Title: A Case Study on Performance and Impact of National Minorities Development & Finance Corporation (NMDFC) Scheme in Kohima District of Nagaland.

Abstract:

The National Minorities Development & Finance Corporation (NMDFC) has various types of loan but in Nagaland micro finance was initiated in 30th September 1994 and was targeted only to women and Self Help Groups (SHG's). Under the scheme, an amount of Rs. 1 lakhs under credit Line-1 & up to Rs. 1.5 lakhs under Credit Line-2 is extended to each member of SHGs at interest rate of 7% & 10% respectively. Concession of 2% is extended to women beneficiaries under Credit Line-2. The study is based on primary sources and has made an attempt to highlight the impact of schemes with and without support and the performance of NMDFC in productivity, reduction of cost and introduction of input in the state.

Keywords: National Minorities Development & Finance Corporation (NMDFC), State Channelizing Agencies (SCAs), Self Help Groups (SHG's), Micro Finance, Women Beneficiaries.

Introduction:

National Minorities Development & Finance Corporation (NMDFC**)** is a Govt. Company under section 8 of Companies Act 2013, under the administrative control of Ministry of Minority Affairs, Government of India. The Corporation has been set up to promote economic development for the benefit of "Backward Sections" amongst the Minority Communities i.e. Muslims, Christians, Sikhs, Buddhists, Parsis & Jains, preference being given to the occupational group and women. NMDFC implements its schemes & programs through State Channelizing Agencies (SCAs) nominated by the respective State Governments & Banking Partners.

Based on annual income, target group bifurcated into two credit lines as follows:

➢ Credit Line-1, the benefits are available for persons having annual family income up to Rs.98, 000/- in rural areas and up to Rs.1.20 lakhs in urban areas.

➢   Credit Line-2, the benefits are available to persons with annual family income of upto Rs. 8.00 lacs.

Micro-Finance Scheme: Under this Scheme, credit is extended to the members of the Self Help Groups (SHGs), predominantly comprising of the minority women scattered in remote villages and urban slums, for who are not able to take advantage of the formal banking credit. Under the scheme, an amount of Rs. 1 lacs under credit Line-1 & upto Rs. 1.5 lacs under Credit Line-2 is extended to each member of SHG at interest rate of 7% & 10% respectively. Concession of 2% is extended to women beneficiaries under Credit Line-2.

Objectives:

➢   To study the impact of the schemes with and without NMDFC loan in Kohima Districts
➢   To study the performance of NMDFC in Kohima districts**.**

Hypothesis:

H_O= The Government Support boost up productivity and generate employment

Methodology:

The study is empirical and based on primary data and the secondary data is taken from different article, internet and annual reports. Multistage stratified random sampling technique has been used and a total of 150 samples were taken from Kohima districts out of which only 9 beneficiaries were recorded for the study. Those respondents who took government support invested in setting up thrift shop, graphic designing shop, expanding clinic and grocery shops and gift shops etc.

Limitations:

➢   The primary data is for the period of 2021-22.
➢   Only one district was taken for the study out of 16 districts in Nagaland.
➢   The study relates to the expressed opinion of the respondents.

Results and Discussion:

Multinomial Logistic Regression and paired 't' test (in case of two dependent or correlated of equal two samples) has been used for the analysis. Monetary value is the dependent variable and the independent variables are age, occupation, education and knowledge of NMDFC.

Table 1: Case Processing Summary without NMDFC Loan

		N	Marginal Percentage
Income	Below 3000	85	56.7%
	3000-10000	40	26.7%
	15000-20000	5	3.3%
	20000 & above	20	13.3%
Age	Below 20	1	.7%
	20-30 yrs	27	18.0%
	30-40 yrs	56	37.3%
	40-50 yrs	34	22.7%
	50 & above	32	21.3%
Occupation	Farmer	102	68.0%
	Govt. Service	22	14.7%
	Self employed	18	12.0%
	Others	8	5.3%
Education	Illiterate	1	.7%
	Primary	83	55.3%
	Secondary	20	13.3%
	Higher secondary	15	10.0%
	Graduate and above	31	20.7%
Knowledge	Yes	18	12.0%
	No	132	88.0%
Valid	150	100.0%	
Missing	0		
Total	150		
Subpopulation	46[a]		

Table 2: Likelihood Ratio Test

Effect	Model Fitting Criteria	Likelihood Ratio Tests		
	-2 Log Likelihood of Reduced Model	Chi-Square	df	Sig.
Intercept	66.900[a]	.000	0	.
Age	78.665	11.765	12	.465
Occupation	1.738E2[b]	106.898	9	.000

Education	77.156[b]	10.256	12	.593
Knowledge	68.818[b]	1.918	3	.590

The above table 1 and 2 shows the results of the respondents without NMDFC support. The likelihood ratio test proves that the independent or predictor variables such as occupation (p=0.00<0.05) is significant and the other independent variables such as age (p=0.465>0.05), education (p=0.593 >0.05) and knowledge of NMDFC (p=0.590 >0.05) are not significant as their p values are higher than 0.05.

Table 3: Case Processing Summary with NMDFC Loan

		N	Marginal Percentage
Income	Below 3000	85	56.7%
	3000-10000	37	24.7%
	15000-20000	4	2.7%
	20000 & above	24	16.0%
Age	Below 20	1	.7%
	20-30 yrs	27	18.0%
	30-40 yrs	56	37.3%
	40-50 yrs	34	22.7%
	50 & above	32	21.3%
Occupation	Farmer	102	68.0%
	Govt. Service	22	14.7%
	Self employed	18	12.0%
	Others	8	5.3%
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	Secondary	20	13.3%
	Higher secondary	15	10.0%
	Graduate and above	31	20.7%
Knowledge	Yes	18	12.0%
	No	132	88.0%
Valid	150	100.0%	
Missing	0		
Total	150		
Subpopulation	46[a]		

Table 4: Likelihood Ratio Test

Effect	Model Fitting Criteria	Likelihood Ratio Tests		
	-2 Log Likelihood of Reduced Model	Chi-Square	df	Sig.
Intercept	67.746[a]	.000	0	.
Age	79.937[b]	12.191	12	.430
Occupation	168.412	100.666	9	.000
Education	84.639[b]	16.893	12	.154
Knowledge	75.887[b]	8.141	3	.043

The above table 3 and 4 shows the results of the respondents with NMDFC support. The likelihood ratio test proves that the independent or predictor variables such as occupation (p=0.00<0.05) and knowledge of NMDFC (p=0.590<0.05) are significant while the other independent variables such as age (p=0.430>0.05) and education (p=0.154 >0.05) are not significant as their p values are higher than 0.05.

We can conclude that the respondents with NMDFC support have better results than those without NMDFC and that it is important to have knowledge of the schemes in order to avail and make use of it by setting up various businesses, expanding the existing business etc.

Table 5: Impact of MNDFC Scheme in Productivity

Table 5.1: Paired Samples Statistics

	Mean	N	Std. Deviation	Std. Error Mean
Part 1 Before	20444.4444	9	12521.09331	4173.69777
After	30555.5556	9	18276.42683	6092.14228

Table 5.2: Paired Samples Correlation

	N	Correlation	Sig.
Part 1 Before & After	9	.979	.000

Table 5.3: Paired Sample test

	Paired Differences					t	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Part 1 Before & After	-10111.11111	6527.71868	2175.90623	-15128.75986	-5093.46236	-4.647	8	.002

From the above table 5 (1, 2 &3), the't' value in Kohima district is found to be -4.647 and the p value is 0.002, which is less than 0.05 (p=0.002<0.05). Therefore we can say that with government support it boost the productivity of the respondents

Table 6: Paired T Test of Change in Reduction of Cost

Table 6.1: Paired Samples Statistics

	Mean	N	Std. Deviation	Std. Error Mean
Part 1 Before	9388.8889	9	7423.68582	2474.56194
After	6066.6667	9	5676.92699	1892.30900

Table 6.2: Paired Samples Correlation

	N	Correlation	Sig.
Part 1 Before & After	9	.922	.000

Table 6.3: Paired Sample test

	Paired Differences					t	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Part 1 Before & After	3322.22222	3101.92593	1033.97531	937.87089	5706.57356	3.213	8	.01

From the above table 6 (1, 2 &3), the 't' value in Kohima district is found to be 3.213 and the p value is 0.01, which is less than 0.01 (p=0.01<0.05). Therefore we can say that with government support the entrepreneurs reduce their cost of production.

Table 7: Paired T Test of Change in Introduction of inputs

The input introduction includes labour employment, machinery tools and use of fertilizers and pesticides.

Table 7.1: Paired Samples Statistics

	Mean	N	Std. Deviation	Std. Error Mean
Part 1 Before	3644.4444	9	4802.37210	1600.79070
After	7555.5556	9	9322.16594	3107.38865

Table 7.2: Paired Samples Correlation

	N	Correlation	Sig.
Part 1 Before & After	9	.998	.000

Table 7.3: Paired Sample test

	Paired Differences					t	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Part 1 Before & After	-3911.11111	4535.53868	1511.84623	-7397.43476	-424.78746	-2.587	8	.03

From the above table 7 (1, 2 &3), the 't' value in Kohima district is found to be -2.587 and the p value is 0.03, which is less than 0.05 (p=0.03<0.05). Therefore we can say that with government support there is an increase in labour employment, introduction to machinery tools and use of fertilizers and pesticides.

For the hypothesis we can conclude that the government schemes boost up productivity and generate employment

CONCLUSION

The study is based on observation and primary sources might have some limitations. The study shows that only 6 per cent of the respondents seek government support i.e. NMDFC scheme. Knowledge plays an important role in NMDFC scheme as with proper knowledge they can avail the scheme and utilize it in an efficient way; only 12 per cent had the knowledge about the scheme and 88 per cent had no knowledge. With the support of government schemes there is an increase in productivity, reduce in cost of production and an increase in input introduction such as labour employment, machinery tools and use of fertilizers as the paired sample statistics the probability value ($P<0.05$) which indicates the scheme has positive impact in production, reduction of cost, productivity etc.

The scheme can have a better performance if certain initiatives are taken to reach out to women and SHG's in Nagaland. More awareness programme and advertising should be conducted for better knowledge about the scheme in rural areas.

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