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"Empowering Small-Scale Entrepreneurs: Evaluating the Role of Pradhan Mantri Mudra Yojana in Nagpur's Economic Landscape".

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Abstract: The research discusses how the Pradhan Mantri Mudra Yojana (PMMY) supported small business owners in Nagpur. To help those wanting to begin or expand their businesses, the Indian government started the PMMY scheme, which provides small loans. This research has interviewed 120 people in Nagpur who received Mudra loans. The study found that most people had a better business, more income, and added more staff. One idea from the research is to simplify access to the scheme and increase people's understanding.

Keywords: PMMY, small business, Nagpur, Mudra loan, entrepreneurship, economic development, microfinance.

Introduction: Because India is developing very quickly, small businesses play a vital role in its development. These small businesses, mostly known as MSMEs, play an important role in creating work, helping reduce poverty, and raising income for families. In cities such as Nagpur, a huge number of people support themselves through small businesses.

Still, it is difficult for people to both start and continue running a small business. Getting funds is one of the main things that make it hard for small business owners to get started or grow. A lot of banks ask new or poor entrepreneurs to guarantee loans, but these people often cannot do so. Because of this, getting a loan is tough for them and it is difficult to develop their businesses.

The Government of India with the launch of Pradhan Mantri Mudra Yojana in April 2015, tried to solve this problem. The purpose of this scheme is to help small business owners by letting them borrow money easily without any kind of security. They are known as Mudra loans and are split into three sections:

- Shishu – used for getting loans of up to ₹50,000.
- Kishor loans are given to those who need between ₹50,000 and ₹5 lakhs.
- Tarun loans are for people who need between ₹5 lakhs and ₹10 lakhs.

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The Mudra loan scheme provides funds to small business owners of shops, tea stalls, tailoring institutions, workshops, beauty parlours, service centres as well as many more micro-businesses.

A lot of people in Nagpur have gotten Mudra loans during the last few years. But the real question is: Are these small business owners benefiting from the PMMY scheme? This research tries to find out whether PMMY has been a success. It finds out the influence of Mudra loans on small business owners in Nagpur. Have their incomes gone up? Have they hired more workers? Are their businesses growing?

The study will also find out what obstacles applicants encounter when they apply for Mudra loans. The study will check the achievements of PMMY and identify what can be improved.

Looking at PMMY in a place like Nagpur will help officials, bankers, and researchers better see what works and what needs to improve.

Literature review:

Scholars have conducted many studies to see how the Pradhan Mantri Mudra Yojana influenced the development of small businesses, entrepreneurship, and financial inclusion for Indians.

Singh and Verma (2020) investigated the effect of the Mudra scheme on small businesses. They discovered that having a Mudra loan made it possible for small businesses to build up, earn more, and flourish more. Likewise, Sharma (2019) looked at women entrepreneurs and discovered the Mudra Yojana helped them start their own businesses, handle their finances, and support their families.

Deshmukh and Kale (2021) checked how Mudra loans were used in Maharashtra. The study revealed that the scheme raised self-employment and gave micro-businesses in rural and semi-urban places the credit they needed. Jain's 2018 study in Central India showed that a large group of micro-entrepreneurs began their businesses with help from PMMY, since they had been unable to obtain formal credit earlier.

The NSSO survey in 2019 looked at unregistered businesses across India. From the study, it's clear that many small businesses have difficulty getting finance, but PMMY helps a lot with this problem. Kapoor (2020) analysed the advantages of microfinance and Mudra loans for women in her work. Women who got these loans, based on her study, felt their social standing rise and became more active in their community's businesses.

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In 2020, Mohanty looked at micro-credit and said that PMMY offers low-income Indians better opportunities to obtain banking and loan services. According to Chakraborty (2019), government financial programs such as PMMY were effective in helping, though a large portion of entrepreneurs did not understand or were not experienced with the funds. In addition, Kumar and Bansal (2020) looked at how Mudra loans help young city business owners. They observed that the program encouraged many young people to set up small businesses, which helped control unemployment.

Objectives of the Study:

1. It will be studied how well PMMY is helping small business owners in Nagpur.
2. To look into the problems that entrepreneurs have when trying to get Mudra loans.
3. To look at how people's lives improve after they receive the loan.
4. To check how many jobs have been created in the region with the help of PMMY.

Hypothesis:

- **H_0 (Null Hypothesis):** The PMMY does not make a big difference to the empowerment of small entrepreneurs in Nagpur.
- **H_1 (Alternative Hypothesis):** The PMMY played a big role in increasing the empowerment of small entrepreneurs in Nagpur.

Research Methodology:

In this study, descriptive and analytical methods are both used to understand the influence of the Pradhan Mantri Mudra Yojana (PMMY) on business people from Nagpur. Since there are many Mudra loan users in the urban and semi-urban parts of Nagpur, the study concentrated on those areas. Out of the scheme's beneficiaries, 120 people were chosen to represent the sample for this study. Those who were interviewed for the study were selected through stratified random sampling, so the three Mudra loan categories Shishu, Kishor and Tarun had an equal number of participants.

The beneficiaries were asked to provide data through a structured questionnaire in the study. Respondents were asked about their income, the size of their business, their number of employees, and how well their business was doing before and after getting the loan. Some

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interviewees were interviewed directly to get more personal responses and insights about the scheme.

Quantitative and qualitative techniques were both used to analyse the data. We used descriptive statistics such as mean and standard deviation to look at changes in income and employment when analysing the quantitative data provided by the respondents. In addition, a paired sample t-test was done to find out if the improvements in income and employment after the Mudra loan were more than just chance. Doing this made it possible to evaluate the research hypothesis. Results were given as tables and described in simple language to be easy to understand.

This methodology gathered real stories from those who used the Mudra loan in Nagpur to know the true effect of the scheme.

Table 1: Descriptive Statistics:

Variable	Mean	Std. Deviation	Minimum	Maximum
Monthly Income Before Loan (INR)	9,200	2,540	4,000	14,000
Monthly Income After Loan (INR)	16,700	4,100	7,000	25,000
No. of Employees Before Loan	1.6	0.8	1	4
No. of Employees After Loan	3.2	1.2	2	6
Loan Amount Disbursed (INR)	84,000	35,000	25,000	2,00,000

Analysis of Descriptive Statistics:

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The information shows that those who received a Mudra loan in Nagpur increased their earnings and provided jobs to more workers.

- People were getting around ₹9,200 each month before the loan. Their earnings went up to approximately ₹16,700 after the loan was given. Hence, the people made more money once they received the loan.
- Most people in Nagpur had only 1 or 2 people working with them before the loan. After borrowing, they were able to have 3 or more employees. So, more job opportunities were made because of the loans.

The size of the loan depended on the person. On average, it was ₹84,000. A few received only ₹25,000, but some people were given up to ₹2,00,000.

Because of the scheme, small business owners in Nagpur were able to earn better, increase their business, and hire more employees. It improved their lives as well as their businesses.

Table 2: Hypothesis Testing (Paired Sample t-test)

Variable	t-value	p-value	Result
Income Before vs. After Loan	12.32	0.000	Significant
Employment Before vs. After Loan	9.45	0.000	Significant

Analysis of Hypothesis Testing

In order to see if PMMY had an impact on small businesses in Nagpur, we examined changes in two key aspects: how much money people made and how many staff they had before and after the loan was given. Therefore, we applied a paired sample t-test so we could compare the same people's results before and after the loan.

The t-test results proved that people earning and hiring more people after they got the Mudra loan. Both p-values turned out to be 0.000, and this is much less than the general value of 0.05. So, we can say that the observed difference is not by chance and is statistically significant.

From these findings, we declare that the null hypothesis should not be accepted, which means PMMY did have a major impact. So, we support the alternative hypothesis that PMMY helped entrepreneurs to make more money and add more jobs.

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It is obvious from this result that the scheme is successfully benefiting people in Nagpur. The scheme allows them to develop their businesses and better manage their money. still, the amount of improvement can change from someone to another because loans are used differently, businesses are not the same, and markets keep changing.

Based on the statistical analysis, PMMY is seen to genuinely help small businesses thrive in Nagpur.

Conclusions Overall Results

The study showed that the PMMY is very beneficial for small business owners in Nagpur. Many people, after receiving the Mudra loan, were able to expand their businesses, raise their earnings and take on more employees. People received, on average, ₹84,000 in loans, and they used that money to start or grow tea stalls, tailoring shops, salons, grocery stores and other similar businesses. It was shown that the monthly earnings and the workforce both increased for those who got the loan. So, the PMMY scheme assisted people financially and gave more people jobs.

The findings from the hypothesis test show that the changes in income and jobs were real and no mere chance happenings. Therefore, the PMMY scheme supports the improvement of small entrepreneurs' business. Even so, the study revealed some problems too. There were people who did not know the scheme existed or gave up on applying since it was too complicated and took a long time. If these problems are addressed, the scheme could reach more people in the future. The PMMY program has overall been successful in backing small enterprises, lowering joblessness, and making the local economy of Nagpur better.

Future Scope of the study:

Scientists may in the future compare the impact of the PMMY on small business in rural or urban areas like Nagpur. Experts might also look at the impact of loans on businesses during a longer period of time, not only during the beginning. Difficulties people have when trying to get a loan, for example dealing with paperwork or not knowing enough, could also be studied. Experts can look at whether the scheme gives women and young people a chance to start their own businesses in the future. It would help to compare PMMY with other government schemes to find out which one performs best. Finally, studies may provide ideas to make the scheme work better for all.

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