ABSTRACT

The small-scale industries sector plays a pivotal role in the Indian economy in terms of employment. The growth has recorded a high rate since independence in spite of stiff competition from the large-scale sector. During the last decade alone the small-scale sector has progressed from the production of simple consumer goods to the manufacture of many sophisticated and precision products like electronics control systems, microwave components, Electro medical equipment, T.V, sets etc.,

The Industrial Policy Resolution of 1948 set the goal for the development of rural industries. It stated that cottage and small-scale industries have a very important role in the national economy offering scope for individual village or cooperative enterprises. The Industrial Policy Resolution of 1956 further reaffirmed that the state supports for small-scale village industries. To overcome the problem of organization, six all India level bodies, Khadi and Village Industries Commission (KVIC), Handlooms Board, Handicrafts Board, Coir Board, Silk Board and Small Scale Industries Development Board (SSIDB)
were established. Both at the central and state levels, these bodies are engaged in promoting employment through training, financial assistance and infrastructure development for small and cottage industries.

The present study attempt's to analyse the relative performance, factors responsible for the differencial performance in the selected small and cottage industrial units under different management models in Dindigul district of Tamil Nadu.

Primary data have been collected by direct field survey in selected concentrated sample areas. Secondary data have been obtained by indirect survey that is from the record of District Rural Development Agency (DRDA) office, Khadi and Village Industries Board (KVIB), Khadi and Village Industries Commission (KVIC), Handloom Society, Ministry of Handloom and Textiles, Statistical Office and Various journals, reports etc.,

Since the 30 per cent sample size has been selected with reference to the four management models for the year 1998-99. Then a sample of 92 entrepreneurs have only been identified
from the total population in the same year. It is inferred from the analysis that the average rate of output varies from 1.79 to 1.96 in all the four management models in small and cottage industries. The average credit rate has been around 10 percent. The average profit rate has been nearly 20 percent in independent enterprise, federated enterprise and contract job model in small and cottage industries and 14 percent in cooperative model. It is also found that approximately 15 to 20 percent of net profit has been reinvested in all the four management models in small and cottage industries. However, on the average, rate of output and profit rate have been the highest in independent, and federated enterprise model in small and cottage industries. The average proportion of net profit reinvested has been the highest in contract job model in small and cottage industries. On the average the three indicators namely rate of output, profit rate and proportion of net profit reinvested have the least values in cooperative model.