sector in national GDP is seven percent.

4.2.1 Effects of covid-19 pandemic on Maruti Suzuki India Ltd

The company was undergone loss during financial year 2020. The income of Maruti Suzuki was flattening to twelve percent during 2020. In 2020, The operating profit dropped to nine percent.

Table 5. Income statement of Maruti Suzuki March 2018-2021
Figures in Rs. Crores

	March 2018	March 2019	March 2020	March 2021
Working profit	12,118	11,056	7,355	5,411
Net profit	7,880	7,649	5,676	4,389
Expenses +	67,692	75,012	68,305	64,961
Sales +	79,809	86,068	75,660	70,372

The operating profit of the company was 7,355 crores in 2020 and decline in profit was significant as in 2019 the operating profit was 11,056 Crores. In 2019, the net profit was 7,649 crores while the net profit was 5,676 crores in 2020.



Figure 2. Stock Market performance of Maruti Suzuki India Ltd
Source: <https://www.screener.in/company/MARUTI/consolidated/>

The figure represents the stock market performance of Maruti Suzuki from September 2019- March 2021. The drop in its performance is prominent in first two quarters of 2020.

4.2.2 Effects of covid-19 outbreak on Tata Motors

During covid-19 period, the company has undergone decline in revenue, net income and lower sales. Sales was dropped to 35% in 2020 and there was a decline of 36% on revenue of the company (Tata Motors Press Release.,2020).



Figure 3. Stock Market performance of Tata Motors
Source: <https://www.screener.in/company/TATAMOTORS/>

The stock market performance of the company was also undergone a significant decline especially in first two quarters of 2020. the first quarter of 2020 was ended in a huge loss of 9,890 crores for the company.

Table 6.: Income statement of Tata Motors March 2018-2021

	March 30,2018	March 30,2019	Mar 30, 2020	Mar 30, 2021
Working Profit	2374	4940	-651	1354
Net profit	-1035	2021	-7290	-2395
Net income	\$1,023	\$-4,239	\$-1,506	\$-1,952
Sales +	57897	69203	43928	30175



Source: Tata Motors net income and profit report (Tata Motors Website)
<https://www.screener.in/company/TATAMOTORS/#q>

4.3 Banking and Financial sectors

Financial sector in India is principally a banking sector and includes commercial banks which accounts sixty-five percent of total assets by banking and financial system.

4.3.1 Effects of covid-19 on HDFC Bank

Banking sector also affected in covid-19 period. In 2020 the financing profit of company was 3,682 crores which was 4,993 crores in 2019. The net profit of the company also decline in first quarter of 2020.

Table 7: Income statement of HDFC Bank from March 2018-2021
Figures in Rs. Crores

	Mar 30,2018	Mar 30, 2019	Mar 30, 2020	Mar 30, 2021
Financing Profit	13,373	16,591	14,594	16,847
Net profit	18,510	22,334	27,255	31,832
Financing margin	16%	16%	12%	13%
Other income +	16,056	18,947	24,878	27,334

The financial statement of the company from March 2018-2021 is given in above table. The financing profit and financing margin of the company dropped down during 2020.

Table 8: Quarterly report of HDFC Bank from September 2019- June 2021
Figures in Rs. Crores

	Sep, 2019	Dec, 2019	Mar 2020	Jun 2020	Sep 2020	Dec 2020	Mar 2021	Jun 2021
Financing profit	3,315	3,124	3,190	4,993	3,682	3,826	2,963	3,962
Net profit	6,638	7,660	7,280	6,927	7,703	8,769	8,434	7,922
Financing margin	11%	10%	10%	15%	12%	12%	9%	12%
Revenue	30,017	31,201	31,795	32,352	31,742	31,852	32,607	32,254
Other incomes	6,114	7,125	6,492	4,347	6,696	7,987	8,303	6,680

Source: <https://www.screener.in/company/HDFCBANK/consolidated/>

The quarterly report of the company from September 2019- June 2021 is given in above table. The financing profit and financing margin dropped down in September 2020. The financing profit of the company was 4,993 crores in June 2020 while in September 2020 the financing profit drop to 3,682 crores.

The financing profit of HDFC Bank was dropped during covid-19 period. While the net profit of the company increased during this period. The financing margin of the company was 16% during financial year 2019 while in 2020 the financial margin dropped to 12%.

4.3.2 Impression of outbreak on Bajaj Finance Ltd

Stock Market was not performing well because of the drop faced by all companies belonging to different sectors. The net and operating profit of the company has affected during covid-19 and especially during lockdown period (Business Standard Report,2020).



Table 9.: Income statement of Bajaj Finance Ltd from March 2018-2021
Figures in Rs. Crores

	March 2018	March 2019	March 2020	March 2021
Financing Profit	3,934	6,310	7,609	6,315
Net profit	2,497	3,996	5,265	4,420
Financing margin	31%	34%	29%	24%
Other income +	10	13	09	03

Source: <https://www.screener.in/company/BAJFINANCE/consolidated/>

The financing profit and net profit of the company dropped in March 2021 as demonstrated in the above table.

4.4 Consumer goods sector

Consumer goods sector is one of the fast moving sector in India. This sector is divided in three forms of businesses including healthcare, personal care and household and food and beverages industry.

4.4.1 Effects of covid-19 on Hindustan Unilever Ltd

During covid-19 period HUL faced decline in its stock market performance as well as in operating and net profit of the company. The stock market performance of the company is given in figure below.



Figure 4: Stock Market performance of Hindustan Unilever Ltd
Source: <https://www.screener.in/company/HINDUNILVR/consolidated/>

Table 10.: Quarterly report of Hindustan Unilever Ltd from September 2019- June 2021
Figures in Rs. Crores

	Sep 2019	Dec 2019	Mar 2020	Jun 2020	Sep 2020	Dec 2020	Mar 2021	Jun 2021
Operating profit	2,508	2,529	2,092	2,695	2,925	2,963	3,042	2,921
Net profit	1,814	1,627	1,515	1,898	1,974	1,937	2,186	2,097
Sales+	10,105	10,103	9,211	10,731	11,683	12,181	12,433	12,194
Expenses	7,597	7,574	7,119	8,036	8,758	9,218	9,391	9,273
Tax %	21%	28%	24%	22%	25%	26%	24%	22%



The quarterly report of the company is given in above table. The company faced loss during covid-19 period. The supply chains of the company affected during lockdown period.

4.5 Effect of covid-19 on Micro, small and medium enterprises (MSMEs)

Micro, small and medium enterprises is the most affected sector from corona virus outbreak. Several surveys have been taken to measure the impression of covid-19 outbreak on MSMEs. A large number of small firms were oppressed to stop their operation because of this unexpected situation (Business Standard Report,2021).

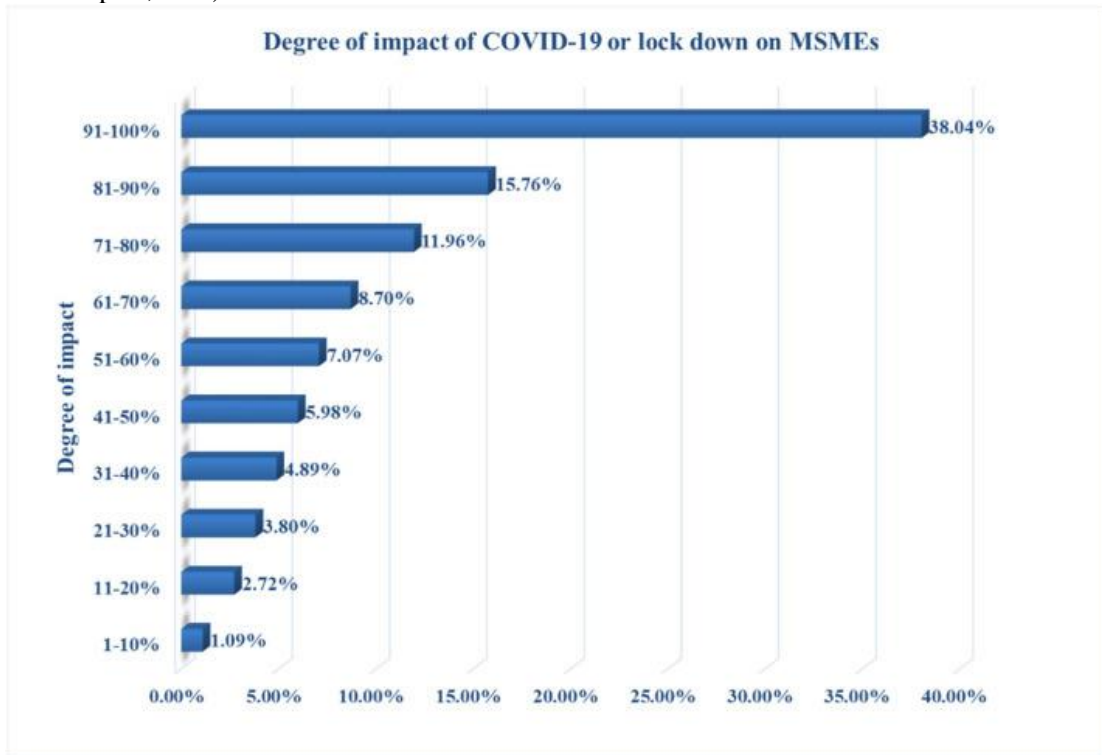


Figure 4.5.1: Effect of lockdown on MSMEs

A survey was directed by All India Manufacturers Organisation and this survey revealed that 70% of these firms were dropped their number of employees during pandemic because they were not able to support their employees as they were struggling for their survival.

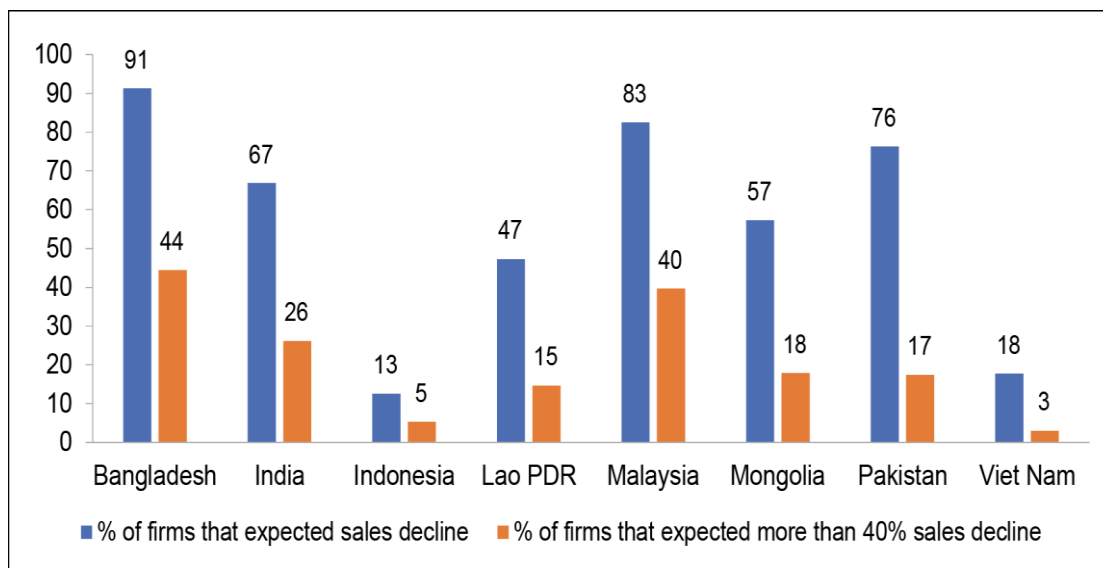




Figure 5.: Firms percentage which expect drop in their growth rate.

Source: (Sonobe et al.,2021).

4.6 Effects of covid-19 on Indian Economy

Indian Economy faced significant consequences of covid-19 pandemic. Each sector affected negatively because of covid-19. Based on the nature of company, each company faced different consequences of pandemic. Indian stock exchange faced decline during this period. Sensex and Nifty 50 experienced decline in their daily closing indexes.

Table 11.: Details of closing indexes of Indian Stock Markets (Nifty50) between the first and third quarter of 2020 Source: (Kumar et al.,2021)

Date	Closing index	Date	Closing index
Jan-01-2020	12182	April-01-2020	8252
Jan-02-2020	12282	April-03-2020	8082
Jan-03-2020	12226	April-07-2020	8793
Jan-06-2020	11993	April-08-2020	8748
Jan-07-2020	12052	April-09-2020	9111
Jan-08-2020	12025	April-13-2020	8993
Jan-09-2020	12216	April-15-2020	8924
Jan-10-2020	12257	April-16-2020	8991
Jan-13-2020	12328	April-17-2020	9265
Jan-14-2020	12361	April-20-2020	9260
Jan-15-2020	12344	April-21-2020	8980
Jan-16-2020	12354	April-22-2020	9188
Jan-17-2020	12351	April-23-2020	9313
Jan-20-2020	12223	April-24-2020	9155
Jan-21-2020	12168		
Jan-22-2020	12107		
Jan-23-2020	12179		
Jan-24-2020	12247		
Jan-27-2020	12118		
Jan-28-2020	12055		
Jan-29-2020	12128		
Jan-30-2020	12033		
Jan-31-2020	11962		

Table 4.6 demonstrated the closing index history of Nifty50 during January,2020 and April 2020. There was a huge difference or decline recorded in closing index values during April 2020 which was lockdown period. It can be detected that before corona virus outbreak the stock market of India was performing in an effective way. The stock market start falling in the month of March,2020 and in April,2020 the stock market collapsed badly. After the lockdown, the stock market start performing again in June 2020 (Kumar et al.,2021).

The above table shows the history of closing index of Nifty50 from January,2020 to April 2020. During April 2020, Nifty50 experienced decline in closing index. The stock market collapsed during first and second quarter of 2020. From June 2020, the stock market start recovering again.

5. DISCUSSION

This study discloses the impression of outbreak on firms registered on Indian stock exchange. The challenges faced by selected companies are featured in this research. The research questions which are answered in this research includes the impression of covid-19 outbreak on Indian economy, the impact



of pandemic on selected companies belonging to various sectors and difference in net profit and total income of companies before and during covid-19 period. From annual reports of companies, screener website and various research papers, the data was extracted and analysed. Following the occurrence of corona virus outbreak, a great number of studies has been undertaken on national and international levels. In India several studies have directed to assess the impression of outbreak on businesses and on economy of the country. This study added up in literatures and highlighted the impacts of pandemic on seven selected companies, on MSMEs and on the overall economy of the country.

Covid-19 was a mind boggling event for all businesses and all industries including auto-mobile, IT, financial, banking sector and consumer goods sector faced various challenges including supply chain disruptions, disarrangements in meeting and management issues. Covid-19 outbreak highlighted the need for modification of business models as the weaknesses of companies are demonstrated during pandemic. The adoption of advanced technologies including block chain technology, artificial intelligence and big data analysis is required to manage businesses and supply chains effectively (Ardolino et al.,2022). A number of rectification plans were introduced by government of India to lessen the effect of outbreak but the government should minimize their imports from foreign countries and nation should support products that manufactured in India.

6. CONCLUSION

This research highlighted the impacts of corona virus (covid-19) outbreak on companies listed on Indian stock exchange, on MSMEs and on economy of India. The most affected sectors from pandemic includes auto-mobile, financial and banking sector while IT and consumer goods sector affected less from pandemic. The most affected sector from pandemic is MSMEs and economy of India also experienced adverse effects.

After going through crisis, countries become interested in recovering their capital and pays no attention on investing money which leads in minimizing financial growth. Pandemic results in changes in all dimensions whether behavioural or economic dimension. On a communal level, we are not assembled for sudden and unexpected outbreaks such as covid-19 pandemic. We are growing on all levels including societal, financial, economic and political but we seem to be completely unaware of the real issues. India rely on other countries and import majority of essential products from developed countries. China is the biggest provider of raw material for auto-mobile industry, medical equipment and food products. On-line businesses developed in an exponential rate during covid-19 period. Economies were closed during this period and many companies all over the world faced the consequences of this outbreak. Companies in the US including Neiman Marcus, Sears and Hertz were undergone economic pressure (Donthu & Gustafsson.,2020).

Policy makers and management of companies across India has obligated by catastrophic impacts of covid-19 to modify their business models and take swift actions. All the firms should have an effective business plan to minimize the harmful impacts of sudden events like covid-19. India can contemplate this circumstances as an event to enhance its business of export around the globe and lessor its import. It is predicted by the experts that the country will recover from the adverse effects of covid-19 outbreak in near future as the economy of India is already growing in a faster rate after pandemic (Poddar .,2020).

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