CHAPTER IX
DEFECTS AND SHORTCOMINGS OF THE DICS — KAMRUP AND NALBARI.

In case of Assam, the major weaknesses of the DIC programme have been enumerated earlier; now we are here to point out the defects of the DIC programme in Kamrup and Nalbari districts as pointed out by the DIC and bank officials and the entrepreneurs in the two districts at the time of our field investigation.

As regards to the DICs of the two districts, the following deficiencies have been observed:

1. Though the Nalbari DIC has a permanent building of its own, the Kamrup DIC has yet to accommodate itself in a rented house experiencing all the difficulties of the rented house therein.

2. Sufficient number of vehicles to carry out their businesses covering the whole district is not with them for which both the two DICs are suffering from.

3. Infrastructural facilities are also not sufficiently available in the two DICs.

4. Both the two DICs have experienced resource crunch for which they could not pay TA and DA to the employees for their field works nor could they held the DAC meetings regularly.

5. The DIC is the only approving authority in most of the cases and the ultimate financial authority lies with the lending banks/OFIs. And often it has been observed that the financial institutions do not comply with the request of the DICs for which the beneficiaries have to suffer and the DIC programme itself is to experience a set back.

6. There is no paraffin wax depot at Nalbari to supply raw material to the concerned beneficiaries of the district for which their cost of production increases.

7. In Kamrup there is no EMTC office to carry out motivation training programme for the prospective entrepreneurs. Of course, SISI is doing this job in certain special categories; but even
then an EMTC office in Kamrup is felt necessary.

As regards to the bank finance of the DIC programme, the bank officials opined that:

1. The project proposals submitted by the beneficiaries and approved by the DICs for financial accommodation are often found not viable because of unsound feasibility report.

2. DICs are often seen recommending the proposals to the banks/OFIs without making any market survey for which the beneficiaries are seen often to suffer.

3. The record of loan repayment by the beneficiaries is very poor.

4. The subsidies disbursed by the DICs to the beneficiaries directly and not through the banks/OFIs also hampers loan repayment.

The beneficiaries are also experiencing certain difficulties in getting benefits under the DIC programme in the two districts.

1. The DICs take too much of time even for selection of beneficiaries.

2. Too much time is required even for provisional registration; the beneficiaries have themselves to incur cost in the form of transportation and refreshment to make the E.O.s to travel for submission of feasibility report. The E.O.s often submit feasibility report without field investigation.

3. Most of the beneficiaries enjoying financial accommodation under the DIC programme are not properly trained in the line for which they are often seen suffering from in the process of implementation. Most of the sick/closed units are found of this nature.

4. Though the DIC office is to arrange for bank accommodation and direct the applications to the concerned banks/OFIs, normally they are seen not doing this. They asked the beneficiaries to contact the banks/OFIs at first and then accordingly the DIC sends the proposals. This procedure is not encouraging to the entrepreneurs nor it is corrupt free.

5. Banks/OFIs are also seen rejecting approved schemes of the
DICs and the loans are not sanctioned/discharged. They are further seen disbursing sometimes much less than the amount recommended/sanctioned for which the entrepreneurs could not carry out their businesses in time.

6. The DICs of the two districts are seen providing sufficiently much less of the seed/margin money though this should have been 20% to 25% of the sanctioned amount. Naturally it hampers the programme in its implementation. Further even this lower proportion of seed/margin money is seen sanctioned and disbursed at a much later date for which the process of setting up the business is much delayed.

7. The amount of financial accommodation provided to the entrepreneurs either for starting or for expansion and improvement of their businesses is not found sufficient to the needs for which the entrepreneurs are either to borrow from others or to divert the resource to other directions for which the objective itself is set aside.

8. The beneficiaries are complaining that they are in every step to bribe the officials to get the benefits enjoyed. This discourages the honest and energetic entrepreneurs to get the DIC benefits.

9. For most of the beneficiaries marketing of their products becomes a problem; they could not find out their marketing outlets for which they are even to close down their businesses. The DICs should have to help them in exploiting market potential but in practice nothing is done in this regard by the DICs.

10. The beneficiaries are seen not maintaining proper accounts for their businesses for which they have to suffer from a number of difficulties including certain benefits under the scheme itself.

11. The two DICs of Kamrup and Nalbari have not as yet been seen successful in generating an atmosphere of growth and development of industrialisation in the two districts.