

## Scope of Small and Medium Enterprises

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### SUMMARY

Small and medium enterprises play important role in economics particularly in developing countries. In which we can get maximum profit in future with minimum investment. Enterprise progress depends on how well we plan for the future. In emerging markets most jobs opportunities created by small and medium enterprises.

### INTRODUCTION

The most important factor when looking at developing countries is small and medium enterprises. SME create employment and innovation in economic sector as well. They contribute around 29% GDP in India. SME are in accordance with section 7 of the micro, small and medium act, 2006. SME such as companies, co-operative, partnership and so on. According to World Trade Organization (WTO, 2016) SME provide over 90% business population, nearly 65% employment and 50 % GDP in developed economies. SME is important of both developing and developed countries. They provide nearly 65% jobs. Each country has its own definition of SME. According to Government, Ministry of Micro, Small and medium enterprises are classified in India, an enterprise with an investment of < 1 Cr and a turnover of < 5Cr is called a micro enterprise. An enterprise with an investment of < 10 Cr and a turnover of < 50 Cr is called a small enterprise and an enterprise with an investment of < 20 Cr and a turnover of < 100Cr is called a medium enterprise. We have all faced the crisis of the Covid -19. Lockdown has affected more or less all sectors. This has had a detrimental effect on SMEs, especially on newly launched enterprises. Approximately 90% firms were impacted negatively due to pandemic. Even in such a time of crisis, some enterprises with proper planning and consistency were able to survive. Pandemic reveals a few things about SME, the most important of which are online trading, direct customer contact, direct quality checking.

### Benefits of SME:

- Importance of SME for development of country.
- SME can directly control their output & customer relationship with large enterprises.
- They can take immediate decision on its own risk.
- SME charges lower rates to their customer by providing best quality.
- It may create healthier economy and innovation.
- SME role to achieve social development and decrease income variation.



Based on their investment in business loan are eligible to SME. Easy accessibility of loan to SME as compare to large enterprises due to small investment. There are many banks which provide loan to SME at relatively lower interest like SBI, HDFC, AXIS and many more. There are many ideas of SME like Marketing strategy, online trading, Shops, industries which have a small investment as mentioned above.

**CONCLUSION**

SME is a present as well as future need for growing country. Economy is mainly depended on industrialization of SME. There is scope for small and medium enterprises according to future need of direct contact to customer for quality assurance. It has risk but not that much like in large with investment. Successfully run a business with good ideas and proper management.

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