

Impact of COVID-19 Pandemic on Large-Cap Firm's Performance: A study on select Indian Firms

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Abstract

This study examines the impact of COVID-19 on the performance of Indian companies, drawing on quarterly financial data from the Prowess IQ CMIE database for the period between the first quarter of 2018 and the fourth quarter of 2022. This is supplemented with information on the COVID-19 growth rate. The findings reveal a notable negative correlation between the growth rate of COVID-19 and firm performance. Additionally, the study highlights how the pandemic has differentially affected various sectors, with healthcare, consumer staples, and consumer discretionary sectors experiencing a positive impact from the pandemic. The study contributes to the growing body of literature regarding COVID-19's effects on corporate financial health, offering a comprehensive analysis that spans both the pre-pandemic and pandemic periods. By employing precise accounting measures and the Generalized Method of Moments for analysis, this research provides insights into the pandemic's influence on the economic performance of Indian companies across ten distinct sectors.

Keywords: COVID-19, Emerging market, Firm Performance, India, Generalized method of moments.