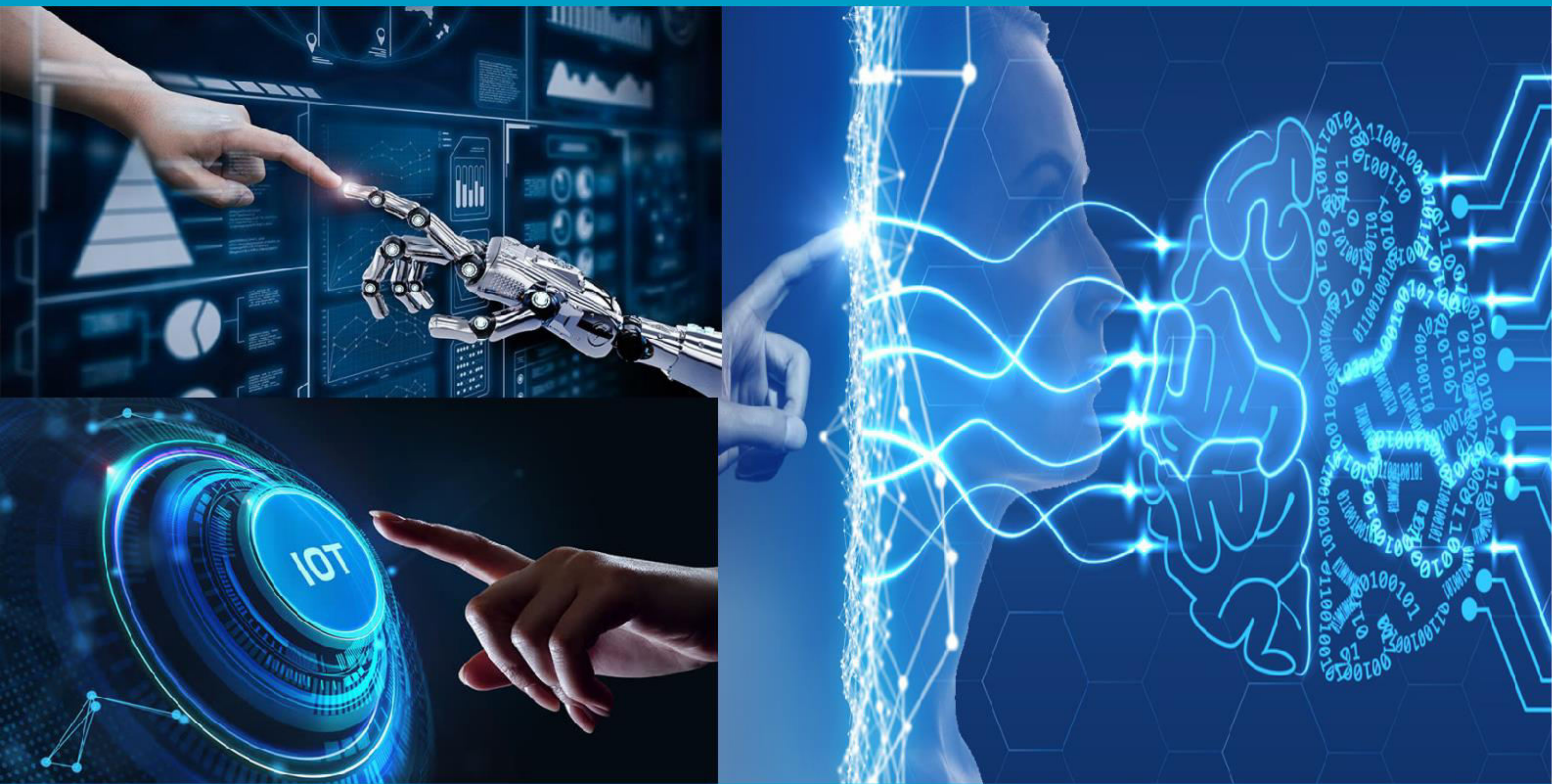
IJMRSETM

e-ISSN: 2395 - 7639



INTERNATIONAL JOURNAL OF MULTIDISCIPLINARY RESEARCH

IN SCIENCE, ENGINEERING, TECHNOLOGY AND MANAGEMENT

Volume 9, Issue 9, September 2022

INTERNATIONAL
STANDARD
SERIAL
NUMBER
INDIA

Impact Factor: 7.580

International Journal of Multidisciplinary Research in Science, Engineering, Technology & Management (IJMRSETM)

| ISSN: 2395-7639 | www.ijmrsetm.com | Impact Factor: 7.580|

| Volume 9, Issue 9, September 2022 |

| DOI: 10.15680/IJMRSETM.2022.0909023|

The Establishment of Delhi Financial Corporations for the Development of Small Scale Industries: An Overview

[1]Rachna Solanki & [2]Dr. J.C. Jain

[1]Research Scholar, A.K. College, Shikohabad, Uttar Pradesh, India

[2]Associate Professor, A.K. College, Shikohabad, Uttar Pradesh, India

ABSTRACT: The Financing Corporation (FICO) was a federally established mixed-ownership corporation that assumed all the assets and liabilities of the insolvent Federal Savings and Loan Insurance Corporation (FSLIC) and operated as a financing vehicle for the FSLIC Resolution Fund after the former was abolished by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA).

The Delhi Financial Corporation has been rendering yeoman service to small scale entrepreneurs in Delhi and Chandigarh. It has made finance available to existing and prospective entrepreneurs at very reasonable terms.

The corporation has devised suitable schemes for catering the needs of different categories of entrepreneurs

The SFCs are playing a key role in the development of small and medium enterprises in the respective states in tandem with the national priorities. During the last decade SFCs assistance to business enterprises has undergone a considerable acceleration. The present paper is based on the analysis of the performance of Delhi Financial Corporation in terms of magnitude of loan sanctions and disbursal to small-scale sectors. It is found that Delhi Financial Corporation has committed to support the small-scale industry sector by earmarking 98.18% of its funds for the SSI sector. Like wise Delhi financial Corporation have also been pioneers in the development of the small-scale industrial sector. This corporation have financed the small-scale sector as much as 87% of its resources. The efforts in various spheres to fulfill social obligations of the state are creditable. However, the corporations should have done more to improve the small-scale industry.

KEYWORDS: Delhi, financial, corporation, loan, funds, resources, small-scale, industries, entrepreneurs, business

I. INTRODUCTION

Small scale industries are those industries in which production, manufacturing and providing the services are executed on a small or micro scale.

The roles and importance of small scale industries in India:

1. Employment generation: Small scale industries are one of the best sources of employment generation in India. Employment is one of the most important factors that determines the growth of a nation. Therefore, development of small scale industries should be encouraged for the development of more employment opportunities in the nation.

2. Less Capital Requirement: Small scale industries are less capital intensive than the large scale industries. Capital is scarce in developing countries like India and therefore, small scale industries are most suitable for maintaining the balance.[1]

3. Use of resources and development of entrepreneurial skills: Small scale industries allow for the development of entrepreneurial skills among the rural population which is not having the scope of large scale industries. These industries help in the appropriate use of the resources available in the rural areas, which leads to development of rural areas.

| ISSN: 2395-7639 | www.ijmrsetm.com | Impact Factor: 7.580|

| Volume 9, Issue 9, September 2022 |

| DOI: 10.15680/IJMRSETM.2022.0909023|

4. Equal income distribution: Small scale industries by generating employment opportunities create equal income opportunities for the youth of the underdeveloped areas. This leads to the growth of the nation in terms of employment, human development.

5. Maintains regional balance: It has been seen that large scale industries are mostly concentrated in the large cities or restricted to areas which leads to migration of people in search of employment to these cities. The result of such a migration is overcrowding of the city and damage to the environment. For sustaining a large population, more of natural resources need to be utilised.

6. Short production time: Small scale industries have a shorter production time than the large scale industries which results in flow of money in the economy.

7. Supporting the large scale industries: Small scale industries help in the growth of the large scale industries by producing ancillary products for the large industries or producing small components that will be useful for the assembling of final products by the large scale industries.

8. Improvement in Export: Small scale industries contribute to around 40% of the total exports done by India, which forms a significant part of the revenue earned from the exports. Small scale industries work towards increasing the forex reserves of the country that reduces the load on balance of payment of the country.[2]

9. Reduce the dependence of agriculture: Most of the rural population will be dependent on agriculture and this creates a burden on the agricultural sector. Small scale industries by providing employment opportunities to the rural population provides more avenues for growth and also paves way for a more arranged distribution of occupation.

Delhi Financial Corporation (DFC) was established in April 1967 under State Financial Corporation's Act 1951 on re-organization of erstwhile Punjab Financial Corporation (PFC) which was divided into four SFCs in 1967 i.e. Delhi Financial Corporation (For NCT of Delhi & UT of Chandigarh), Punjab Financial Corporation (For Punjab), Haryana Financial Corporation (For Haryana) and Himachal Pradesh Financial Corporation (For Himachal Pradesh). The main objective of the Corporation is financing of loans for establishing and running micro, small and medium scale industries service sector industries commercial/ transport sector in NCT of Delhi and UT of Chandigarh. DFC has been playing vital role in promotion and development of MSMEs and service sector. The Corporation extends financial assistance for Restaurants/ Hotels, Amusement parks & other tourism related activities, Construction of Commercial complexes/ multiplexes, Hospitals/ Nursing homes/ Clinics/ Diagnostic centres, commercial vehicles etc. as specified under SFC's Act, 1951 or any other activity approved by SIDBI/State Govt. The Corporation can extend financial assistance upto Rs. 10.00 crore for companies & co-operative societies and Rs. 4.00 crore to proprietorship and partnership firm. However, the limit of assistance can be doubled with the prior approval of the Small Industrial Development Bank of India. It allows longer repayment period as compared to other financial institutions.

The key aims:-

1. The state industrial corporations engage in the development of micro, small, and medium-sized businesses.
2. It assists in the formation of entrepreneurship and the development of skills.
3. It aids in the development of industrial infrastructure.
4. Its goal is to help businesses with publicity and marketing.[3]

| ISSN: 2395-7639 | www.ijmrsetm.com | Impact Factor: 7.580|

| Volume 9, Issue 9, September 2022 |

| DOI: 10.15680/IJMRSETM.2022.0909023|

Schemes at a Glance

Sl. No	Scheme's	Details of the Scheme
1	General Scheme for new or existing unit:	Small Scale Industries, service sector activities and naturally growing small scale units to medium scale can avail the loan for acquisition of land, construction of building, plant and machinery, pre-operatives and other assets. Promoters Contribution: Minimum 20% for loan amount.
2	Scheme for Financing of Land & Building under Relocation:	Financial assistance to the entrepreneurs for financing the cost of land and construction of factory building on land allotted by DSIIDC under relocation Scheme of the Govt. of NCT Delhi. Promoters Contribution: Minimum 20% for loan amount.
3	Business Loan Scheme:	For proposed expenditure like installation of power connection, reconditioning of existing machinery, shifting expenses, renovation of building, working capital etc. Promoters Contribution: Minimum 20% for loan amount.
4	Equipment Finance Scheme:	For acquisition of machinery / equipment, both indigenous and imported including modernization / technology up-gradation, expansion and diversification and quality Improvements. Promoters Contribution: Minimum 20% for loan amount.
5	Technology Development & Modernization for SSI Units (STDM):	To modernize their production facilities and adopt improved and updated technology so as to strengthen their manufacturing facilities Promoters Contribution: Minimum 20% for loan amount.
6	Single Window Scheme:	To meet need based term loan and working capital requirement. Promoters Contribution: Minimum 20% for loan amount.
		Loan assistance is provided for acquisition of plant, machinery

| ISSN: 2395-7639 | www.ijmrsetm.com | Impact Factor: 7.580|

| Volume 9, Issue 9, September 2022 |

| DOI: 10.15680/IJMRSETM.2022.0909023|

7	Special Scheme for Loans to Schedule Castes/Tribes:	and equipments. Persons desiring to set up industries for production of domestic consumer products, industrial items, import substitution items, items for export / defence, workshops and service industries are normally eligible for loan assistance under the scheme. Promoters Contribution: Minimum 20% for loan amount.
8	Scheme For Financial Assistance For Purchase of DDA Built Up Shop/ Booth/ Kiosk/ Office:	For acquisition of constructed shops allotted by government land managing authorities (DDA/MCD/NDMC) etc. pre-operatives and other assets by the Successful bidder whose gross total income is at least two times or more than the annual EMI liability of loan Promoters Contribution: Minimum 20% for loan amount.
9	Small Road Transport Operators (SRTO) Scheme:	For acquiring new passengers (including TSR, City Taxi, Radio Taxi) / commercial vehicles and for meeting initial taxes / insurance / registration etc. Promoters Contribution: Minimum 20% for loan amount.
10	Household Scheme:	Proprietary or family partnership units employing not more than 5 persons in a space of about 300 sq.ft. With power load of 5 KW in residential area (for selected 112 Household industries as approved in Delhi Master Plan 2021). Promoters Contribution: Minimum 20% for loan amount.
11	Scheme for Physically Challenged:	Independent or partnership with one partner physically challenged (having more than 60% share or units with 25% physically challenged employee). Promoters Contribution: Minimum 20% for loan amount.
12	Composite Loan:	Purchase of work-shed machinery & working capital by artisans for village & Cottage Industries Promoters Contribution: Minimum 20% for loan amount.
		For purchase of mobile sales vans (upto 6 vehicles) as per proposal supported by KVIC or for setting up of Sales outlets

| ISSN: 2395-7639 | www.ijmrsetm.com | Impact Factor: 7.580|

| Volume 9, Issue 9, September 2022 |

| DOI: 10.15680/IJMRSETM.2022.0909023|

13	Marketing Support to Small Scale Industries, Cottage & Village Industries:	Promoters Contribution: Minimum 20% for loan amount.
14	Acquisition of ISO-9000 series certification:	By existing profit making SSI units can be financed for costs of acquiring equipments & expenses towards consultancy/documentation etc. Promoters Contribution: Minimum 20% for loan amount.
15	Textile Industry under technology up-gradation (TUFs):	For any new or existing unit for acquiring equipments Promoters Contribution: Minimum 20% for loan amount.
16	Short term working capital (STWC):	For existing profit making SSI units to meet short term working capital requirements Promoters Contribution: Minimum 20% for loan amount.
17	Working capital term loan (WCTL):	For existing profit making SSI units to meet need based working capital Promoters Contribution: Minimum 20% for loan amount.
18	Scheme for the allottees of warehousing plots by DDA / DAMB:	Promoters Contribution: Minimum 20% for loan amount.
19	Scheme for the allottees of Plots of Paper Merchants:	Promoters Contribution: Minimum 20% for loan amount.
20	Scheme for Restaurants, Hotels, Amusement Pat & Other Tourism related activities:	Promoters Contribution: Minimum 20% for loan amount.
21	Scheme for Hospitals / Nursing Home / Clinics / Diagnostic Centre etc & for Purchase of Medical Equipments:	Promoters Contribution: Minimum 20% for loan amount.

| ISSN: 2395-7639 | www.ijmrsetm.com | Impact Factor: 7.580|

| Volume 9, Issue 9, September 2022 |

| DOI: 10.15680/IJMRSETM.2022.0909023|

22	Scheme for Commercial Complex, Multiplex & Other Commercial Construction activities:	Promoters Contribution: Minimum 20% for loan amount.
23	Loan Against Mortgage Property (LMP)	Term Loan to existing MSMEs in manufacturing and service sector for business purposes.
24	Micro Finance Institution Loan Scheme [MFILS]	The financial assistance in the form of term loan is provided to MFIs to create a national network of strong, viable and sustainable Micro Finance Institutions (MFIs) from the informal and formal financial sector to provide micro finance services to poor, especially women.

II. DISCUSSION

FICO was chartered by the Federal Home Loan Bank Board pursuant to the FSLIC Recapitalization Act of 1987.[1][2] FICO's sole purpose was for issuing bonds to finance a rebuilding of the Federal Savings and Loan Insurance Corporation (FSLIC),[3] and after FIRREA to function as a financing vehicle for the FSLIC Resolution Fund that succeeded the FSLIC. Pursuant to the Recapitalization Act, FICO was authorized to issue debentures, bonds, and other obligations subject to limitations, the net proceeds of which were to be used solely to purchase capital certificates issued by the FSLIC Resolution Fund, or to refund any previously issued obligations.[1] The Resolution Trust Corporation Refinancing, Restructuring, and Improvement Act of 1991 terminated FICO's borrowing authority.[1][4] By that time FICO had issued bonds for $8.2 billion with fixed maturities of 30 years.[5] After FIRREA, FICO bond payments came from Federal Deposit Insurance Corporation (FDIC) Savings Association Insurance Fund (SAIF) premiums instead of FSLIC premiums.[6] The FICO bond obligation was extended to state and national banks under the Deposit Insurance Funds Act of 1996.[7][8] FICO made its final bond payments in September 2019[5] and began dissolution the following month.[9]

(1) Delhi Finance Corporation, the respondent No. 1 is a statutory body incorporated under the provisions of the State Financial Corporation Act, 1951 for providing financial assistance by way of granting loans to the entrepreneurs in various fields. One Shri Brahm Singh was sanctioned and disbursed a loan of Rs. 2.68 lacs for purchase of mini bus in the year 1990. He defaulted in the repayment of the dues to the Corporation. Recovery Certificate was issued against the borrower and his guarantors on 4.11.92. The hypothecated vehicle was taken into possession by the Corporation on 22.3.1993 in exercise of power conferred by Section 29 of the Act.

(2) It appears that the said Brahm Singh was holding a point-to-point stage - carriage permit from the respondent No. 2 - the State Transport Authority of Government of National Capital Territory of Delhi for operating on the route - from Ito to Rajauri Garden, Delhi.

(3) On 2.4.93, the said Brahm Singh addressed a letter to the Dfc informing that the vehicle alongwith the permit on which the vehicle was plying on route has been sold to Sheetal Kumar Jain, the petitioner, on the basis of a power of attorney, It was requested that the vehicle and the permit - both be transferred in the name of the petitioner alongwith the financial liability outstanding against the borrower.[4]

| ISSN: 2395-7639 | www.ijmrsetm.com | Impact Factor: 7.580|

| Volume 9, Issue 9, September 2022 |

| DOI: 10.15680/IJMRSETM.2022.0909023|

(4) On 7.5.93, the petitioner also made a communication to the Dfc informing of his having purchased the vehicle DL-1 -B-0070. He also deposited Rs. 30.000.00 in cash and also handed over 20 singed cheques of Rs. 7,000.00 to be encashed in instalments commencing 15th June, the next.

(5) The transaction between the said Brahm Singh and the petitioner having been recognised by the Dfc, the liability quantified at Rs. 1,63,756.11p. was transferred to the petitioner who executed a loan agreement dated 7.5.93 supported by deeds of guarantee as well.

(6) It appears that the petitioner's prayer for transfer of the permit in his name was not acceded to by the respondent No. 2. At the same time, the petitioner could not honor the terms of the loan agreement (Annexure R 1/3) and hence proceedings for coercive recovery were also initiated against the petitioner, In this background, the present petition has been filed seeking the following reliefs : (I)a writ directed against the respondent No. 1 restraining recovery from the petitioner; (ii) a writ against the respondent No. 2 seeking transfer/issuance of route permit to the petitioner.[5]

(7) According to the petitioner, the vehicle was sold by the Dfc - respondent No. 1 to the petitioner on a specific assurance amounting to representation that the route permit will be transferred to his name which having not been done, the vehicle remained standing idle resulting into accumulation of arrears as the petitioner could not earn by operating the vehicle and pay instalment of DFC. According to the petitioner, the respondents must be held bound to the assurance held out by them to the petitioner.

(8) Both the respondents have denied having held out any assurance to the petitioner. According to the respondents a permit cannot be transferred except by resolution of Sta Board. No promise could have been made contrary to the provisions of the Motor Vehicles Act, 1958. According to the Dfc, the respondent No. 1, it is factually incorrect to allege the vehicle having been transferred by the respondent No. 1 to the petitioner, muchless accompanied by an assurance for transfer of route permit. The sale of vehicle by Brahm Singh to the petitioner was a private transaction between the two which was merely recognised by the Dfc in view of the petitioner having accepted to clear the outstanding liability of the said Brahm Singh. The petitioner has executed an independent loan agreement in favour of the Dfc accompanied by surety bonds. The liability of the petitioner qua the respondent No. 1 is contractual which is sought to be enforced by recourse to the statutory powers conferred by the parent Act of the respondent No. 1 and no fault can be found therewith.

(9) According to the respondent No. 2 the point- to - point stage carriage permit was awarded to Brahm Singh in the year 1992 for bus No. DEB-4023 from Ito to Rajouri Garden. In the year 1990 the Bus DEB-4023 was replaced by a new bus No. DL-1-B-0070. The permit was kept renewed from time to time. In March, 1993 Brahm Singh applied for change of his route from Ito to Rajouri Garden to a different one which request was not acceded to. The permit was last renewed upto 25.6.93 whereafter it was not renewed and had lapsed. There is no decision of the respondent No. 2 recognising or promising transfer of permits alongwith transfer of vehicles. Moreover, in the case at hand, permit itself held by Brahm Singh had expired on 25.6.93, the question of transferring it in the name of the petitioner does not arise at all.[6]

(10) We do not find any merit in the plea of the petitioner that the vehicle was transferred by the Dfc to the petitioner. The application dated 2.4.93 (Annexure R- 1/1) made by Brahm Singh to the Dfc has also the contents of the communication made by the petitioner himself to Dfc on 7.5.93 (Annexure R-1/2), belie the petitioner's plea. In both the communications it is clearly stated that the vehicle was transferred by Brahm Singh to the petitioner on account of the former's inability to repay the instalments. The transaction was a private transaction between the two and entered into without the intervention of Dfc - the respondent No. 1.

(11) Implicit reliance has been placed by the learned Counsel for the petitioner on the letter dated 24.6.93 (Annexure-A) written by Assistant Manager, Dfc to the Secretary, STA. It is stated therein inter alia that the vehicle bearing registration No. DL-1-B-0070 has been disposed of 'by the Corporation' to Shri Sheetal Kumar Jain and possession of the vehicle has already been given to him. The letter requested the Secretary Sta to transfer the Vehicle alongwith Sta permit to the petitioner. The petitioner has also brought on record copy of the letter dated 19.1.93 written by the Secretary Sta to the M.D. of DFC. The relevant part thereof reads as under: TO The Managing Director Delhi Financial

International Journal of Multidisciplinary Research in Science, Engineering, Technology & Management (IJMRSETM)

| ISSN: 2395-7639 | www.ijmrsetm.com | Impact Factor: 7.580|

| Volume 9, Issue 9, September 2022 |

| DOI: 10.15680/IJMRSETM.2022.0909023|

Corporation Saraswati Bhawan E-Block, Connaught Place New Delhi. Sub : Transfer of Vehicle alongwith route permit. With reference to your D.O. letter dated 5.11.92 addressed to Commissioner (Transport) regarding transfer of vehicle to the prospective buyer under Section 29 of the State Financial Corporation's Act, 1951 when the borrowers/ permit holders defaults any repayment of dues of the Corporation I am directed to state that Sta, Delhi has taken a decision to effect such transfers. The details of the cases may, therefore, be sent to the Sta for processing the cases.[7] Yours faithfully (SATISH MATHUR) Secretary (STA) The above said letter contains a reference to the letter dated 5.11.92 written by Dfc to the STA. That document was not brought on record by any of the parties. At our request photo copy of the said letter was made available for our perusal by the learned Counsel for the respondent No. 1. We reproduce the letter as it is, as under: DFC/PS/MD/TLD/92-93/1138,39 5th Nov.l992 Dear Shri Khairwal, You will kindly recall the other day I had discussed the matter with you regarding transfer of vehicle alongwith route permit to the prospective buyer under Section 29 of the State Financial Corporations Act, 1951 when the borrowers permit holders default in repayment of dues of the Corporation. Both Delhi Financial Corporation as well as Delhi Scheduled Cast and Scheduled Tribe Finance Development Corporation are Financing the vehicles in the Union Territory of Delhi. I shall be most grateful, if you would kindly place the matter before the State Transport Authority and have the Resolution passed in the interest of these Corporations financing these vehicles that as and when a request is received from these Corporations for the transfer of the vehicle alongwith route permit to the prospective buyer under aforesaid provisions of the Act, that shall be permitted by the STA/Directorate of Transport. This would facilitate the easy financing to the vehicles of the permit holders both belonging to the general as well as SC/ST category. I shall grateful for a line in reply after Sta has taken a decision to that effect. Yours faithfully, (BANSI Dhar) Sh. C.S. Khairwal, Commissioner-cum-Secretary, Rajpur Road, Delhi."

(12) During the course of hearing when the attention of the Court was invited to the above said communications we called for a specific statement on affidavit from the respondent No. 2 which was made by Shri Abhijit Sarkar, Secretary Sta, Delhi. After verifying the records, he has stated that the matter relating to such transfer of permits was taken up in the meeting of the Board of Sta on 30.11.92. Vide item No. 69/92 the subject put up for consideration of the Sta Board was - Transfer of vehicles with permit financed by Delhi Finance Corporation and Delhi Sc & St Finance Development Corporation. Thereon Resolution No. 52/92 was passed as under: Resolution No. 52/1992 The suggestion of the Managing Director, Delhi Financial Corporation for transfer of vehicle financed by DFC or/and DFC along with route permit to prospective buyer when the permit holder defaults in payment of the dues to these Corporations, was considered. It was resolved that the Transport Deptt. may take an administrative decision in the light of provisions given in the Motor Vehicles Act and Rules therein. The Board decided that it is an administrative matter it should be dealt by the Secretariat Branch of Transport Department.

(13) Mr. Abhijit Sarkar has further stated that on 22.9.93 a letter (Annexure R- 2/4) was sent by the Secretary Sta to the Dfc wherein it was clearly stated that the transfer of vehicle will be allowed but not the route where the defaulter was plying the vehicle.[8]

(14) On 23.8.93 vide Resolution No. 60/93, the Board of Sta had resolved as under: THE request of Delhi Financial Corporation for the transfer of vehicle along with route permit to the prospective buyer when the loanee defaults in the payment of the dues to the Corporation was considered. The Board appreciated that Dfc is an organisation of the Administration, and therefore, the interest of the Delhi Financial Corporation should be watched inasmuch as that we should facilitate to the extent possible the repayment of loan by the defaulter. However, after detailed discussion, a view was taken that transfer of permit alongwith route may lead to certain activities which may not be desirable. The loanee may deliberately default and the prospective buyer in which case could get the undue additional benefit of the route.

Therefore, considered view was taken that only the transfer of vehicle should be allowed and not the route on which the defaulter was plying the said vehicle.

(15) During the course of hearing, it was very specifically stated by Ms. Avinash Ahlawat, the learned Counsel for respondent No. 2 and Mr. Abhijit Sarkar, the Secretary Sta that a decision generally permitting transfer of route permits alongwith the vehicle in the case of vehicle financed by the Dfc was never taken. If such an impression was made by the then Secretary in his letter dated 19.1.93 then the same was unauthorised and does not bind the STA.

| ISSN: 2395-7639 | www.ijmrsetm.com | Impact Factor: 7.580|

| Volume 9, Issue 9, September 2022 |

| DOI: 10.15680/IJMRSETM.2022.0909023|

(16) We need not dwell further upon this controversy as Section 82 of the Motor Vehicles Act, 1988 is clear and explicit. It provides that no permit shall be transferable from one person to another except with the permission of the Transport Authority which granted the permit except in the case of death of a permit holder in which case the successor having possession of the vehicle covered by the permit may seek such transfer. It was pointed out by the learned Counsel for respondent No. 2 that any policy decision in this regard in the terms as is sought to be canvassed by the petitioner could or could not have been taken by the Transport Deptt. of the Government but such a decision was neither taken nor could have been taken by the Sta, an authority constituted statutorily under the Motor Vehicles Act.[9]

(17) The petitioner's prayer seeking a writ of mandamus commanding the respondent No. 2 to transfer the route permit to the petitioner fails on all the counts. Firstly, the plea of the petitioner that the vehicle was transferred by the Dfc to the petitioner is factually incorrect. Secondly, we are not satisfied that any assurance of transfer of route permit was held out by the Dfc to the petitioner. Thirdly, a permit which has already expired, cannot be transferred; it has to be sought for fresh. And last but not the least, such representation even if made would have no sanctity in law and cannot bind the respondents. In Assistant Custodian, E.P.and Ors. v. Brij Kishore Agarwala and Ors., , vide para 6, the following passages from the decision of House of Lords in Howell v. Falmouth Boat Construction Co. Ltd., 1951 Ac 837 have been cited with approval :

"THE illegality of an act is the same whether or not the actor has been misled by an assumption of authority on the part of a Government Officer however high or low in the hierarchy. I do not doubt that in criminal proceedings it would be a material factor that the actor had been thus misled if knowledge was a necessary element of the offence, and in any case it would have a bearing on the sentence to be imposed. But that is not the question. The question is whether the character of an act done in face of a statutory prohibition is affected by the fact that it has been induced by a misleading assumption of authority. In my opinion the answer is clearly no. Such an answer may make more difficult the task of the citizen who is anxious to walk in a narrow way, but that does not justify a different answer being given".

"NEITHER a Minister nor any Subordinate Officer of the Crown can by any conductor representation bar the Crown from enforcing a statutory prohibition or entitle the subject to maintain that there has been no breach of it."[10]

(Also See Jagdish Sharma v. Dda, 1996-1 Ad Del.653.} (18) However, the letter dated 24.6.93 written by the Assistant Manager, Dfc to the Secretiry, Sto and the letter dated 19.1.93 written by the Secretary, Sto to the Md, Dfc, marked Annexure-B (colly), and referred to hereinabove go to show that the petitioner was persuaded into purchasing the vehicle on account of some indication having been given by the officers of Dfc that they would persuade the Sta in transferring the permit to the petitioner and that is why the petitioner was persuaded to enter into the deal with Brahm Singh. He had a rosy picture painted before him. He thought though erroneously that the vehicle alongwith the permit being available to him he would be in a position to ply the vehicle on the permit route so as to earn substantially and repay the accumulated arrears of Brahm Singh. His high hopes though built up with the contribution of the two respondents as contained in the letters dated 24.6.93 and 19.1.93 referred to hereinabove, did not materialise as they had no foundation in law. We cannot, therefore, grant any relief to the petitioner against the respondent No. 2, so far as transfer of permit is concerned but at the same time, we are inclined to grant relief to the petitioner on equitable considerations in so far as his financial liability is concerned. True it is that the petitioner could have plied the vehicle elsewhere than on the route covered by the permit earlier held by Brahm Singh, but at the same time it cannot be denied that by casually operating the vehicle the petitioner could not have earned so much as he could have done by regularly operating on the permit route. The petitioner is a prey of the circumstances and part of the blame must be shared by the respondent- DFC. The documents brought on record by the petitioner lend credence to a part of story that there was some conversation between the officers of the Dfc and the petitioner whereby the petitioner was persuaded into building up an expectation of having the route permit too transferred to him.[11]

(19) On behalf of the Delhi Financial Corporation a statement of account of the petitioner showing the petitioner's liability as on 1.4.1993 has been filed on 25.10.1997. The statement shows the principal amount due against the petitioner, Misc. charges, interest and additional interest levied on the petitioner as also different payments made by the petitioner on different dates. The essential summary of the statement may be set out as under: Principal Liability 1,63,756.11 Misc Charges 9030.00 Interest 81,587.80 Addl Interest 10,210.12 Total 2,64,584.12 Payments Received 1,01,500.00 (20) During the course of hearing it was pointed out by the learned Counsel for the Dfc that interest has

| ISSN: 2395-7639 | www.ijmrsetm.com | Impact Factor: 7.580|

| Volume 9, Issue 9, September 2022 |

| DOI: 10.15680/IJMRSETM.2022.0909023|

been charged from the petitioner calculated at the rate of 12.5% p.a. plus3% additional interest for the period of default. It is further pointed out that interest has been compounded with the principal at the end of every quarter i.e. three months, thus attracting liability on the petitioner for payment of compound interest. From the statement of account it is also clear that the petitioner has certainly made attempts at paying the amount by instalments but he has not been able to observe the schedule of payment as agreed. In the peculiar facts and circumstances of case set out hereinabove we are inclined to hold that the petitioner deserves to be relieved from the liability of payment of compound interest and also deserves to be allowed facility of payment by way of instalments. To this limited extent the petition deserves to be allowed. As we have already said the limited relief is being allowed on equitable considerations as we have found the officials of the respondent responsible for building up an expectation in the petitioner (though wrongly) that he would possibly have the route along with the bus and it is the petitioner who also erroneously got allured by such rosy presentation. Though he cannot be relieved of the contractual obligation incurred by him so far as discharging of the liability is concerned but at the same time he needs to be relieved against the penal consequences sought to be cast on him.

(21) The petition is partly allowed. It is directed that the petitioner shall be liable to payment of principal amount of Rs. 1,63,756.11 with simple interest calculated @ 12.5% p.a. till payment. He shall also remain liable for payment of Misc. expenses and additional interest but is relieved from the liability of payment of compound interest. The respondent Dfc is directed to draw up a fresh statement of account of the petitioner calculating simple interest and additional interest @ 12.5% and 3% respectively subject to adjustment for the payments already made. Principal amount payable by the petitioner shall stand proportionately reduced with every payment made by him appropriating the payment first towards interest and additional interest due on the date and balance towards the principal amount and thereafter calculating the interest on balance due after each payment. The amount so calculated as on 30.11.1997 shall be liable to be paid by the petitioner in 12 equal monthly instalments commencing 1. 1.1998 and expiring on 1.12.1998. The petitioner shall continue to pay interest @ 12.5% on the principal amount subject to adjustment for the payments made till the date of total clearance of his liability. The petitioner shall not part with possession of the bus nor shall create any encumbrance thereon till the date of clearance of his liability. In the event of the petitioner defaulting in payment of any instalment the Corporation shall be at liberty to proceed against the petitioner in accordance with law treating him to be a defaulter. The petition is dismissed so far as respondent No. 2 is concerned. No order as to costs.[11]

III. RESULTS

The Delhi Government appoints the managing director generally in consultation with the RBI and nominates the name of three other directors.All insurance companies, scheduled banks, investment trusts, co-operative banks, and other financial institutions elect three directors.Thus, the government and quasi-government institutions nominate the majority of the directors.

(i) The Delhi Financial Corporations provide loans mainly for the acquisition of fixed assets like land, building, plant, and machinery.

(ii) The Delhi Financial Corporations help financial assistance to industrial units whose paid-up capital and reserves do not exceed Rs. 3 crore (or such higher limit up to Rs. 30 crores as may be notified by the central government).

(iii) The Delhi Financial Corporations underwrite new stocks, shares, debentures etc., of industrial units.[10]

(iv) The Delhi Financial Corporations grant guarantee loans raised in the capital market by scheduled banks, industrial concerns, and state co-operative banks to be repayable within 20 years.

The Indian government passed the Delhi Financial Corporation Act in 1951. The authorized Capital of a Delhi Financial Corporation should be within the minimum and maximum limits of Rs. 50 lakhs and Rs. 5 crores which are fixed by the government. It is divided into shares of equal value which were acquired by the respective Delhi Government, the Reserve

| ISSN: 2395-7639 | www.ijmrsetm.com | Impact Factor: 7.580|

| Volume 9, Issue 9, September 2022 |

| DOI: 10.15680/IJMRSETM.2022.0909023|

Bank of India, scheduled banks, co-operative banks, other financial institutions such as insurance companies, investment trusts, and private parties. The Government guarantees the shares . The Delhi Financial Corporation can augment its fund through issue and sale of bonds and debentures also, which should not exceed five times the capital and reserves at Rs. 10 Lakh. All Delhi Financial Corporation are dependent upon the rules and regulations made by the state government.

Delhi Financial Corporation have state new scheme for helping women entrepreneurs who want to establish their new business in India. This is a very innovative prospect of Delhi Financial Corporation for the development of women. It is also a good prospect of Delhi Financial Corporation that these institutions have provided more than Rs. 6300 crore loan to small scale industry in 2010. Since establishing, these are working for a long period of 59 years in India. So, these financial institutions have a wide range of industrial information. A new entrepreneur can start their industrial research by contacting these institutions if he wants to establish a new business.[9]

VI. CONCLUSIONS

Tenders published on Delhi Financial Corporation e-tendering portal & e-Procurement website are available on DFC tender page. Many live business opportunities are available in DFC Tenders section. Delhi Financial Corporation Tenders are further filtered by Bid Submission Date, Tender Value, Project Location & Product Category. Financing of Annual Outlay for Schemes/Projects of Delhi is almost similar to that of other States. However, Delhi does not get the benefit of the dispensations recommended by the successive Central Finance Commissions to the States and also it cannot take resort to Market Borrowing/ Negotiated loans/ Provident Fund etc., for financing its schemes/ projects.[11]

REFERENCES

1. OMB 2010, p. 1337.
2. ^ Federal Savings and Loan Insurance Corporation Recapitalization Act of 1987, Title III of the Competitive Equality Banking Act of 1987, Pub.L. 100–86, 101 Stat. 552, enacted August 10, 1987
3. ^ Leggett & Strand 1997, p. 179.
4. ^ Resolution Trust Corporation Refinancing, Restructuring, and Improvement Act of 1991, Pub.L. 102–233, 105 Stat. 1761, enacted December 12, 1991
5. ^ FDIC: FICO Assessment
6. ^ Leggett & Strand 1997, p. 180.
7. ^ Leggett & Strand 1997, p. 182.
8. ^ Deposit Insurance Funds Act of 1996, Subtitle G of the Economic Growth and Regulatory Paperwork Reduction Act of 1996, Title II of the 1997 Omnibus Consolidated Appropriations Act, Pub.L. 104–208 (text) (PDF), 110 Stat. 3009, enacted September 30, 1996
9. ^ Federal Housing Finance Agency Order 2018-OR-B-5, "In Re: FICO Dissolution"
10. Leggett, Keith J.; Strand, Robert W. (Fall 1997). "The Financing Corporation, Government-Sponsored Enterprises, and Moral Hazard" (PDF). Cato Journal. Cato Institute. 17 (2). Archived from the original (PDF) on 2011-03-28. Retrieved 2011-06-03.
11. Appendix, Budget of the United States Government, Fiscal Year 2010, Office of Management and Budget (OMB), 2010, archived from the original on 2011-02-18, retrieved 2011-06-03

Impact Factor:
7.580

INTERNATIONAL JOURNAL
OF MULTIDISCIPLINARY RESEARCH
IN SCIENCE, ENGINEERING, TECHNOLOGY AND MANAGEMENT

+91 99405 72462 +91 63819 07438 ijmrsetm@gmail.com

www.ijmrsetm.com