

## RESHAPING INDIAN ECONOMY POST COVID-19

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### ABSTRACT

*In the beginning of the year marks the spread of the disease COVID-19, which not only causes the loss of lakhs of people all around the world, but also affected all the sectors of business as well as service industry. Millions of people are jobless and various businesses either shutdown or get affected very badly. In such a situation, it is required to reform the various financial policies and required some new programs and grants by government, so that the dying economy will get some oxygen.*

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**Keywords:** Cyber Security, Cyber Crime, Hacking, Hackers.

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### Introduction

With the arrival of the COVID-19, all the business get affected , it started from all May 2020, as the footfall of customers extremely reduced due to the lockdown. During that period, as per the studies and survey conducted the footfall, reduced to the extremely low rate up to 5.4%, which is quite the lowest as compared to the data which is available for that period for the last 14-15 years. The main reason which was being highlighted for the reduced footfall, was the uncertainty about what was going to happen, how long all this will go, so the people buy goods during that period in the very limited amount.

According to the figures and data which was presented by IHS PMI (Purchasing Managers Index) , the data shows the declines in sales. PMI also indicates that due to lockdowns, the people are not able to move from one place to another, as the result of which labors shortage occurs, which results in the reduction of the production of goods and commodities. On the other hands due to import restrictions, the raw materials scarcity also occurred. During the period of mid of 2020, various business results in closers or just surviving. The business experiencing various problems , which includes the difficulty in maintaining the supply chain , difficulties in paying up the bills, difficulty in paying up the Loan EMIs etc.. In such a situations, small businesses, shattered badly. The Composite PMI index states that such a situation rarely or never seen in the history and these situations get more worsened when the COVID-19 reaches its peak.

Various Industries like automobile , mobile companies , FMCG has downsized their productions due to such reasons , which further adds the complications to the situations, the results of such downsizing was that number of labors lost their jobs. Even , in the current situation of the 2021 , the downsizing is still continued as the various businesses which depends upon exports also , facing the low demands from the foreign clients , results of which they lowered the production. However, the main driver of constant business disturbance gives no indication of subsiding as the Covid passing's on the planet's second-most crowded nation rose past 1,00,000, just the third country on the planet to arrive at that grim achievement, after the US and Brazil. The services area represents around 55% of the nation's economy and almost 33% of its positions.

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Regardless of whether limitations are facilitated further, the economy is probably not going to get back to pre-COVID-19 levels in the coming year as individuals stay mindful about optional spending and millions more are driven into destitution. Feeble interest likewise constrained firms to assimilate a very remarkable bounce in input costs, which expanded at the snappiest speed since February. In the wake of giving an impartial standpoint in August, services firms were idealistic interestingly since April about the year ahead, generally on trusts that an immunization for COVID-19 would be carried out.



Fig. 1: Effect of Pandemic on Industries (Source News 18)

Nonetheless, the World Health Organization doesn't expect inescapable COVID-19 inoculations until mid-2021 and it would probably require a long time to immunize India's 1.3 billion individuals.

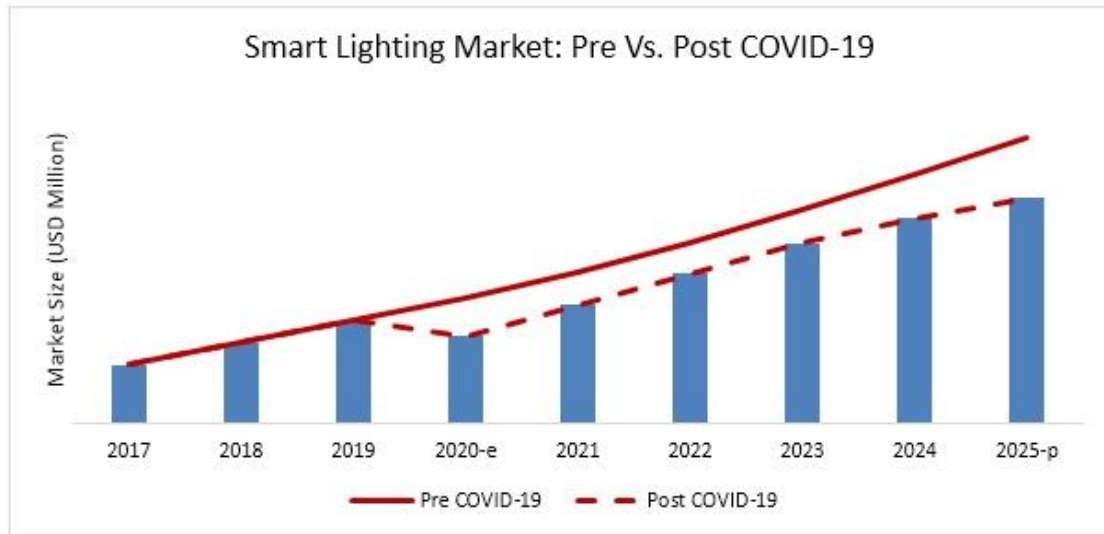
A composite index, which estimates the two services and industrial facility activity, gotten back to development without precedent for a half year, ascending to 54.6 a month ago from August's 46.0 (if there should be an occurrence of a year ago). In the mean time, Prime Minister Narendra Modi affirmed that India will hold over the Covid pandemic and will refocus with the public authority's unequivocal strategies.

**Reshaping Electronic Industry**

The electronics industry of India largely depends on the electronic parts which are being imported from China. As the result of, ban on China imports, the industry suffered very badly. According to the figures which are available, around 75-85% of the electronic parts which are being used in the manufacturing process of TV and mobile phones, comes from China. If we compare the imports, they were in 2015-16, of Rs 1,48,555 crore, in 2017-18, of Rs. 2,06,086 crore, and was in 2018-19, of Rs 1,59,165 crore.

In the period of the COVID pandemic, in China due to lockdowns and restrictions various assembling units are either closed down or operating with diminished limits. Due to the lesser productions of the electronic parts in China, Chinese exporters have raised the cost by 2-3%. The situation will get worse if the things are not controlled. Electronic industry is in hope that as the production line of electronic parts, will get smoothen, the increased prices will come down, and will give overall relaxation to the industry.

### COVID-19 Impact on Smart Lighting Market (Pre Vs. Post COVID-19 Analysis)



Source: Press Release, Investor Relation Presentation, Annual Report, Expert Interview, and MarketsandMarkets Analysis

**Fig. 2: Smart Lights Sales during COVID 19**

#### Budget 2021 for Electronics Industry

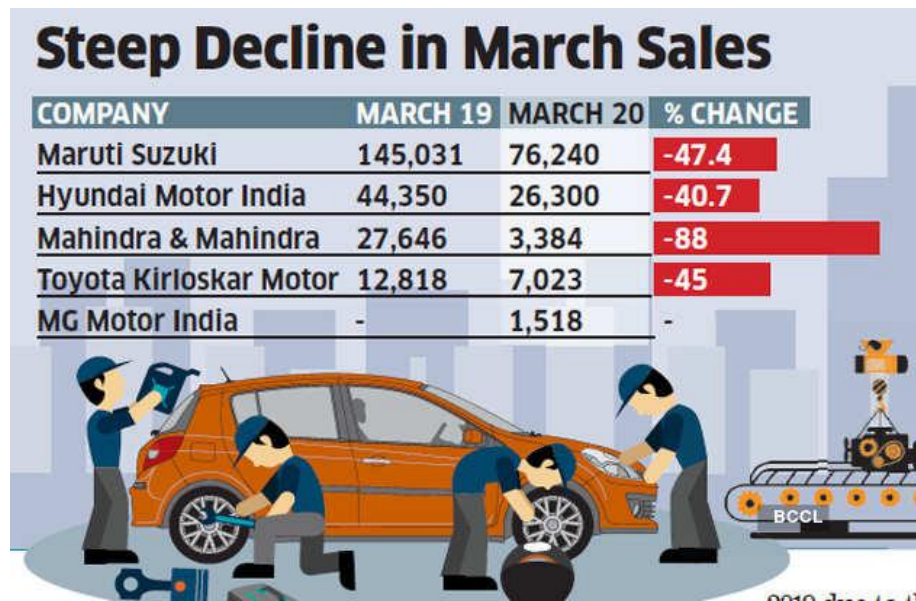
As per industry partners and specialists, a few updates are pointed toward boosting the public authority's localization of production plan. Others have been acquainted with ensure neighborhood makers and makers against less expensive imports from nations like China. In the gadgets area, for instance, more extreme import obligation rates are a forerunner to forthcoming plans under the production-connected motivation (PLI) plan. The account serve has effectively indicated bringing 13 areas under the PLI. "These climbs are important for the more extensive arrangement to push nearby production of gadgets and auto parts. Temporarily however, these may prompt value rise," said Bipin Sapra, charge accomplice at EY India.

Chiefs from the handsets business – that is wrestling with steep ascent in part costs – said the move will additionally build tension on producers. "The versatile and gadgets area ought to have been saved from the overall evacuation of exclusions where there was zero percent import obligation. The climbs are likewise not in accordance with the counsel held with the business and suggestions of the subject service and specialists," said Pankaj Mohindroo, leader of Indian Cellular and Electronics Association.

#### Reshaping Automobile Industry

The automobiles sector also gets affected by COVID-19 pandemic, with the lockdown and various occasions and ceremonies are shifted, this affected the sales of the vehicles. The traveler's vehicles sales declined to very low level, as traveling is bared in the pandemic duration. The various travel companies either shut down their business or operates at a very low level, so the demand for the new vehicles was next to negligible. Together with the matching with the BS-VI standards, the price of vehicles hiked so that further lowered the demands.

Farm sector and two wheelers request could see a plunge however expected to skip back in the U design. Business vehicles are relied upon to show some flexibility, albeit this is dependent upon government proceeding to put resources into huge framework projects and the liquidity accessible with the transportation sector. The store network is required to adjust rapidly as China is returning quicker than ordinary, anyway expanded inventory network deceivability at Tier 2/3 level is the greatest danger alleviation factor that vehicle organizations should chip away at.



**Fig. 3: Automobiles Saved COVID-19**

### Budget 2021 for Automobile Industry

Budget 2021 ought to be viewed as something beneficial for the vehicle industry. Money Minister, Nirmala Sitharaman, reported a vehicle scrap page strategy, reserves were reserved for interstate turn of events and the expectation towards Atmanirbhar Bharat was continually expressed during her almost two-hour long discourse.

- Budget 2021 underlined nearby assembling needs to increment
- Foundation improvement expected to prompt expansion in close to home versatility
- Scrap page strategy actually requires lucidity on specific issues
- Privatization of Bharat Petroleum Corporation to help acquire income
- Great Wall Motors among the Chinese brands whose India plans are waiting

Some automotive segments have gotten more costly because of higher import obligation demands. Simultaneously, the Budget conveyed a solid sign to Indian industry that neighborhood producing is the need of great importance. How organizations figure out how to counterbalance this value climb stays not yet clear. It is a critical Budget since handbag strings have been extricated without precedent for some years without the steady fixation on the financial deficiency. There was actually no chance to get out really thinking about that the pandemic assaulted the economy and the Center needed to do its spot in conveying the correct signs both inside the country and to worldwide financial backers.

The Budget's emphasis on framework will likewise see sped up Metro work advancement occur in certain pieces of the country, which thus will surrender a colossal leg to individual portability. The effect will be felt on auto carts and cabs, just as Uber and Ola, then again, actually this is still a few years away.

### Reshaping Service Industry

The pace of withdrawal of India's administration economy improved just hardly in July contrasted and its June level. It is a sign that the assistance sector remains seriously obliged as the spread of the Covid pandemic keeps on confining portability of buyers just as laborers.

Lewis Cooper, financial expert at IHS Markit, said the Covid pandemic and resulting acquaintance of lockdown estimates proceeded with weigh intensely on the Indian assistance sector in July and IHS Markit gauges yearly withdrawal in GDP of more than 6% in FY21. "July information, all in all, give no genuine sign that the decline is easing back. That is to be expected with lockdown gauges still in power, however without a doubt these should be extricated and organizations need to return before the sector can move towards adjustment. With a particularly drawn out and critical plunge, any generous recuperation will require numerous months, if not years," he added.

### **Budget 2021 for Service Industry**

The Union Budget 2021 anyway offers five beneficial things for administration sector experts. Here's a glance at every single one of them:

- **Gig Workers:** The Budget proposes to incorporate Gig laborers under a lowest pay permitted by law consistence rule. Gig and stage laborers are additionally proposed to be covered under ESIC and remain to profit under normal government backed retirement benefits guaranteed by different specialists.
- **Work Welfare:** There have been situations where businesses don't store annotation benefits and even PF on schedule in spite of deducting it from representatives' compensation. Late payouts bring about monetary challenges for such influenced representatives. The Finance Minister has plainly expressed that such late stores ought not be deducted from the business' derivation.
- **For Senior Citizens:** For Senior residents this budget helps as exclusion in documenting annual expense forms for residents beyond 75 years old.
- **Removal on Old vehicles:** Several states have strategies that order rejecting vehicles as old as 15 years. While sending the car to the funeral home could be a simpler choice for cars in a bad way, it is a heart-consume for the individuals who can't manage doing as such. The 2021 Budget proposes a scrap page for vehicles that have accomplished 20 years or more.
- **Augmentation of Affordable Housing Scheme:** There was agreement that the Union might have made purchasing a house a more better arrangement. States, for example, Maharashtra had offered concessions in stamp obligation and enrollment that resuscitated deals. Money Minister Nirmala Sitharaman proposed an augmentation of the reasonable lodging plan. Already home purchasers purchasing reasonable homes could profit tax breaks to the tune of Rs 1.5 lakhs under area 80EE of the Income Tax act. The time span has been reached out from March 31, 2021 to March 31, 2022.

### **Findings**

- Every sector in COVID-19 is affected in some way or the other , so in order to provide the financial stability , government have to make reforms related to extending the time on loan on these sectors , waving out taxes and even EMI if required.
- Number of people have lost their jobs during the period of COVID-19 , government should make the funds related to COVID-19 , like the one which is announced in US, according to which every citizen is going to get around 1 lakh rupees.
- Number of new segments like Mask making industries , sanitizers industry , and related to COVID-19 products are developed and rose up in the period of COVID-19 , government should plan to provide aid to these segments so that they will able to sustain and perform well in the coming period.
- Regarding health sector , government has not yet come up with regulating the charges related to the COVID-19 treatment , so government should provide the specification related to the COVID-19 treatment and also come up with presenting , the standard charges for the treatment of the same.

### **Conclusion**

With the lockdown retractions are now over and things starts moving on, such reforms and poleis by government will help India to mo move and regains its strength. More Make in India concepts and more tax benefits and exceptions are required to further boost up the economy. Together we can won the fight against the COVID-19 and soon the India will be in the full swings and will become one of the most powerful nation in all respects.

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