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## DIGITALIZATION & MAKE IN INDIA : INITIATIVES FOR ENTREPRENEURSHIP GROWTH

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### ABSTRACT

The present research paper is focuses on the Digitalization and Make in India initiative for entrepreneurship growth of India. It also describes the challenges before entrepreneurs in India. Digital India, a programme for bringing high speed internet to rural area has been launched by the government of India for benefiting the number of scheme such as make in India, Bharatmala, Sagarmala, Start up India and Stand up India etc for transforming India into a digitally empowered society and knowledge economy. As the vision of digital India programme is inclusive growth in the area of electronic services, products, manufacturing and job opportunities through digital infrastructure, governance and services on demand and digital empowerment of citizens, it (Digital India) can be considered as one of the most important tool for entrepreneurship development which ultimately leads to economic development through industrialization. Considering the need for rapid industrialisation especially for a developing country, the paper “Digital India and Youth Entrepreneurship Development in India discusses the significance, issues and challenges impact of digital India towards entrepreneurship development.

**KEYWORDS:** Digital India, Make in India, Entrepreneurship, Economic Growth

### INTRODUCTION

India is one of the fastest growing economies in the world and it has incomparable market potential. Earlier global companies used to manufacture goods for the market of USA and Europe and later brought in to Indian market but the scenario is no more the same. India has undergone tremendous economic and social transformation during the last few decades and at the same time Government of India has laid the platform and pushed its ambitious minds and the foreign investors by providing entrepreneurial ecosystem to take potential risk and starts new venture. Utmost efforts have been put by the Government to provide infrastructural facilities to support the dream of make in India. India is emerging as one of the



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vital global market and has earned the attentions of all giant companies of the world. Keeping potentials of its market major multinational companies are focusing to convert India in to a manufacturing hub of the world. Among the supports and facilities provides by the Government “Digital India” initiatives and make in India initiative is a significant steps that may change future of Indian Economy along with social transformation.

The digital empowerment of citizens involve universal digital literacy ; universally accessible digital resources ; making all documents/ certificates to be available on cloud ; ensuring availability of digital resources/services in Indian languages; collaborative digital platforms for participative governance and portability of all entitlements through clouds. “Digital India” is a government of India initiative and is planned to transform into a digitally empowered society and knowledge economy. Its vision involves three elements; creating digital infrastructure as a governance and services on demand and digital empowerment of citizens. Creating of digital infrastructure involves high speed internet as a core utility; cradle to grave digital identity unique, lifelong, online, authenticable; mobile phone and bank account enabling participation in digital and financial space; easy access to a common service centre; shareable private space on a public cloud and safe and secure cyber space. In the area of governance and services on demand, the aim is to provide seamlessly integrated across departments or jurisdictions; making services available in real time from online and mobile platform; making all citizen entitlements to be available on the cloud ;making services digitally transformed for improving Ease of Doing Business ;making financial transactions electronic and cashless.

## **REVIEW OF LITERATURE**

1. Surendra Gupta wants to say that, India has been busy spending money in buying technology that we have not used effectively or in some cases not even reached its implementation stage. Sharing, learning’s need to be best practices across departments tracking and managing the projects assumes significance because India has been busy spending money in buying technology that we have not used effectively or in some cases not even reached implementation stage. Sharing learning’s and best practices across departments needs to be driven by this Office of Technology.
2. Prof. Singh began says that basic overview of what Digital India entails and led a discussion of conceptual structure of the program and examined the impact of “Digital India” initiative on the technological sector of India. He also says that this initiative has to be supplemented with amendments in labour laws of India to make it a successful campaign.
3. Sundar Pichai, Satya Nadella, Elon Musk searched about Digital India and its preparedness to create jobs opportunities in the information sector. He concluded that creating new jobs should be continued with shifting more workers into high productivity jobs in order to provided long term push to the technological sector in India.



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4. Microsoft CEO, Satya Nadella wants to become India's partner in Digital India program. He said that his company will set up low cost broadband technology services to 5Lakhs villages across the country.
  5. Arvind Gupta intends to say that Digital India movement will play an important role in effective delivery of services, monitoring performance managing projects, and improving governance .An integrated Office of Innovation and technology to achieve the same and for problem solving, sharing applications and knowledge management will be the key to rapid results, given that most departments work on their own silos.

### OBJECTIVES OF THE RESEARCH STUDY

The objectives of said research study are as follows –

1. To study and identify the challenges faced by entrepreneurs in India.
2. To understand the role and Importance of “Digitization and make in India initiatives” on entrepreneurship growth in India.
3. To study and understand the various schemes to support startups in India.

### RESEARCH METHODOLOGY

This research is purely Descriptive in nature. The data have been collected to conduct deep research on the impact and role of digitization on entrepreneurial growth in contemporary India. The secondary data have been collected from various reference books, government reports, government website and data banks to conduct deep research and analysis of facts and figures.

### CHALLENGES BEFORE ENTREPRENEURSHIP IN INDIA

1. **Lack of Planning:** Surprisingly, the number of beginners fails as they “failed to remember” to make editing. Or maybe they did some tricks, yet they didn't put all the basics together. Important areas such as sales, development, and support are not considered. They all need to be part of your business plan right from the start. Not only that, however, you need to prepare for the important things you can prepare for, too. Which means, even if you can't plan everything, you need to see what you can do if (not if) the events take an unexpected turn.
2. **Selfishness and insecurity:** For start-ups, dealing with business uncertainty can be daunting. Entrepreneurs can feel responsible for the end or failure of their business. There are also many ways to deviate from the original plan. All of this could hurt the businessman. The nature of VUCA many new businesses in which it operates should be accepted as fact and the changes are accepted without much opposition. Entrepreneurs must remain calm and honest in their vision.
3. **Capital generation and Finance:** India is among the fastest growing economy in the world where opportunities are huge due to its large population. According to the IMF World Economic Outlook (April - 2021), GDP (nominal) per capita of India in 2021 is projected at \$2,191 at current prices. India is at 144th position out of 194 economies in terms of GDP (nominal) per capita. The figure itself indicates that



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finance could be a major hurdle for Indian entrepreneurs despite of heaving innovative ideas to start a new venture. Loan from banks require securities and most of the young entrepreneurs lacks appropriate to present in front of financial institutions.

4. **Making Decisions:** Making a decision in a business environment can be difficult, especially if there are several factors involved in each decision. Entrepreneurs can face adversity when making a decision, especially when they have limited knowledge. Entrepreneurs must also protect themselves from being overly involved in decision-making and frustrating delays that may delay progress. They can pass small decisions to their expert team and ask them to come up with alternatives before evaluating options and finally making a decision.
5. **Effective marketing within a limited budget:** Getting competitive advantage over the market is a major challenge for entrepreneurs. In present scenario competitions are huge and can only be win through effective marketing and strategic planning which require huge economic assistance and raising finance for advertisement and making is a major challenge for young immature entrepreneurs in India. With limited budget reaching every part of market is very difficult.
6. **Hiring the right talent:** Certain skills are important not only for your business to thrive but for growth. Identifying the specific skills you need - and how to find those key people in the middle - can be an indication of how you can begin your growth. Self-employment in finding the best employees is expensive. For a small group, the hiring process consumes valuable time that can be invested in different business areas, but on the other hand, not having the right people can create major problems and delay the release of new products or services. This is one of the problems that no beginner can afford, especially in the early days.
7. **Effective sales within a limited budget:** Some beginners think they can completely ignore marketing strategies and hope that word of mouth will suffice. As a start, it is important to create visibility among your customers. Effective marketing strategies within a limited budget should be developed to reach your intended audience. However it is a false expectation to put your trust in the customers that they get unless you take a joint initiative to grow them with a well-planned strategy to promote your startup.
8. **Dealing with criticism:** If you are an entrepreneur, criticism comes as part of a job. All entrepreneurial decisions can be met with criticism from the group, partners, investors, customers, and even their family. Even older entrepreneurs like Ratan Tata have to deal with this. The key to accepting criticism is to separate the waste into a really useful response that may seem important. Once you have assessed the criticism for your suitability, you can also ask the following questions that can help you better understand the criticism. You may be thanked for this or for some useful information.
9. **Attractive Buyers:** Finding customers for your product or service can be the difference between success and failure in a business. Many businesses started out with strong ideas but could not survive because they failed to reach the right customers.



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There are a few ways to reach the right customers, however social media and SEO have proven to be useful tools for many. The entrepreneur should set aside time to understand the customer's expectations and if necessary use his or her network to reach customers.

**10. Time Management :** Even the most successful entrepreneurs struggle to manage their time wisely. As they take on responsibilities because of their expertise, they may find it challenging to do things. Challenges often arise when entrepreneurs have to deal with conflicting priorities and have to let go of their flawed approach in order to advance the business process. Planning goals and making schedules can save lives here. All they need to do is give them an outlet and the support they need to keep going.

**11. Office Infrastructure:** Workplace rental and associated costs are the first things to look for when starting to consider cutting costs, especially if you are starting a new business. Moving to a workplace assigned to Noida, Gurgaon and South Delhi will save about 32% on average rental compared to a retail office space. Collaborative environments allow business owners and beginners to work in a fully equipped workplace without having to worry about setting up their own workspaces. Another important benefit of working together is that it is the best way to work in an environment with little investment. By working in the workplace, you can run your business at a lower cost compared to setting up a new workplace.

Introducing a new company can be empowering. However, being overwhelmed by joy and indifference to details can lead to failure. Having shared a few common problems, we would really like to find out about your first trip. Did your start meet some challenging obstacles? How did you behave? Let us know in the comments below. If you are entering the business world, then start with a partnership in South Delhi, Noida, and Gurgaon near where you live at an affordable price. A place with fun people will get better

### **CENTRAL GOVT. SCHEMES INTRODUCED TO ASSIST NEW START-UPS UNDER MAKE IN INDIA INITIATIVE:**

Make in India 'is a program launched on September 25, 2014, to facilitate investment, encourage innovation, build better classroom infrastructure, and make India a hub for manufacturing, design, and innovation. The development of a strong manufacturing sector continues to be a priority for the Government of India. It was one of the first 'Vocal for Local' programs to expose the Indian production base in the world. The sector has the potential to not only move economic growth to higher levels but also to provide employment for a large number of new employees.

The Make in India initiative has made great strides and is currently focusing on 27 areas under Make in India 2.0. The Department of Industry Promotion and Internal Trade coordinates applications in the manufacturing sector, while the Department of Trade coordinates service sectors. The Government of India is making ongoing efforts under the Investment Facilitation to implement Make in India programs to identify potential investors. Support is provided to overseas Indian Missions and Provincial Governments by organizing



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events, conferences, street shows and other promotional activities to attract investment to the country under the Make in India proclamation. Investment Access activities are undertaken to promote international cooperation in promoting FDI and improving Ease of doing Business in the country.

Recently, the Government has taken various steps in addition to ongoing programs to improve domestic and foreign investment in India. These include the National Infrastructure Pipeline, Corporate Tax Reduction, Reduction of NBFC and Banking Problems, and policy measures to improve domestic production. The Government of India has also promoted the production of domestic goods through public procurement orders, Phase Production Program, Production Promotions for Production Related Ministries.

In addition, to support, facilitate and provide an environmentally friendly investment plan for investors investing in India, the Union Cabinet on June 3, 2020 approved the constitution of the Development Secretariat, and Cell Development for all Ministers. Concerned to accelerate joint investment between the Central Government and the Provincial Government, and thereby expand the line of potential projects in India to increase domestic investment and FDI inflows. Startup India is a Government of India initiative, aimed at building a strong eco-system to develop innovation and startups in a country that will drive sustainable economic growth and create greater job opportunities. The key features of the Startup India Initiative are in Appendix-I.

The activities under the Make in India program are performed by Departments of Central Government and various Provincial Governments. There is no budget from DPIIT to States / UTs under the 'Make in India' program. In addition, Ministers develop programs, programs, schemes and sector policies that are governed by them. The Department does not keep track of the Minister's construction. With regard to the Startup India program again, there is no direct budget from DPIIT to States / UTs. However, the Government of India has established a Start-up Fund at a cost of Rs. 10,000 crores, to meet startup funding requirements. DPIIT is a monitoring agency and the Bank for Industrial Development of India is an active center of FFS. Total amount of Rs. 10,000 million is expected to be provided in the 14th and 15th Finance Commission cycle based on program progress and funding. The programs under 'Make in India' are aimed at job creation and skills development for youth in urban and rural areas. Employment data generated under the 'Make in India' program is not included in the center.

#### **DETAILS OF ACHIEVEMENTS UNDER THE STARTUP INDIA INITIATIVE:**

- 1. Get Out Quickly First:** The Department of Business Affairs has introduced Beginners as "Quick Firms" which allows them to complete work within 90 days compared to 180 days at some companies.
- 2. Tax Exemptions at the Start of 3 Years:** The provisions of section 80-IAC of the Income Tax Act provide for deductions equal to 100% of the profits and benefits derived from a qualifying business by a valid start 3 consecutive years of 7 years, the auditor's choice, subject to certain conditions. The Finance Act, 2020 provides for the amendment of section 80-IAC of the Income Tax Act to provide that deductions



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under the said section 80-IAC will be available to the first qualified person for a period of 3 consecutive years of assessment. 10 years begins the year it was installed. To qualify for these benefits, the Beginner must obtain a Certificate of Eligibility from the Inter-Ministerial Board (IMB). 387 beginners have been granted tax exemptions by June 2021.

3. **Reducing Public Procurement:** The need for prior profits and prior knowledge has been reduced to encourage newcomers to participate in tenders. In addition, startups are exempt from the requirement for an honest cash deposit. 'GeM Startup Runway' was introduced to start selling products and services to the Government. As of June 2021, 10,154 startups are registered on the GeM portal and 76,564 orders are initially placed. The total number of start-up orders has been equal to INR 3,481 Crores. Additionally, Startups can now register and participate in all public orders on the Central Public Procurement Portal and receive exemptions from previous experience, previous profits and fair deposit requirements. GeM has relaxed the requirement for the official DPIIT Original First Trademark Certificate. A trademark application will suffice.
4. **Self-certification under Labor and Environmental Laws:** Beginners recognized under the Startup India program can ensure that they comply with the 6 labor laws and the 3 environmental laws. 27 provinces and UTs have implemented the certification process for beginners under 6 labor laws. Nine provinces (Haryana, Madhya Pradesh, Maharashtra, Rajasthan, Gujarat, Uttar Pradesh, Punjab, Uttarakhand, and Delhi) have merged their sites with Sram Suvidha Portal. In total, 169 DPIIT recognized Startups utilized the authentication benefits.
5. **Tax Exemptions on Investing Over Fair Market Value:** Entities recognized by DPIIT do not pay tax under Section 56 (2) (viib) of the Income Tax Act where such Commencement obtains any consideration of a disposal that exceeds the Fair Market Value of those shares. The commencement should complete the duly signed Form 2 Form in DPIIT {as per each notice G.S.R. 127 (E)} seeking exemption from the provisions of Section 56 (2) (viib) of the Income Tax Act. As of 12 July 2021, in respect of notices received from companies, given Form 2, notice of receipt of notice in Form 2 has been sent to 4,372 organizations.
6. **Start-up Fund:** The Fund of Funds for Startups (FFS) with a total value of Rs 10,000 crore was established with a contribution distributed during the 14th and 15th Finance Commission cycle based on operational continuity. The Startup Fund of Funds is operational and managed by SIDBI. As of 02 June 2021, SIDBI has committed Rs. 5409.45 Cr to 71 SEBI Alternative Investment Funds (AIFs). These funds have a target corpus fund of Rs. 36,790 Cr. Rs. 1,541.29 Kr. taken from FFS and Rs. 5,811 Cr. invested in 443 programs."
7. **Starting India Seed Fund Scheme:** Presented by the Honorable Prime Minister on 16 January, 2021 at the Startup India International Conference: Prarambh. The Scheme aims to provide financial assistance to beginners to obtain intellectual property, model development, product testing, market entry and sales. Rs. The 945



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Crore corpus will be split over the next 4 years to provide seed support to qualified beginners with suitable incubators throughout India. The program is expected to support approximately 3600 startups. The online site was launched by Hon'ble CIM on 19 April 2021. 8 incubators selected, 23 incubator applications have been received and 190 applications are still being processed. The Experts Advisory Committee (EAC) has selected eight incubators to provide financial assistance of Rs 28 crore to 8 incubators. 47 regulatory changes have been made since January 2016 to enable small businesses or Startups across the country.

- 8. National Launch Awards:** Department of Industrial Development and Internal Trade (DPIIT) National Startup Awards The Department for Promotion of Industry and Internal Trade (DPIIT) conceived the National Startup Awards to recognize and reward outstanding Startups and ecosystem enablers that are building innovative products and solutions and potential enterprises, with high potential of employment generation and wealth creation, demonstrating measurable social impact.

## CONCLUSION

India has registered the highest annual FDI inflow of US \$ 81.72 billion (interim figure) for the last 2020-21 financial year compared to US \$ 45.15 billion in 2014-2015. Over the past seven financial years (2014-20), India gained FDI inflow at \$ 440.01 billion which is 58 percent of FDI reported over the past 21 years (\$ 763.58 billion). In addition, to support, facilitate and provide an environmentally friendly investment plan for investors investing in India, the Union Cabinet has approved the constitution of the Development Secretariat (EGoS), and Cell Development (PDCs) for all Departments. Concerned to accelerate joint investment between the Central Government and the Provincial Government, and thereby expand the line of potential projects in India to increase domestic investment and FDI inflows. It is expected to see further growth in new startups in India in coming decades.

The Digital India initiative of the government of India is creating a new model, under which more innovative ways of delivering services in digital environment is encouraged by giving a set of forces in accelerating the speed of social change throughout the world. This include a rapid rise in the levels of education, high rate of technological innovation and application even faster and cheaper communication that dissolves physical and social barriers both within country and international an easier access to information and the further opening up of global market. In short, Digital India, as a business transformation and proactively identify opportunities will able to bring social innovation social change, social welfare, social development, etc. Ultimately leading to economic development through Youth Entrepreneurship development provided if it is properly implemented on time.

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