



Management

A STUDY ON THE PERFORMANCE OF SMALL SCALE SECTORS IN KANYAKUMARI DISTRICT

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ABSTRACT

Micro, Small and Medium Enterprises (MSMEs) sector has emerged as a highly vibrant and dynamic sector of the Indian economy over the last five decades. MSMEs not only play a crucial role in providing large employment opportunities at comparatively lower capital cost than large industries but also help in industrialization of rural and backward areas. This paper assesses the growth and performance of MSMEs in Kanya kumari district on the number of enterprises, investment, employment generated and money value of the production. The performance of MSMEs assessed with the secondary data from 1984-85 to 2014-2015.

Keywords:

MSMEs, performance, investment, employment.

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1. INTRODUCTION

Small and medium enterprises are the backbone of industrial development. It is very important for both developed and developing country Small and medium enterprises always represented the model of economic development, which emphasized high contribution to domestic production, significant export earnings, low investment requirements, employment generation, effective contribution to foreign exchange earning of the nation with low import-intensive operations. The contribution of small scale industries (SSIs) has been remarkable in the industrial development of the country. It has a share of 40% in the industrial production. 35% of the total manufactured exports of the country are directly accounted for by this sector. In terms of employment generated, this sector is next only to agriculture employing approximately 14 million people. Overall, the small industry sector has done quite well and has enabled the country to achieve considerable industrial growth and diversification. Small scale industries are less capital intensive and suit the Indian economic environment with scarce resources and large population base. In addition, it is highly and has a scope for labor intensive for building upon the traditional skill and knowledge.

2. REVIEW OF LITERATURE

- 1) P.UMA highlighting the significance SMEs in economic development of India. The role of small and medium enterprises in economic development of a country can be explained with relevant parameters.” Increase in the number, production, employment, and exports over a period of time could be common parameters to adjudge the role played by small enterprises in the country.”
- 2) D.Hepzibah Vinsyah Jeyaseeli, E. Raja Justus (2014) Assessed the performance of MSMEs in India in terms of number of enterprises, investment, production, employment and exports. They concluded that MSMEs constitute an important and crucial segment of the industrial sector in the Indian economy. By contributing to the overall growth of the gross domestic product, employment generation and exports, the sector is emerged as the engine of growth for Indian economy.
- 3) Kalyan et. al (2011) in their study entitled “Competitive Performance of Micro, Small and Medium Enterprises in India” found that the MSMEs have performed extremely well and enable the country to make the process of providing additional employment and rural industrialization possible.
- 4) Garg and Walla(2012) in their study entitled “ Micro, Small and Medium Enterprises(MSMEs) in Post reform India: Status and Performance” found that the significant growth of MSMEs have been taken place over a period of time and this sector is the major donor to GDP, employment and exports in Indian economy.

3. OBJECTIVE OF STUDY

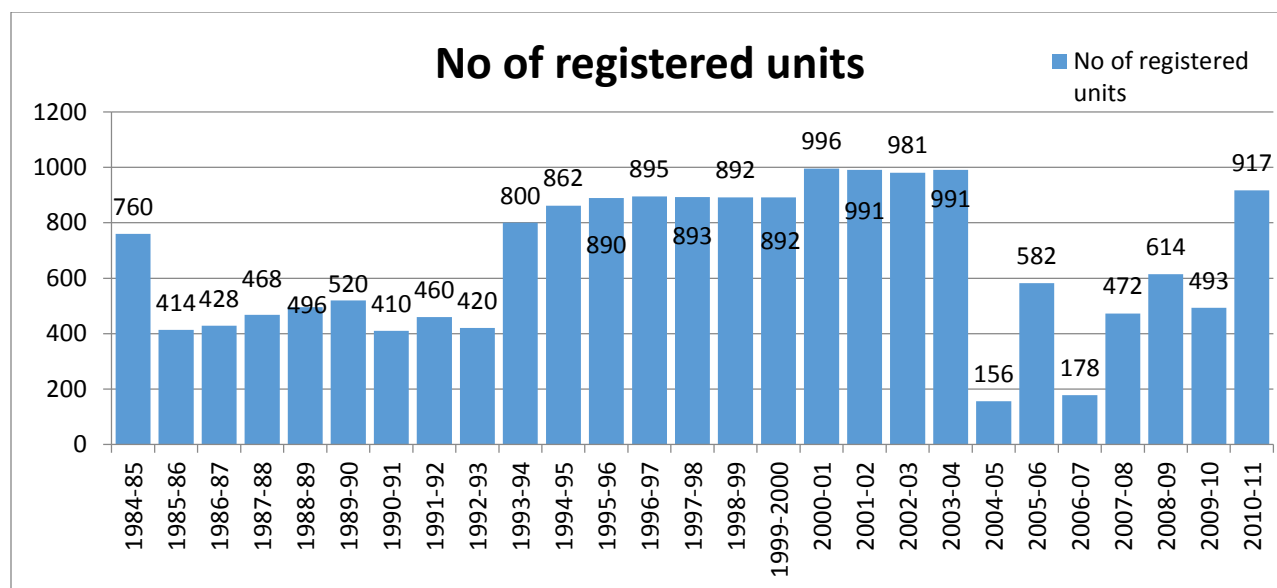
- To examine the growth and performance of MSMEs in Kanyakumari district in terms of number of enterprises, investment, production, employment.

Performance of MSMEs in Kanyakumari District:

YEAR	No of registered units	Employment	Investment (lakhs)
1984-85	760	1110	48
1985-86	414	629	39
1986-87	428	746	47
1987-88	468	639	72
1988-89	496	759	88
1989-90	520	832	109
1990-91	410	645	236
1991-92	460	740	312
1992-93	420	696	428
1993-94	800	840	636
1994-95	862	1320	959

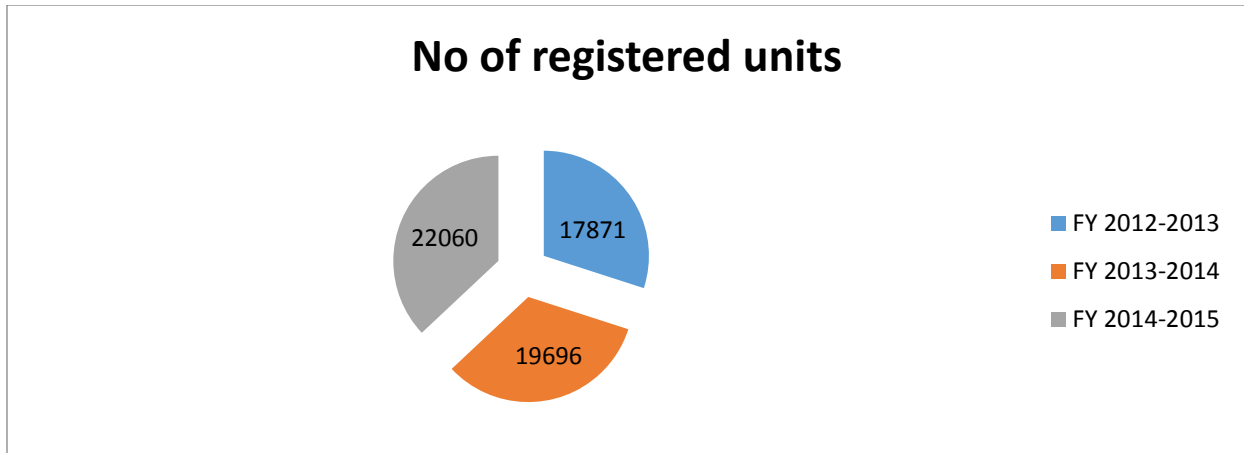
1995-96	890	5843	1020
1996-97	895	3954	1112
1997-98	893	948	1216
1998-99	892	1148	1322
1999-2000	892	1164	1417
2000-01	996	1618	1932
2001-02	991	2026	2038
2002-03	981	1316	2730
2003-04	991	2420	2818
2004-05	156	818	3230
2005-06	582	863	3112
2006-07	178	363	2318
2007-08	472	538	2846
2008-09	614	936	4318
2009-10	493	846	4848
2010-11	917	1114	5236

Source: Statistical handbook of Kanyakumari district-2012-2013

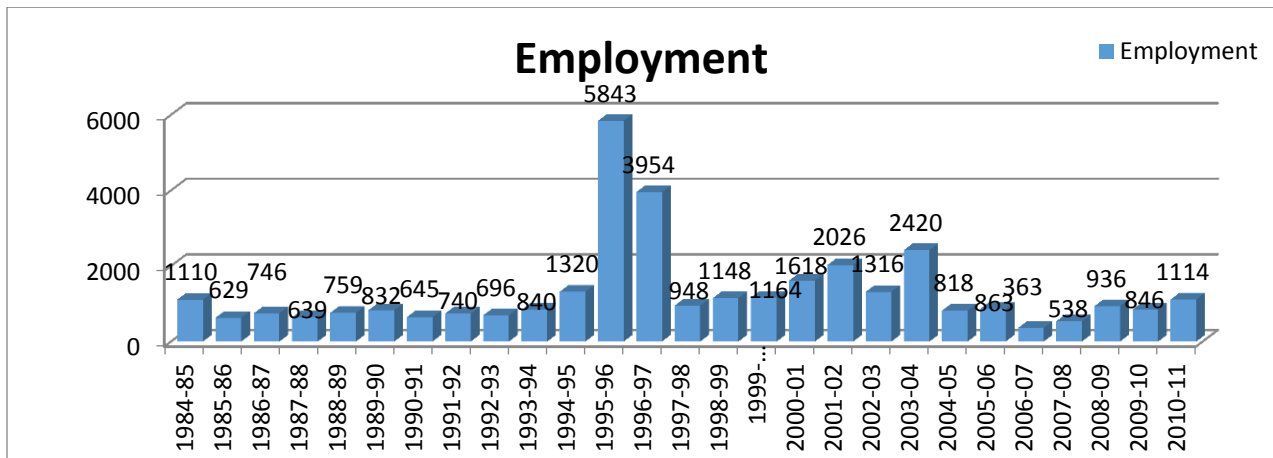


YEARS	Total no of registered units
FY 2012-2013	17871
FY 2013-2014	19696
FY 2014-2015	22060

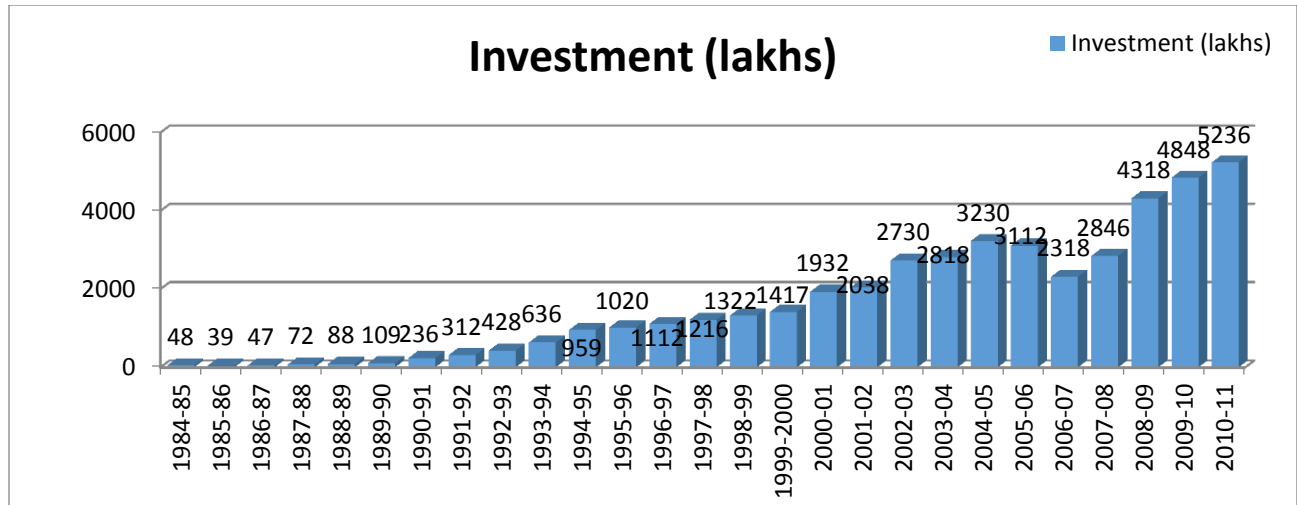
Source: Statistical hand book of Kanyakumari district-2012-2013, 2013-2014,2014-2015



Before the introduction of industrial policy 1991, the performance of SMEs registration in kanyakumari district was 760 units up to 1984-85 periods. Since 1985 to 1991, the average rate of units’ registration was 500. After the implementation of 1961 industrial policy, SMEs registration started went up 996 units during 2000-01 periods. Post liberalization period, 1993-94 period 800 SMEs registered in district industrial centre.1993-94 period to 2003-04 period the average rate of SMEs registration were 916 units. 2004-2005 periods registered only 156 units. Before the finical crisis period (2008) the performance of SMEs was little worst. But after the crisis, 614 units during 2008-09 periods to 917 units registered during 2010-2011 periods. The implementation of EMI filing through the online, the registration of SMEs increasing every year .2013-14 period 1825 units registered and 2014-2015 periods 2364 units registered.



Kanyakumari district SMEs generating very less number of employments. The average rate of employment provided by the SMEs is 1412.during 1995-96 period registered highest rate of employment (5843). 1996-97 periods to 2010-2011 periods the employment generation of SMEs is highly declined. The employment performance of SMEs is not at growth level in kanyakumari district. 1984 to 2011 period’s data shows that almost same level of employment performance of SMES.



The investment of SMEs on plant & machinery and equipments increased from 48 lakhs during 1984-85 to 5236 lakhs during 2010-2011. During financial crisis period (2007-2008) the investment level little declined. The investment performance of SMEs shows that the growth performance of SMEs.

4. SUGGESTIONS

- 1) Government can make compulsory to all un- registered MSMEs to register in Entrepreneur Memoranda through online with the support of government e-service centre.
- 2) Educational institutions can establish entrepreneurial development cells to foster the entrepreneurial skills among students which will lead to create future entrepreneurs.
- 3) Financial support and aid to be provide to existing SMEs to expand and enrich their business which will help to generate more employment opportunities in existing SMEs.
- 4) Government can establish separate Bank or other financial institution only for SMEs.
- 5) Create many industrial centers and clusters in each district.
- 6) DIC (District industrial centers) can conduct entrepreneurship exhibition at the town of each district to show the available entrepreneurial opportunities to future entrepreneurs.

5. CONCLUSION

Over all MSMEs performance in employment generation, contribution in GDP, investments and production are highly positive in globally and nationally. But district wise performance of SMEs are not expected level due to lack of financial support, management failures, lack of industrial work culture, lack of technology updating and availability, and poor market access. Government policies and stakeholders supports only can strengthen MSMEs performance.

6. REFERENCES

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