

Overview of Small Scale Enterprises in Kashmir Valley

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ABSTRACT

Small-scale industries are regarded as the driving force behind economic growth and equitable development. The main advantage of this sector is its employability with a low cost of capital. The labor intensity of the Small Industrial Sector (SSI) is much higher than that of large enterprises. The role of small businesses in the economic and social development of a country is well known. This sector is a breeding ground for entrepreneurship, often driven by individual creativity and innovation. The report concludes that the growth potential of this sector in Jammu and Kashmir (J&K) goes beyond its important role in job creation. It also contributes to the state's gross domestic product (GDP), thus contributing 12.55% of GDP. This study is meaningful in that Jammu and Kashmir is a relatively underdeveloped region in terms of economic and educational aspects. Therefore, this paper examines the performance of SSI in J&K, how self-employment and income lead to SSI, and challenges facing these industries.

Key Words; SSE's, Credit Facilities, Problems, Incentives, Industrialization, REGP.

INTRODUCTION

Kashmir on account of the rebellion for more than forty years saw a decrease underway and fabricating. Numerous SSE units like that of State Silk Factory Srinagar, Hindustan Machine Tools, Hotels shut their units with the emission of aggressiveness. Indeed, even the PSU banks shut their branches. The assembling declined to its most reduced degree till 2014-15. It was dedicated "Memorial park of creation" by organizations. Despite the fact that legislatures embraced broad endeavors to cultivate the development of SSEs, and furthermore expand business venture in Kashmir, yet mechanical speculations evade Kashmir. One significant method of advancing SSEs is with the guide of having simple reach to fund. B. A. Dar (2013) referred to that a central hole in Kashmir's business advancement has been the shortfall of a vigorous SSE area fundamentally on account of the reluctance of banks to loan to the field, frequently than not taking shelter behind the unrest. Banks through their intermediation work are expected to give financial help to SSEs. For SSEs to play out their capacity inside the monetary

framework, satisfactory accounts in expressions of short-and extended time span credits are an essential. Relevant to comprehend that financing is the principle determinant of SSE area blast in creating worldwide areas; there might be no refuting that money would upgrade the exhibition of SSEs in Kashmir as well, in case it is accurately and ideally gave and from there on used. The customary business banks that are key gamers inside the money related frameworks of pretty much every economy have the ability to pull monetary assets aggregately to satisfy the credit wants of SSEs, yet the banks look with an eye of doubt at the SSEs in Kashmir.

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strife. Banks through their intermediation work are planned to give money related aid to SSEs. For SSEs to play out their capacity inside the monetary framework, sufficient funds in expressions of short-and extensive time-frame credits are an essential. Relevant to comprehend that financing is the fundamental determinant of SSE area blast in creating global areas; there might be no denying that money would upgrade the exhibition of SSEs in Kashmir as well, in case it is effectively and ideally gave and from there on used. The customary business banks that are key gamers inside the money related frameworks of pretty much every economy have the capacity to pull monetary assets all things considered to satisfy the credit wants of SSEs, yet at the same time the banks look with an eye of doubt at the SSEs in Kashmir. Business progress in a region relies on the accessibility of infrastructural offices and credit offices provided by money related foundations, particularly business banks. The financial areas of India obliges 12 public area banks, 22 private area banks, 44 unfamiliar banks, 56 territorial provincial banks, 1589 city co-employable banks, and 93,500 country co-usable banks, notwithstanding co-usable credit organizations/offices. Public Sector banks oversee just about (59%) of the commercial center advances, while non-public bank's commercial center extent in advances remains at 36.4%, accordingly leaving moderately more modest stocks for different foundations. (RBI insights available level of banks Nov. 2020).

The limited scale endeavors (SSE) region has been characterized to incorporate ventures arranged under (a) limited scale business endeavors, (b) auxiliary business

endeavors (ANC), (c) send out situated gadgets (EOU), (d) minuscule organizations (TINY), (e) limited scope administration foundations (SSSEs), (f) limited scope supplier business (undertaking related) firms (SSSBEs), (g) craftsmans, towns and cabin enterprises, and (h) women business people's companies. The meaning of a SSE unit is extensively based at the rule of the expense of plant and apparatus, that is modified intermittently.

SSE has been perceived as a utilizing power for monetary blast and improvement in any country. Experimental bits of evidence show that they make a commitment to work age, destitution mitigation, and development efficiency levels in a country. The dominating increase of the field is its business potential at low capital worth. The work commitment profundity of the limited scale venture (SSE) region is significantly better compared to that of the huge associations.

REVIEW OF LITERATURE

Parimalam. M. (2006), assumed that business banks' presentation towards restricted extension adventures in Erode region isn't attractive. They are faced with such incalculable issues. If they are depended upon to expect the part dispensed to them effectively, the right kind of climate and amazing responses for the issues should be given.

Sindhu Vijaya Kumar (2007), saw that business banks approve advances to endeavors anyway their accentuation is generally for immense extension units. They keep thinking about whether to give immense resources for restricted extension

units because of two reasons. Regardless, restricted degree units all around need a humble amount of record. The second monetary sufficiency of restricted degree business visionaries is unpredictable. So restricted scale business visionaries especially women finance managers, for the most part depend upon money related foundations other than business banks.

Kalyanaram G.K., (2009) India has accepted methodologies that have vivified buyer premium and developed business, while China has gotten procedures that have invigorated resource gathering. Kalyanaram has tried to benchmark India's turn of events and headway against China by differentiating the improvement models and market potential. He found that China and India have gotten two unmistakable models of advancement and assumed that India's model is most likely going to more efficient.

Magnus Magnusson et.al (2012) drove an assessment on financing SSI and assumed that low dependability makes these units vulnerable for refusal of credits and shockingly difficult for the public power to support totally. One thought was furthermore given by the maker to use institutional monetary patrons for a comparative explanation.

Rubayat (2012) found that there is a more unmistakable need to assess the sponsoring need and governments should give more broad permission to such units for financing their endeavors.

Nayak and Purusottam (2015) drove an assessment in the upper east piece of India to find the hardships of SSI units. They explained various pieces of business in these

states. The public authority is propelling this at a more prominent level, regardless, they similarly wrapped up the shortfall of specific assistance and recognize workplaces as maybe the best test.

Noorinasab, Seifabad and Zarei, (2016)

Entrepreneurs manage issues like for fire up how to raise capital, inadequate resource. Various financial specialists can't get to outside saves taking into account lacking security and credit in market. The collaboration of advance helping office is monotonous. Other issues is decrease in advantage because of contention, spending plan rundowns are not fittingly kept up by finance managers of MSMEs, inadequate accreditations for raising credits, through esteem issue in raising capital, dependent upon cash moneylenders for propels which are tremendous cost.

Bowen (2017) referred to that a triumph participation can help the gigantic players with finding straightforward and dependable suppliers as little players who can offer claim to fame responses for their issues on one hand. On the other hand, little players get an opportunity to participate in more noteworthy arrangements. They similarly acquire permission to more essential resources and greater customer base. Any organized exertion procedure has its own risks in it. In this manner, government support for MSMEs gets critical as little players can mitigate the peril that they take by helping government game plans and cooperating with government associations. Various countries have different arrangements towards MSMEs and the following area manages the province of

MSMEs in different nations across the globe.

Perez (2017) contends that there exists a lopsided relationship and henceforth a chance for MSMEs to develop. In a globalized super serious climate, it is extremely hazardous for little firms to stay disengaged. Henceforth, they should search out for the presence of mutual benefit circumstances for themselves, which will be productive for both little just as huge players.

Siddiqui, (2018) during early development stages miniature, little and medium endeavors need ideal and adequate capital. MSMEs depend on different wellsprings of money. Different monetary issues are deficient/unseemly adjacent to non-opportune credit, limited information and restricted capital, guarantee security prerequisite, inadequate working capital, recuperation from account holders, for benefiting advance from monetary foundations/banks/offices require exorbitant administrative work and is likewise tedious.

Emmanuel Tweneboah Senzu and HarunaNdebugri (2018) said it is being brought about by the helpless business climate coming about that the majority of MSMEs implodes almost in their fifth year, for another brought into the world of adventures of constant circle nature should require a pressing basic investigate Business approaches which shifts State to state and country to country. The Ministry of Trade and Industry/Commerce will arm responsible for business improvement. The majority of the MSMEs participate in business value-based records with the

insufficiency of value bookkeeping records to influence the exhibition of business.

Loans from commercial banks are the most common kind of loan.

Small-scale businesses may get loans from commercial banks, either with or without the use of collateral. This type of financing does not require the completion of any legal paperwork other than the creation of a mortgage on the assets. The loan may be repaid in whole or in instalments. Short-term loans may also be acquired from banks on the basis of the personal security of a country's directors and officers. Clean advances are the term used to describe these types of loans. Small-scale businesses may get bank financing at a reduced rate of interest if they meet certain criteria. As a result, it is usually a less expensive form of financing for the working capital needs of businesses. This technique of obtaining money for working capital, on the other hand, is a time-consuming procedure.

Deposits made by the general public:

When raising short-term money, many businesses find it simple and practical to invite shareholders, workers, and members of the general public to place their savings in the company's bank account. It is a straightforward way of collecting money from the general public, requiring the business to do nothing more than promote and notify the general public that it has been granted permission under the Companies Act 1956 to take public deposits. To encourage public deposits, greater rates of interest may be offered in comparison to the rates of interest permitted on bank deposit accounts. Companies, on the other hand,

may raise money via public deposits up to a maximum of 25 percent of their paid-up capital plus free reserves. Small-scale businesses, on the other hand, are free from the limitations imposed by the maximum limit of public deposits provided they meet the following requirements:

- Neither the amount of the deposit nor the amount of paid up capital exceeds Rs. 8 lakhs (or the lesser of the two amounts). It is not more than Rs. 12 lakhs if the paid-up capital is less than that amount.
- The number of depositors does not exceed 50% of the total number of depositors.
- There is no invitation to the general public to make deposits at this time.

The primary advantage of using this method of collecting money is that it is both easy and inexpensive. However, the most significant drawback connected with this source is that it is not accessible to businesses during times of despair or financial hardship.

Trade Credit (also known as a trade loan):

Companies purchase raw materials, components, and other products on credit from their suppliers, in the same way that they sell things on credit to their customers. The outstanding sums owed to suppliers, often known as trade creditors, for credit purchases are therefore considered sources of financing. Suppliers often provide credit to their customers for a term ranging from three to six months.

The buying business benefits from this since they are able to offer short-term financing.

As a matter of fact, the availability of this kind of financing is highly dependent on the amount of business being conducted. The availability of this kind of financing will increase in direct proportion to the amount of business, and vice versa.

In addition to the reputation of the buying business, its financial condition, the degree of competition in the market, and other factors, the amount of trade credit available is also influenced by the buyer's financial status. Taking advantage of trade credit, on the other hand, results in the forfeiture of any cash discounts that might have been obtained if payments were completed within 7 to 10 days after the date of purchase of the products. This reduction in the value of the cash discount is seen as an implicit cost of doing business on credit.

COMMON MARKETING PROBLEMS FACING SMALL BUSINESSES

1. Difficult competition - It's difficult to make your small company stand out in a competitive marketplace when you're starting out. Surprisingly, the solution to this issue does not begin with more money spent on advertising or more visibility. You must first determine what distinguishes your company from and makes it more attractive to customers than your competitors. Creating a competitive advantage must be a top goal for every organisation. In the absence of it, you will most likely find yourself drowning in a sea of copycat small companies and competing on price much too often.

A frequent erroneous assumption is that your company can't possibly be any different than the competition. Every small

company is distinctive, and some are even one-of-a-kind. To get started, ask your customers what they appreciate about your company and why they prefer to do business with you. This is an excellent beginning point.

2. Unsatisfactory advertising outcomes - Have you ever produced promotional materials that you felt were fantastic, but the results were disappointing? You may have developed something that appeals to you rather than your intended market, which is a probable explanation. This is a fairly frequent marketing issue that arises.

The reality is that there may be a significant disparity between what you find appealing and what your consumers find attractive. Understanding your target audience is the first step in creating effective advertising and marketing. Who exactly are they? What are the issues that they are dealing with? What is it that they are motivated by in order to obtain what you have? Don't know where to begin - no marketing strategy in place. The most effective place to begin for most small companies is with a straightforward marketing strategy. Even a one-page marketing strategy can assist you in clarifying who your target market is and how you intend to contact them with your product or service. It will also make it simpler for you to maintain a high level of consistency. One of the most frequent reasons for failing to develop a marketing strategy is also one of the most compelling arguments in favour of doing so: "I just don't have the time."The amount of time you spend

IMPORTANT INCENTIVES FOR NEW INDUSTRIAL UNITS AND SUBSTANTIAL EXPANSION OF EXISTING UNITS:

- All new industrial units and existing industrial units on substantial expansion as defined, which are set up in growth centres, industrial infrastructure development centres (IIDCs), and other locations such as industrial estates, parks, export processing zones, commercial estates, etc., as notified by the Central Government, are eligible for a 100 percent (one hundred percent) exc
- In the approved site, all new industries would be eligible for capital investment subsidies of up to 15 percent of their investment in equipment and machinery, subject to a maximum of Rs. 30 lakhs in capital investment subsidy. Existing units will be eligible for this subsidy if they undergo a significant expansion, as determined by the government.
- In addition, all new industrial units in designated areas would be eligible for a 3 percent interest subsidy on their working capital loan for a period of ten years after the start of commercial production. As previously stated, this advantage would be extended to existing units in notified sites that are expanding in accordance with the specified criteria, as well as to Annexure-II Thrust Industries.
- The Central Government would extend the insurance premium to the amount of one hundred percent on capital expenditure for a period of ten years to all new units as well as existing units undergoing significant expansion, as specified.
- The current income tax exemption will be maintained in accordance with the current dispensation applicable to the state of Jammu and Kashmir. The State

Government may consider extending Sales Tax exemption to units that take advantage of the incentives provided by this Policy, if there is sufficient demand.

Infrastructure Development in the Industrial Sector:

The financing pattern of Integrated Infrastructure Development (IID) centers will change from a 2:3 split between the Government of India and SIDBI to a 4:1 split, with the Government of India funds being in the form of a grant in order to provide the necessary infrastructural support for the centres.

THE ADVANTAGES OF SMALL BUSINESSES

The following are some of the most significant benefits that MSMEs in India have that have made them more essential to the country's development:

- Small-scale enterprises need a significant amount of labour. Because they provide job possibilities in both urban and rural regions at a relatively modest cost of capital investment, they are an economically viable option.
- Small-scale enterprises are able to adapt to changing conditions. They adapt rapidly to a wide range of variables that play a significant role in everyday management. Because of their adaptability, they are well adapted to a continuously changing environment.
- A small-scale operation is often run by a single individual. Individuals are mostly responsible for setting it up. Even tiny units are managed by a partnership business or a corporation, with the majority of the operations being carried out by one of the partners

or directors. As a result, they serve as a vehicle for the expression of entrepreneurial spirit. Because they are their own bosses, they are able to make decisions quickly and in a more creative manner.

- Small-scale enterprises make use of locally sourced raw materials and encourage the production of intermediate and capital products. In a transitional economy, small-scale industries contribute to faster and more balanced economic growth through decentralisation and dispersal of industries in local areas. • Small-scale industries generally restrict their operations to local areas in order to meet the needs of local and regional populations. They are unable to expand their company operations owing to a lack of available resources.
- The gestation period is the time period after which the return on investment begins to accrue. It is the amount of time that elapses between the setup of the units and the start of production. Small-scale enterprises have a shorter gestation time than large-scale businesses, which is beneficial to them. Entrepreneurs benefit from this since it allows them to make money in a short period of time.
- Capital is restricted for a longer length of time. It is typical for small-business workers to have a low or moderate degree of educational attainment. Small and medium-sized enterprises (SMEs) need little in the way of specialised expertise and ability to run and manage them. The Small Scale Industries of India are confronted with a number of significant challenges. Finance, raw materials, idle capacity, technology, marketing, infrastructure,

underutilization of capacity, and project planning are some of the major issues that small scale businesses are dealing with right now.

- Small and medium-sized enterprises (SMEs) are critical to the economic growth of our nation. While this sector may boost economic activity, it is also charged with the duty of achieving different goals, such as increasing job possibilities while requiring less investment and eliminating regional imbalances, among others. Many limitations prevent small size companies from playing a meaningful role in their respective communities.

JAMMU & KASHMIR'S SEVEN MOST IMPORTANT INDUSTRIES

The following are some of the most significant industries in Jammu and Kashmir:

1. Silk Textiles
2. Carpet Making and Woolen Textiles
3. Leather Products
3. Forestry and Forest-based Industries
4. Agriculture and Agro-based Industries
5. Paper Mache (also known as papier mache)
6. Industrial Complexes, followed by the cement industry.

Industries are classified as a kind of secondary economic activity. The industrial process entails altering the appearance of products in order to increase their monetary worth. It is necessary to have inputs in the form of capital, labour, power, and raw materials in order to carry out the manufacturing process. After processing, the final product may be either reprocessed as a raw material for another produced good or

consumed in its current form. As a result, the location of an industry is heavily influenced by the availability of raw materials, minerals, electricity, money, labour, infrastructure, and management talent. Climate, weather, industrial inertia, historical accident, and government policy are all factors that affect the development of industry.

Though abundant in water and forest resources, the state of Jammu and Kashmir has just a small amount of metallic mineral resources. The scarcity of iron ore, copper, high-quality coal, petroleum, and natural gas are among the most significant impediments to the growth of fundamental industries and industrial hubs in developing countries. Nonetheless, the Kashmiris have a centuries-old history in the production of carpets, silk fabrics, shawls, raffle, woodwork, and handicrafts, among other things. Among the important industries in rural areas that provide full or part-time employment to the people are the leather industry, oil crushing, pottery, blacksmithing, carpentry, paper machine, willow-wicker, soap manufacturing, food processing, cricket bat manufacturing, and toys manufacturing, to name a few. The Kashmiri's have earned a prestigious reputation as craftsmen, and they were formerly lauded for their prowess in the field of art production back in the day. Despite the fact that Srinagar is the primary centre of Kashmiri industry, other towns and villages are equally well-known for their specialised products. For example, Islamabad (Anantnag) is known for its superb embroidery, whereas Kulgam is known for its lacquered woodwork and other fine crafts.

Bijbahera is well-known for its woodcarving skills, and the people in the surrounding area are equally talented. Zainagir Circle is well-known for its luxuriously soft woollen fabric. Every Kashmiri seems to be a gifted weaver, and the handwoven fabric produced by the peasants during the winter months is highly regarded around the globe.

The silk textile industry in the state of Jammu and Kashmir is one of the state's oldest industries. Kashmiri silk products are known across the globe for their high quality, vibrant colours, and subtle tints. The usage of silk textiles for export to the Persian, Greek, and Roman empires has been shown historically via historical evidence. During the mediaeval era, the Mughals were known for their extravagant use of silken garments. They were patrons of the Kashmir Valley's manufacturing sector. Based on state government statistics from 1995-96, the silk industry and its associated activities offer employment to about 2.50 lakh people and provide approximately Rs. six crores (60 million) in revenue for the Jammu and Kashmir state government. It also supplies raw materials for the production of shawls, carpets, gabhas, namdas, hosiery, and embroideries, among other things. Furthermore, it aids in the use of culturable waste and less productive tracts for the different operations associated with silk textile production and processing. The number of people involved in the different activities of silk production has been provided.

SCHEMES FOR THE INDUSTRIALIZATION OF RURAL AREAS

The National Program for Rural Industrialization (NPRI) is a federally funded program that promotes rural industrialization. In the majority of cases, private entrepreneurs are responsible for the establishment of rural industrial units. The Central Government, on the other hand, has developed a number of programs to aid in the establishment and promotion of such units across the nation. In his Budget Speech for 1999-2000, the Finance Minister launched the National Program for Rural Industrialization (NPRI), which aims to encourage clusters of units in rural regions with the goal of establishing 100 rural clusters each year by the year 2000. In order to coordinate the program with the different Ministries/Agencies that are also involved in comparable programs, the Development Commissioner (SSI) has been appointed. There was no special financial provision made specifically for this purpose. Therefore, it was decided to coordinate and create synergies between the efforts being made by different Ministries/Departments/Organizations and the State Governments in order to make a coordinated effort toward the establishment of rural clusters in India. During the fiscal year 1999-2000, the Khadi and Village Industries Commission identified 50 rural industrial clusters for development consideration. SIDBI has also identified 25 clusters for further development. The Office of the DCSSI, the National Bank for Agriculture and Rural Development, and the states have taken up the remainder. The program's execution is being overseen at the district level by an implementing committee, which reports to the District Magistrate and includes representatives from various

relevant Ministries and agencies. As part of the program's execution, a state-level committee has been established under the chairmanship of the Secretary of Industrial and Rural Development to supervise the process. A Third Committee at the national level, chaired by the Development Commissioner (SSI), has been established to develop policy and guidelines, set annual targets, and coordinate efforts among the heads of the different Ministries and government organisations. The identification of the cluster has already been accomplished, and diagnostic tests have been initiated in order to determine the requirements of the group. A plan for implementing the findings of the diagnostic investigations will be developed in conjunction with them. In certain instances, the implementation process has already begun. The resources/funds required for the initiative are being gathered from a number of different Ministries and organisations. Integrated Infrastructural Development (IID) Centers are located around the world.

The Central Government has also developed a scheme for the establishment of Integrated Infrastructural Development (IID) Centers in rural and backward regions of the nation, which has been in effect since the Eighth Five Year Plan Period. During the Eighth Five-Year Plan, a goal of 50 such IID Centers was established for implementation. Additionally, during the 9th Five-Year Plan, the plan was permitted to remain in place. Approximately Rs. 2.00 crores (Rs. 2.00 billion) in grant assistance is provided by the Central Government under this program. SIDBI has made a provision for a loan of up to Rs. 3.00 crores for a project with an investment of Rs. 5.00 crores (excluding the

cost of land to State Governments for setting up IID Centres) for a project with an investment of Rs. 5.00 crores (excluding the cost of land to State Governments for setting up IID Centres). It is anticipated that a project of 15 to 20 hq. would accommodate about 400 Small Industrial Units in rural and disadvantaged regions. The State Government is responsible for any costs in excess of Rs. 5.00 crores. They are also responsible for selecting a suitable location for the project and implementing it via an Implementing Agency of their own. There is a list of the IID Centers that have been approved so far, which is included in the package.

RURAL INDUSTRIAL DISTRIBUTION UNITS

In the first instance, private entrepreneurs are responsible for the establishment of rural industrial units. The Central Government, on the other hand, has developed a number of programs to aid in the establishment and promotion of such units across the nation.

KVIC provides assistance in the establishment of units in rural regions. Up to 1994, KVIC provided financial assistance for the development of rural industrial units for a limited number of enterprises within its jurisdiction, with funds coming from budgetary sources. The pattern approach resulted in a more liberalised pattern of aid, with larger grants going to hill, border, tribal, and weaker-section regions, among other things. According to the recommendations of the High Power Committee, which was established under the leadership of the then Prime Minister, KVIC

began using a project method on January 1, 1995, and is now giving margin money grants for the development of industrial units in rural regions. In most instances, the grant component of margin money amounts to 25 percent of the project cost; however, in the Northeast area, Andaman and Nicobar Islands, and Sikkim, the grant component of margin money amounts to 30

ASSISTANCE IN THE FORM OF MONEY

The Financial Assistance Program (FAP) The cost of equipment and infrastructure facilities for the establishment of a coir unit is eligible for a one-time subsidy up to 25 percent of the total cost of equipment and infrastructure facilities, up to a maximum of Rs.1.5 lakhs. The board offers financial support up to a maximum of Rs.0.50 lakhs for the refurbishment or modernisation of existing units, up to a maximum of 25 percent of the cost of the restoration or modernization. Amounts of financial support to coir industrial units are not allocated on the basis of a state-based allocation system.

During the IX five-year plan, a total of Rs.657.54 lakhs has been allocated for the purpose of providing financial support to the establishment of coir units. An expenditure of Rs.75 lakhs has been allocated for this purpose during the current fiscal year (1999-2000). The assistance given by the DC(SS) Integrated Infrastructural Development Scheme was much appreciated. The Integrated Infrastructural Development (IID) for Small Scale Businesses program makes it easier for small scale industries to

establish themselves in rural and disadvantaged regions. The program extends to backward districts and rural regions that were not included by the Growth Centres Scheme. Construction and development of infrastructure facilities such as developed sites, power distribution networks, water, telecommunications, drainage and pollution control facilities, roads, bank branches and ATMs, raw materials storage and marketing outlets and common service facilities, as well as technological back-up services, are the primary goals of the IID scheme. Under the program, the relevant state governments are expected to identify appropriate project locations in rural and backward regions, finalise project proposals, and have the projects evaluated by the SIDBI before proceeding with the project. The projected cost of establishing an IID Center (excluding the cost of land) is Rs. 5 crores, which will be split by the Government of India and the Small Industries Development Bank of India (SIDBI) in a 2:1 ratio. The North-East Region is divided on a 4:1 ratio in terms of shares.

The funds allotted for 1997-98 were Rs. 15 crores, those for 1998-99 were Rs. 24 crores, and those for 1999-2000 were Rs. 15 crores. 52 IIDs have been sanctioned as of today, with 5 having been officially abandoned and the remaining 47 being in different phases of implementation. Up to this point, a total of Rs.2725.28 Lakhs has been made available as a government grant for this purpose.

Rural Employment Generation Program (Rural Employment Generation Program) (REGP)

The KVIC launched the Rural Employment Generation Program (REGP) with effect from 1st April, 1995, on the basis of the recommendations of the High Power Committee report, which was submitted in May 1994 and was headed by the then Prime Minister of India. The REGP aimed to generate two million jobs in the KVI sector in rural areas of the country. The phrase "rural areas" has been defined as follows in the KVIC Act, 1956: "Rural areas are those regions where there is no urban development.

Regardless of population, any place designated as a village according to the state's income records is considered a village.

As long as the population of the region designated as town does not exceed 20,000 people, as determined by the 1991 census, it is included in the category of town. Similar to this, the term "village industries" has been defined as "any industry located in a rural area that produces any goods or renders any service, with or without the use of power, and in which the fixed capital investment per head of artisan or worker does not exceed Rs. 50,000, or such other sum as may be specified by the Central Government from time to time." Under the program, any activities that do not feature on the negative list issued by KVIC are eligible for financial assistance.

OBJECTIVE OF THE STUDY

1. To examine the contribution of commercial banks in financing small-scale business in Kashmir.

2. To identify the level of employment generation by small-scale industrial units in Kashmir valley.
3. To analyse the financial requirements of SSEs.
4. To explore further readiness of Commercial banks especially the private sector ones in lending to support the existing & start-up Small-Scale Industrial units in Kashmir.
5. To identify factors, which limit Small-Scale Industrial units to access credit from the formal financial market in Kashmir.
6. To make relevant policy recommendations to enhance the financing of Small-Scale Industrial units.
7. To encourage financial institutions to participate in order to increase the amount of credit available to rural industry.

SCOPE OF THE STUDY

Regardless of the way that there are 10 locales in Kashmir Valley, the major Industrial activities are basically done in four spaces of Anantnag, Baramulla, Budgam, and Srinagar. Both the long stretch and transient financing by the business will be covered. Current units arranged there will be covered and the assessment will cover the new examination. This investigation work is planned to cover the responsibility of Commercial banks in financing SSE units in Kashmir. In the changed circumstance when J&K has totally organized into the Indian standard, this investigation would explore the arrangement of the Commercial banks to

credit assets to SSEs, other than it would follow the improvement capacity of the SSE region and its essential part in the work culture of Jammu and Kashmir (J&K) UT. The assessment is basic as the UT (Union Territory) of Jammu and Kashmir is for the most part a backward region of the country both monetarily and informatively and in this way the investigation presents a fair setting for the assessment to ponder what is the introduction of SSEs in J&K. Probably that this work would be useful for a huge gathering of accomplices in the SSE area, especially the owners (promoters) of SSEs, the public position, contributing money related associations, and the general populace. Moreover, evaluating the credit-related plans for SSEs would go far in supporting their new development and improvement. Finally, a modest responsibility would in like manner be made towards the general composition of both Commercial banks' abilities in working on the improvement of SSE units in Kashmir. The outcome of this examination will be of huge benefit to the banks. It will help the business deals with a record with seeing the work SMEs play in the economy and when to give them enough resources so as not to obstruct the turn of events and progression of the Kashmir economy. Through this examination, the business visionaries will really need to see the best or legitimate plans to procure credits and be told on the various ways advances can be received and similar security to be offered as a trade off for progresses. Also, the assessment will engage the public power to understand the basic districts to improve with respect to sponsoring to private endeavors and the spaces of SSEs that need illumination

through activities and studios, etc Finally, the examination will moreover fill in as a manual for any person(s) finishing similar investigation work.

RESEARCH METHODOLOGY

The current study is associated with the role played by the various commercial banks in financing the Small-Scale Enterprises in Kashmir to determine how far these banks are helping Small-Scale Enterprises in filling the working capital and other financial needs and what are the various factors which influence the loan disbursement of Small-Scale Enterprises. Research was designed so as to get the appropriate information which can be used for various purposes by the organization. The information was collected from the different sources of data sectors.

DATA COLLECTION

The information amassed for the assessment work is to be accumulated from essential and discretionary/optional sources. The fundamental source is principally through the overview dispersed to some picked bank staff and SSE's staff in Kashmir and moreover maintained with individual insights, and gatherings, while the assistant data is to procure from the available related composition, understanding material, journals, magazines, papers, periodicals and government working environments which specialist the explanation and is instructive. A 7 point Likert-type scale is to be used. A 7 point Likert scale gauges how much an individual agrees or can't resist the urge to repudiate the request (information advancement organizations, 2010). The scale goes from (1=Strongly Agree 2=

Agree 3=More or Less Agree 4=Undecided 5= More or Less Disagree 6= Disagree 7= Strongly Disagree) . The overview is to the specific bank staff/chiefs and SME owners. Also, gatherings and individual insights are to be directed to collect significant information.

METHOD OF DATA ANALYSIS

The response gotten from the surveys are to be presented in plain constructions, changed over to frequencies and rates, and to be interpreted. The hypothesis definite is to be attempted with of chi-square procedure, which would show the significance of the irregularity between the elements, presumption, and discernment.

LIMITATIONS OF THE RESEARCH

One of the issues experienced would be as for the possibility of respondents. By virtue of banks, the staff is reliably involved, possibly it is difficult to meet the executives and solicitation their short thought. Another issue experienced is the fear of Coronavirus defilement connected with by specific respondents. This would come to play particularly during the oral gathering of the respondents.

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