



**ORIGINAL RESEARCH PAPER**

**Management**

**Transforming India - A Vision towards a new Paradigm for Socio- Economic growth in India through financial Services**

**KEY WORDS:** Financial Services, Manufacturing hub, Make in India

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**ABSTRACT**

Increasing global Competition is providing the opportunities to the manufacturers to have the cheap labor, potential high profit making markets and easy availability of raw material. To boost up the trade and economic growth and to be focused on the employment generation our honorable Prime Minister of India “Mr. Narendra Modi” launched on 25th September 2014 the “MAKE IN INDIA” for the sustainable development of the country as well as its citizen. Make in India is a national Program and designed to facilitate investment in India to foster innovation, to generate employment opportunities, to strengthen the skill development and providing internationally standardized technology at affordable cost for citizens of India. To make India a hub for manufacturing financial assistance plays an important role because for the survival of a company finance in hand is the most motivating and competitive situation. The Main objective of this paper is to throw some light on the concept of Make in India and how it is transforming our Country through better financial services.

**Introduction**

India is a country which carries rich natural resources. Labour is also easily available that too skilled labour because of high rate of unemployment. In coming years India is going to become the preferred manufacturing hub because most investors are planning to invest across the globe also. In terms of business index India ranks low. Scenario is changing after day by day.

The Make in India initiative was launched by Prime Minister in September 2014 as part of a wider set of nation-building initiatives. Devised to transform India into a global design and manufacturing hub, Make in India was a timely response to a critical situation: by 2013, the much-hyped emerging markets bubble had burst, and India's growth rate had fallen to its lowest level in a decade. The promise of the BRICS Nations (Brazil, Russia, India, China and South Africa) had faded, and India was tagged as one of the so-called 'Fragile Five'. Global investors debated whether the world's largest democracy was a risk or an opportunity. India's 1.2 billion citizens questioned whether India was too big to succeed or too big to fail. India was on the brink of severe economic failure. [1]

**Literature Review**

S. Soundharya “Make in India – Scheme for Transforming India” volume-4, Issue-9Sept-2015-ISSN No.2277-8160 discussed to convert India into Global Manufacturing Hub and researcher describes about providing employment and how to boost economy apart from this researcher focused on the importance of local and foreign investors to invest in India. Researcher concluded Indian has the capacity to push the GDP to 25% in next few years. The government of India has taken number of steps to further encourage investment and further improve business climate. “Make in India” mission is one such long term initiative which will realize the dream of transforming India into manufacturing Hub. [2]

Seema Sangwan “Making “Make in India” a realism: role of FDI” International Journal of Applied Research 2015; 1(7): 770-773 discussed to find out the effects of foreign direct investment on economic development after the launch of “Make in India” campaign in addition to that researcher discussed about the role of FDI inflows including its contribution in increasing output. Researcher analyzed that there is high correlation between Industrial Production and FDI inflows. The effect of FDI on economic development ranges from productivity increased to enable greater technology transfer. [3]

**Objectives of the study**

1. To describe the concept of “Make in India” and its transformation through better financial services.
2. To identify the impact of Financial Services on the development of especially manufacturing sector in India and overall economy of the country.

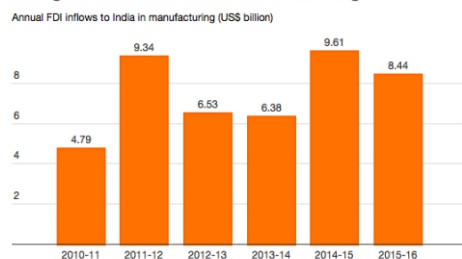
**Research Methodology**

This research work is descriptive in nature based on secondary data. The information has been derived from journals, websites and referred research papers.

**Need and impact of financial services on manufacturing sector in India and overall Indian economy**

The current ranking of India in the world is 10 in terms of factory output. Total contribution to Indian Gross Domestic product (GDP) is 28% and around 17% of the total workforce engages in this task. The main aim of any manufacturing organization is its willingness in investment and the kind of people those who are going to involve into that. To promote the manufacturing sector in India for domestic as well as foreign investors it is important to promote fund based and non fund based services to stand in a global competition as well as for the long term sustainability. To become Make in India a manufacturing hub and most preferred destination for investment for local as well as international players there is a need to avail the current technology along with development initiatives and future imperatives are required.

Foreign investment in Indian manufacturing



Data for 2015-16 are provisional, but generally do not change. Source: Reserve Bank of India, 2015-16 Annual Report Get the data Created with Datawrapper

<https://thewire.in/62808/a-closer-look-at-make-in-india/> [4]

The most recent data on FDI from the Reserve Bank of India (RBI),

broken up by sectors, since Make in India specifically concerns manufacturing. After an encouraging jump to a record \$9.6 billion in 2014-15, FDI in manufacturing actually fell to \$8.4 billion in 2015-16 (below the \$9.3 billion it had reached in 2011-12). [5]

### Understanding Financial Services and its types

In layman language financial services, simply means the services which deals in money management of various organizations those are operating in finance industry of a country. A financial services organization includes banks, insurance companies, consumer finance, stock broker firms, investment funds and government sponsored firms.

#### 1. Asset/Fund Based Financial Services

The asset based financial services help in raising the finance for both movable and immovable. Asset or fund based financial services includes bank deposits, shares, debentures, bonds, factoring, venture capital, leasing, housing finance, mutual funds etc.

#### 2. Fee Based Financial Services

Fee Based Financial Services includes higher expertise and less financial risk. It involves credit rating, merchant banking, capital restricting, corporate advisory services, bank guarantee etc.

### Ways to promote financial services

1. Government's initiative is most important in our country to reform the investment environment and to make India as a manufacturing hub. Government should encourage current technology, research and development as well as special economic zones.
2. Domestic manufacturers as well as foreign manufacturers will encourage investments in India only when they will get the enabling environment. Apart from this norms and regulations should be relaxing for them, timely availability of money and cheaper credit availability to the manufacturers.
3. Encouragement from the government side to facilitate merchant banking, factoring invoice, discounting facility to make easy availability of finance.
4. Promoting successful financial service advisors to provide end to end advice related to finance, how much finance is required for the whole life cycle scenario of production in manufacturing industry. Advisors keep tracks of the inflows and outflows of money and manufacturers do not need to worry about tracking the movement of money.
5. To pave a path for the development and growth of the manufacturing industry in India regulatory environment should be improved.
6. Government should facilitate the promotion credit card companies as well as angel investors this will benefit both the consumer and the manufacturers as well.

### Conclusion

There is requirement of reforms in industrial strategies to make India a manufacturing hub. Favorable industrial framework need to be established that should attract more and more domestic as well as foreign industrialists towards Indian Territory. There is a necessity for financial service providers and advisors. Improved quality and better performance management system needs to be in place to monitor, guide and enhance the skill set of its work force. Mind set of Industrialists both foreign and domestic towards India needs to be changed. On the basis of the study it can be concluded that People and money, both are the organization's greatest competitive edge. It is essential to open the human talent for the success and sustainability of any organization. The development, prosperity and sustainability of India as a Manufacturing hub clearly depend upon the immense potential of its human resources and the financial services that are available for the domestic and foreign players. This study both empirically and rationally explained the patterns through which India can become a manufacturing hub. Favorable investment climate, assistance of financial services, relax and industry favorable government policies are the essential ingredients of "MAKE IN INDIA"

### Referencuse

- [1] <http://www.makeinindia.com/about>
- [2] S. Soundhariya "Make in India – Scheme for Transforming India" volume-4, Issue-9Sept- 2015-ISSN No.2277-8160
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- [5] A Closer Look at Modi's "Make in India" By Amitabh Dubey on 30/08/2016