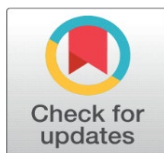


IMPACT OF COVID 19 WITH REFERENCE TO BSE & NSE OF SELECT COMPANIES - PRE AND POST LOCKDOWN

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ABSTRACT

The Research Paper focuses on the impact of COVID 2019 on Top 5 blue chip companies in India, in different words the article analyses the profitability and financial performance of Top 5 blue chip companies in the course of pre and Post COVID 2019. The sample item used on this are 5 companies listed on Bombay & National stock change in the course of the duration from 2020-2021 to 2022-2023. For this secondary data is used. The data changed into being collected for 4 years before and after COVID 2019. This Study founds out the general effect of the COVID 2019 of top 5 blue chip companies in India which have been positive for maximum of the parameters for all of the companies. On the premise of this COVID 19 activities are fully favorable to top 5 blue chip companies.

Keywords: Top 5 Blue Chip Companies, COVID 2019, BSE & NSE, Financial Performance

1. INTRODUCTION

The COVID-19 pandemic has had a significant impact on the global economy, including the Indian stock market. The market experienced a sharp decline in the early days of the pandemic, as investors panicked and sold off their shares. However, the market has since recovered and is now trading at higher levels than pre-pandemic.

Pre-lockdown

The Indian stock market was on a bull run in the early months of 2020. The BSE Sensex and NSE Nifty 50 indices reached all-time highs in January and February. However, the market started to show signs of weakness in March, as the COVID-19 pandemic began to spread across the globe.

On March 11, 2020, the World Health Organization (WHO) declared COVID-19 a pandemic. This led to a sell-off in global stock markets, including the Indian stock market. The BSE Sensex and NSE Nifty 50 indices fell by more than 20% in a single day.

The Indian government imposed a nationwide lockdown on March 25, 2020, to contain the spread of the virus. This led to a further decline in the stock market. The BSE Sensex and NSE Nifty 50 indices fell by more than 40% from their pre-pandemic highs.

Post-lockdown

The Indian government began to lift the lockdown in phases from June 1, 2020. The stock market started to recover in response. The BSE Sensex and NSE Nifty 50 indices gained more than 50% from their June lows.

The stock market continued to rally in the second half of 2020, as the Indian economy started to recover from the pandemic. The BSE Sensex and NSE Nifty 50 indices ended the year with gains of more than 20%.

The stock market has continued to rally in 2021 and 2022. The BSE Sensex and NSE Nifty 50 indices have reached new all-time highs.

Sectoral impact of COVID-19

The COVID-19 pandemic has had a different impact on different sectors of the Indian economy. Some sectors, such as healthcare, IT, and consumer staples, have benefited from the pandemic. Others, such as hospitality, tourism, and aviation, have been severely impacted.

Healthcare sector

The healthcare sector has been one of the biggest beneficiaries of the COVID-19 pandemic. The demand for healthcare services has increased significantly, as people have become more health-conscious. This has led to a surge in the share prices of healthcare companies.

IT sector

The IT sector has also benefited from the pandemic. Many companies have shifted to remote work, which has increased the demand for IT services. This has led to a strong performance by IT companies in the stock market.

Consumer staples sector

The consumer staples sector has also performed well during the pandemic. Demand for essential goods has remained strong, even during the lockdown. This has led to a solid performance by consumer staples companies in the stock market.

Hospitality sector

The hospitality sector has been one of the worst-hit sectors by the pandemic. Hotels and restaurants have been forced to close or operate at a reduced capacity. This has led to a sharp decline in the revenue and profitability of hospitality companies.

Tourism sector

The tourism sector has also been severely impacted by the pandemic. International and domestic travel have come to a standstill. This has led to a sharp decline in the revenue and profitability of tourism companies.

Aviation sector

The aviation sector has also been severely impacted by the pandemic. Airlines have been forced to cancel flights or operate at a reduced capacity. This has led to a sharp decline in the revenue and profitability of airlines.

1.1. GOVERNMENT MEASURES TO SUPPORT THE STOCK MARKET

The Indian government has taken a number of measures to support the stock market during the pandemic. These measures include:

- Reducing the corporate tax rate
- Reducing the interest rate
- Providing liquidity to the markets
- Launching stimulus packages

- These measures have helped to boost investor confidence and support the stock market.

2. STATEMENT OF PROBLEM

During the lockdown, an estimated 140 million people lost employment while salaries were cut for many others. More than 45% of households across the nation have reported an income drop as compared to the previous year. The Indian economy was expected to lose over ₹32,000 crore (US\$4.2 billion) every day during the first 21-days of complete lockdown, which was declared following the corona virus outbreak. The Major companies in India such as Larsen & Toubro, Bharat Forge, Ultra Tech Cement, Grasim Industries, Aditya Birla Group, BHEL and Tata Motors temporarily suspended or significantly reduced operations. Young startups have been impacted as funding has fallen. So the covid - 19 affected the nerves system of our Indian economy. Even though the country gone back to several years behind, one of the biggest raise of finance and profit was happened in the area of top 5 blue chip companies by manufacturing the medical needs of the country as well as the world. So this research has been taken as an attempt to find out the reason and the performance of the top 5 blue chip companies during the COVID-19 and the days before the COVID. Thus the study is entitled as "Impact of Covid 19 with reference to BSE & NSE of Select Companies - Pre And Post Lockdown

2.1. OBJECTIVES OF THE STUDY

- To study the profitability standards of selected Top 5 blue chip companies during Pre and Post COVID 2019.
- To determine the liquidity position of selected Top 5 blue chip companies during Pre and Post COVID 2019.

3. REVIEW OF LITERATURE

Satmoko Agung (2021) This study aimed to find out the impact of the COVID 2019 pandemic and analyze differences in financial performance as measured by ratio analysis and sample t-test in top 5 blue chip companies listed in Indonesia stock exchange 2019-2020. Based on the results of the study it can be concluded there was no difference in the financial performance between before the COVID 2019 pandemic and during the COVID -19 pandemic.

U.Swadia (2018) This research has been carried out for the vital evolution of the Indian pharmaceutical industry. This research focuses on analysing the profitability of selected Top 5 blue chip companies and determining the relationship between top 5 blue chip companies for a number of different of profitability measures at some point in the year from 2017. Based on the information, it may be assumed that top 5 blue chip companies had a very good profit in 2008, but that their profit in 2015 was the worst of all time.

4. RESEARCH METHODOLOGY

Sources of data

For the study Data on performance evaluation for two years prior and two years after the COVID-2019 for each company. The data used in the study are Secondary data. The given data for the study is collected and compiled from money control database for the period from 2020 to 2023 which is reliable embowered corporate database. In addition to this supportive data is collected from books, journals, annual report and various magazines.

Sample design

To perform the research study, a sample of five Top 5 blue chip companies listed in Bombay Stock exchange and National stock exchange of India. Further four year data have been analysed for both pre and post COVID 2019 for financial performance analysis. The following are selected as top 5 blue chip companies for this study

- Reliance industries Industries ltd
- TCS
- HDFC bank ltd
- ICICI bank ltd
- Infosys ltd

Period of the study

The Study covers period of four years from the financial year 2020-2021 to 2022-2023.

Financial ratio analysis

To conduct ratio analysis below equations were used to get the results.

The liquidity position of the company can be measured with the help of the given ratios.

- Current Ratio
- Quick Ratio

The profitability position of the company can be measured with the help of the given ratios

- Gross Profit Margin
- Net Profit Margin
- Return On Assets

5. LIMITATION OF THE STUDY

The Study has analyzed pre and post COVID 19 performance results for only four years which may not provide the true picture of improvements in financial performance.

ANALYSIS AND INTERPRETATION

Table: 1 shows the current ratios of top 5 blue chip companies in India during the period from 2020-2021 to 2022-2023.

Table.1 Current Ratio

Current Ratio	Mean		Standard deviation		CV	
	Pre	Post	Pre	Post	Pre	Post
Reliance industries	0.75	1.18	0.06	0.42	7.54	35.95
TCS	2.83	2.91	0.36	0.01	12.77	0.24
HDFC bank	1.80	1.71	0.17	0.01	9.43	0.83
ICICI bank	0.94	1.10	0.06	0.27	6.02	24.43
Infosys	3.03	3.73	0.06	0.86	1.87	23.13
Source: Compiled and calculated from the data published in money control						

The Current ratio measures a company's ability to pay short term obligation. An ideal current ratio is 2:1. It means that is ideal for the company to have twice current asset with respect to its current liabilities. From the table 1 the mean value of current ratio is high in case of post COVID 19 as compared to pre COVID 19. which means all the companies are highly liquid after COVID 19. The Post COVID 2019 also have highest co-efficient variance of current ratio. Looking at individual performance of the company we can see that the Reliance industries and Infosys companies post COVID 19 performance is good as compared to others. This situation means showing that after COVID 19 performance of current ratio is good so the companies are able to pay its current liabilities in time without facing any difficulties.

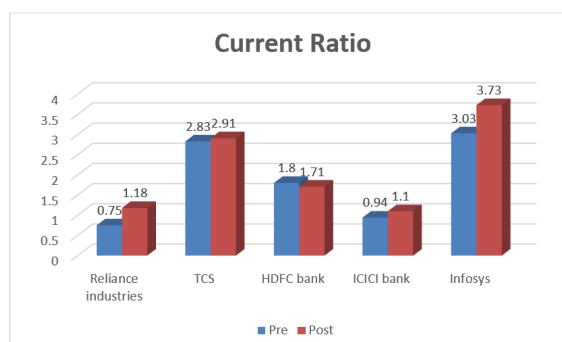


Table:2 shows the Quick ratios of top 5 blue chip companies in India during the period from 2020-2021 to 2022-2023.

Table.2 Quick Ratio

Company Name	Mean		Standard deviation		CV	
	Pre	Post	Pre	Post	Pre	Post
Reliance industries	1.24	1.46	0.08	0.11	6.30	7.75
TCS	1.82	1.90	0.25	0.01	13.64	0.74
HDFC bank	2.11	1.98	0.22	0.01	10.41	0.36
ICICI bank	0.93	0.89	0.05	0.04	5.35	4.77
Infosys	1.93	2.37	0.01	0.81	0.37	34.01
Source: Compiled And Calculated from The Data Published in Money Control						

The quick ratio is an indicator of a company's short-term liquidity position and measures a company's ability to meet its short-term obligations with its most liquid assets from the determined value of above table shows there is no distinction in liquid ratio among pre and post COVID 19 and every one of the organizations fulfilled the standard 1:1 with the except torrent it is below the standard norms. It demonstrates ICICI bank financially very weak and has no ability to pay its most prompt liabilities. It is the hazardous sign for the organizations. regards to variety of this ratio throughout the long term, it is observed that the variety is practically steady.

Table: 3 shows the Gross profit Margin of top 5 blue chip companies in India during the period from 2020-2021 to 2022-2023.

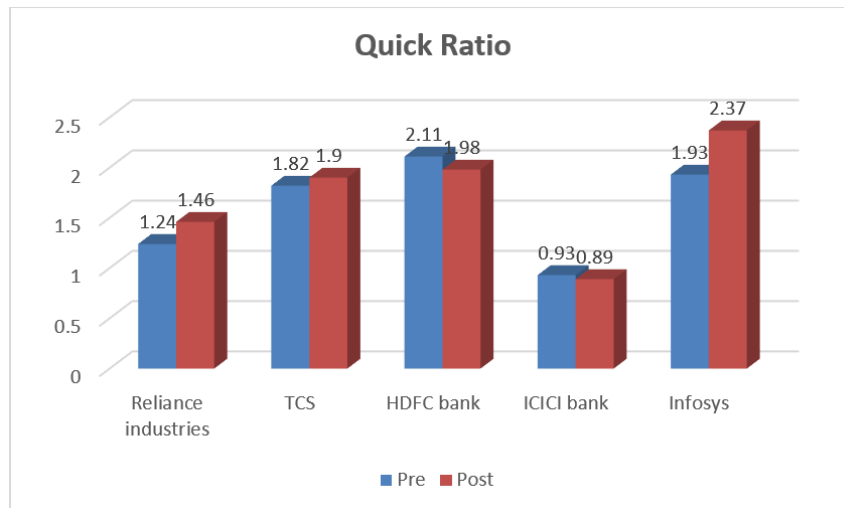


Table.3 Gross Profit Margin

Company Name	Mean		Standard deviation		CV	
	Pre	Post	Pre	Post	Pre	Post
Reliance industries	8.56	17.75	4.40	0.84	51.38	4.74
TCS	15.12	19.71	0.70	4.33	4.63	22.00
HDFC bank	10.11	17.40	5.91	0.22	58.47	1.26
ICICI bank	15.13	22.92	3.97	2.38	26.27	10.37
Infosys	31.74	34.21	3.81	4.99	12.01	14.59

Source: Compiled and calculated from the data published in money control

Gross profit margin indicates the performance of a company's sales and production and also shows the margin of profit availability out of revenue from operation. Table 3 shows the gross profit margin of selected top 5 blue chip companies in India. The mean of Gross profit margin results shows the Post COVID 19 has improvement in the succeeding year as compared to pre COVID 19. TCS and Infosys have the highest co-efficient variance of gross profit ratio after COVID 19 while other companies variance declined as compared to pre COVID 19. This means that in this case, the higher the ratio, the better the organization's work framework, since it demonstrates that the expense of products sold is more modest than how much deals. An enormous proportion demonstrates the organization ready to great administration in limiting the weight and amplifying unrefined components. The organization that has a high proportion in post COVID 19 will be more impervious to emergency contrasted with the individuals who have a low proportion in pre COVID 19.

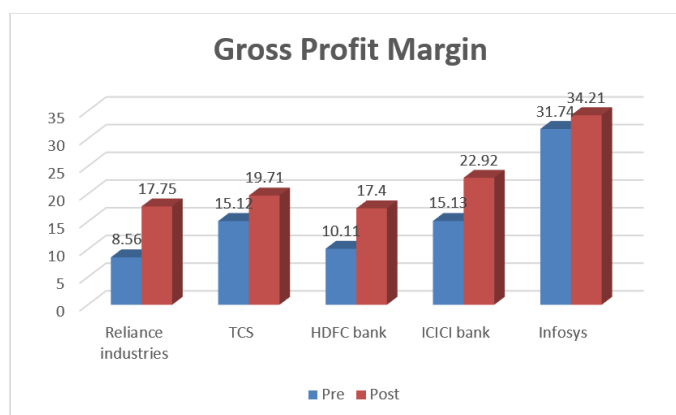


Table 4 shows the net profit margin of top 5 blue chip companies in India during the period from 2020-2021 to 2022-2023.

Table.4 Net Profit Margin

Company Name	Mean		Standard deviation		CV	
	Pre	Post	Pre	Post	Pre	Post
Reliance industries	5.66	21.17	3.20	6.30	56.64	29.77
TCS	14.08	18.03	1.68	0.40	11.91	2.20
HDFC bank	9.04	20.58	4.22	5.95	46.72	28.90
ICICI bank	12.14	16.42	1.12	1.71	9.26	10.42
Infosys	25.05	27.30	3.20	2.06	12.79	7.54
Source: Compiled and calculated from the data published in money control						

Net profit ratio is the percentage of net profit on revenue from operation. Table 4 indicates the mean value of net profit margin it shows the fluctuating trend during the study period. This change demonstrates the company's ability to confront unfavorable monetary condition, for example, value contest, low interest and so forth. The above outcomes show every one of the organizations have most elevated normal net benefit when contrasted with Pre COVID 19. Taking a gander at individual execution, Reliance industries organization has the most noteworthy normal net benefit proportion in post COVID 19 when contrasted with pre COVID 19. The higher proportion the more proficient the operation, therefore the Sun drug become quicker and have a lot of value on the grounds that the organization recorded a high net profit.

Net Profit Margin

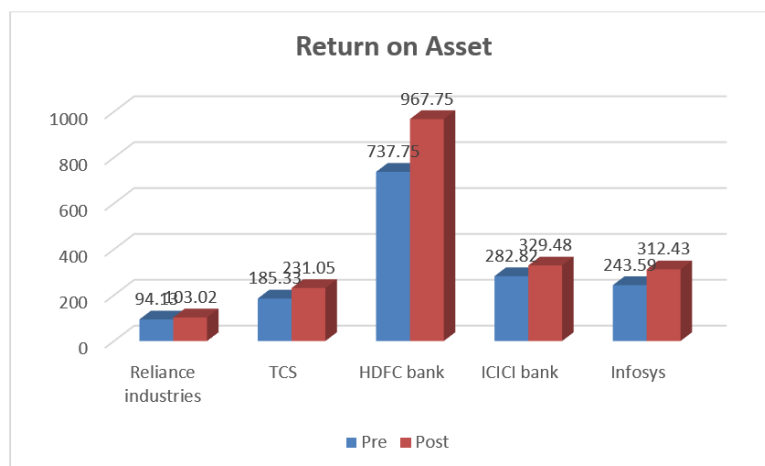
Table: 5 shows the Return on Asset of top 5 blue chip companies in India during the period from 2020-2021 to 2022-2023.

Table.5 Return on Asset

Company Name	Mean		Standard deviation		CV	
	Pre	Post	Pre	Post	Pre	Post
Reliance industries	94.13	103.02	1.53	1.90	1.63	1.84
TCS	185.33	231.05	14.18	22.08	7.65	9.56
HDFC bank	737.75	967.75	36.84	75.68	4.99	7.82
ICICI bank	282.82	329.48	19.17	37.99	6.78	11.53
Infosys	243.59	312.43	27.00	52.07	11.08	16.67

Source: Compiled and calculated from the data published in money control

Return on assets is a calculation that indicates how efficient an organization's management is in generating revenue from its financial assets or resources. Table 5 shows the Return On asset (ROI) of various companies. With the exception of Reliance industries, we can see that for each of the organizations, the post COVID 19 mean value of return on assets ratio was much better than the pre COVID 2019 for all years considered. The better the return on assets (ROA), the more effective the company is at generating benefits. Overall, four out of five sample firms have improved their execution since COVID 19.



6. FINDINGS

Current Ratio:

The mean current ratio increased for all companies after the pandemic, indicating improved short-term liquidity. Reliance Industries and Infosys showed the most significant improvements in their current ratios post-COVID-19.

This suggests that the companies are better equipped to meet their short-term obligations without difficulties after the pandemic.

Quick Ratio:

Most companies maintained a quick ratio of at least 1:1, except for ICICI Bank, which fell below the standard norms.

The quick ratio remained relatively stable over time, with no significant difference between the pre and post-COVID-19 periods.

ICICI Bank's quick ratio indicates financial weakness and an inability to meet its most immediate liabilities, which is a cause for concern.

Gross Profit Margin:

The gross profit margin increased for all companies in the post-COVID-19 period, except for TCS and Infosys, which had higher coefficient variances.

TCS and Infosys showed the most substantial variability in their gross profit margins, which may indicate different strategies for cost management and revenue generation.

A higher gross profit margin suggests efficient cost control and better utilization of resources.

Net Profit Margin:

The net profit margin fluctuated during the study period for all companies.

Reliance Industries had the highest average net profit margin post-COVID-19, indicating strong financial performance.

The higher the net profit margin, the more efficient the operation, and it reflects a company's ability to generate profit from its revenue.

Return on Asset (ROI):

With the exception of Reliance Industries, all other companies demonstrated improved ROI after the COVID-19 pandemic.

HDFC Bank had the most significant improvement in ROI, followed by ICICI Bank and Infosys.

A higher ROI indicates better efficiency in generating revenue from financial assets or resources.

7. SUGGESTIONS

- While most companies have shown improved liquidity with higher current ratios post-COVID-19, ICICI Bank needs to address its quick ratio to ensure it can meet its immediate liabilities. Companies should maintain a buffer of liquid assets to respond to unforeseen challenges.
- Companies with high coefficient variances in gross profit margin, such as TCS and Infosys, should focus on consistent cost management strategies to reduce variability and enhance profitability.
- Reliance Industries has demonstrated strong post-pandemic financial performance. To sustain this growth, the company should continue to diversify and invest in areas that align with its long-term strategy.
- All companies should have robust risk management strategies in place, particularly with regard to fluctuations in financial ratios. A comprehensive understanding of risk factors and mitigation plans is crucial.
- Companies should continue to focus on efficiency improvements to boost their net profit margins. This may include optimizing operations, reducing unnecessary costs, and enhancing revenue streams.
- Companies with improved Return on Assets (ROA) should consider using their assets efficiently to generate more revenue. Careful investment and resource allocation can further boost profitability.
- Continuously monitor financial performance indicators and adapt strategies as needed. Given the dynamic economic environment, companies should remain agile and responsive to changing conditions.

8. CONCLUSION

The purpose of this research is to look at " Impact of Covid 19 with reference to BSE & NSE of selected top 5 blue chip companies in India - Pre And Post Lockdown in terms of liquidity and profitability ratios. It can be concluded from the present study that COVID 2019 has improved the profitability and liquidity situation of Top 5 blue chip companies. Also, this study shows that the overall impact of COVID 2019 on Indian businesses has been good for the majority of parameters for all companies. According to this study COVID 19 activities are fully favourable for businesses.

CONFLICT OF INTERESTS

None.

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