



## ***Delhi Financial Corporation***

### **At a Glance**

#### **Functions**

Under the State Financial Corporation's Act, 1951, the Delhi Financial Corporation (DFC) was set up with the objective to promote, develop and finance industries in the small and medium scale sectors in the union territories of Delhi and Chandigarh.

#### **Findings**

- The Corporation sanctioned a total of Rs 77.47 crore as loans in 2002–03.
- The rate of recovery of loans by the Corporation is just 40% of total disbursements.
- The auditors have concluded that the DFC has overstated current year's (2002–03) profits by at least Rs 171.25 lac and the reserves and surplus by Rs 78.99 lac.
- The Comptroller and Auditor General's Report on the DFC has found several instances of delay in recovery of loans and of granting loans against inadequate security.

#### **Reforms**

- In addition to DFC, the Department of Cooperatives, Delhi Scheduled Castes Financial and Development Corporation (DSFDC), and Delhi State Industrial Development Corporation (DSIDC) run a multitude of subsidy schemes for businesses. All schemes related to enterprises—whether for grants, low-interest loans, or provision of industrial shed and physical infrastructure—should be carried out by a single agency: that single agency could be the Cooperative Finance Corporation.