

Implementation of SEMFEX Scheme

3310. PROF. NARAIN CHAND PARASHAR: Will the Minister of DEFENCE be pleased to state:

(a) whether Government have launched a new scheme called S.E.M.F.E.X in order to encourage Self-employment venture by Ex-servicemen with effect from 1 April, 1987;

(b) if so, the exact details of the scheme and the names of the districts, State-wise, in which it has been implemented along with the number of Ex-Servicemen who have benefited from the scheme and the total utilisation of funds out of the allocations earmarked for this purpose during the year 1987-88.

(c) whether it is proposed to extend the scheme for other districts/States; and

(d) if so, the details of programme for extension?

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (SHRI SON-TOSH MOHAN DEV) : (a) Yes, Sir.

(b) The details of SEMFEX Scheme are given in Statement -I below . The Scheme is being implemented through Zila Sainik Boards and Rajya Sainik Boards. Since the progress of the scheme is being monitored State-wise through the Rajya Sainik Boards and Industrial Development Bank of India, the details of the progress of the scheme upto State level only are available. State-wise progress, as received from IDBI, till 5th February 1988 is given in Statement -II below.

(c) and (d). The scheme is operative in all the States and Union Territories and is available for all districts. All the States have also been requested to issue instructions to

all concerned for a vigorous implementation of the scheme. Seminars on SEMFEX scheme are also being organized in all the State capitals to propagate the scheme.

STATEMENT-I*Self-Employment Scheme for Ex-Servicemen (SEMFEX)*

SEMFEX (Self-Employment for Ex-Servicemen) Scheme formulated by the Centre with the assistance of Industrial Development Bank of India (IDBI) was launched on 1.4.1987 to encourage and assist ex-servicemen, disabled service personnel and widows of ex-servicemen to take to self-employment ventures. The details and special features of SEMFEX-I Scheme are given in the succeeding paragraphs.

Special Features

- (a) Selection, training, consultancy service, writing of project report, and sanction of loans will form one complete package;
- (b) From the Central Welfare Funds, the Directorate General Resettlement will invest Rs. one crore annually with IDBI and create a revolving funds for Seed capital assistance for self-employment ventures of ex-servicemen, widows of servicemen, and disabled personnel. An equal amount will be contributed by IDBI. A seed capital loan upto a maximum of Rs. 1,80,000 would be provided on soft terms, without any security or collateral;
- (c) Promoter's contribution will be only 10 percent, as against minimum promoter's contribution of 12.5 percent to 22.5 percent of project cost under normal IDBI

Scheme;

- (d) Central and State subsidy will not be taken into account towards means of finance of the project cost. Such Subsidy and other concessions available will be retained as cushion for working capital by ex-servicemen entrepreneurs;
- (e) No collateral or security other than the assets of the project would be necessary.
- (f) Term Loans will be refinanced by IDBI.
- (g) The Ex-Servicemen intending to avail of assistance under this scheme would approach the Zila Sainik Boards (ZSBs) and furnish information (in quadruplicate) in the prescribed format. After satisfying themselves about the eligibility of the ex-servicemen under the Scheme, the ZSBs would forward 3 copies of the application with necessary certification to Rajya Sainik Boards (RSBs), who would in turn forward 2 copies thereof to the concerned State Financial Corporation (SFC) headquarters. On receipt of the reference from RSBs, the SFCs would get in touch with the entrepreneurs and obtain necessary application forms in the appropriate form for grant of assistance. After carrying out the scrutiny, the SFC will refer the proposal to the Screening Committee within one month from the date of receipt of the reference from the RSB. For sanctioning loans, there will only be one committee at the State level to be known as Screening

Committee consisting of (i) Managing Director of the SFC concerned (Convenor), (ii) Secretary, Rajya Sainik Board (RSB), (iii) Representative of IDBI and (iv) representative of participating bank, if identified. There will be no quorum for the meeting of the Screening Committee, the Committee may meet atleast once a meet. After the proposal is cleared by the Screening committee, the loan as well as Seed Capital Assistance would be sanctioned by the SFC without delay.

Other Salient Aspects of SEMFEX:

Eligible Projects: (I) All projects under the purview of KVIC, Agro-based industries, New Industrial Projects under Small Scale Sector including transport and other eligible Industries which qualify for assistance under the Refinance Scheme for IDBI, will be converted under this scheme.

- (ii) The cost of project shall not exceed Rs. 12 lakhs.
- (iii) Loans upto Rs. 50,000 will be covered under the existing composite Loan Scheme of IDBI. 100 percent amount will be financed by SFC/Bank and refinanced by IDBI. No promoter's contribution is required. The loan will bear a concessional interest of 10 percent per annum if located in notified backward area and 12 percent per annum of located in other areas.
- (iv) Assistance for purchase of vehicles by ex-servicemen would

be limited to purchase of two vehicles per ex-servicemen/unit. The maximum number of Vehicles per borrower cooperative/company will be 20.

Source of Funds

The project cost (for other than Composite Loan Scheme) comprises cost of land, building, plant and machinery, other fixed

assets and margin for working capital and is financed by promoter's contribution, soft seed capital assistance and term loan. Under the Scheme, promoter's contribution will be 10 percent shared equally by DGR and IDBI and term loan 75 %. The maximum project cost permissible under the SEMFEX Scheme is Rs. 12 lakhs. As an example, if the project cost is Rs. 1 lakhs, the components will be :

(a) Promoter's contribution (10% of total project cost)	Rs. 10,000
(b) Soft seed capital assistance (upto 10% of Total project cost)	Rs. 15,000 (Rs. 7,500 each by DGR & IDBI)
(c) Term Loan (75% of total project cost)	Rs. 75,000
	Rs 1,00,000

Interest

- (a) *Soft Seed Capital Assistance:* Nominal interest of 1 % p.a in the nature of Service charge payable annually. The rate will be subject to review during the currency of the soft seed capital assistance. If one financial position and profitability of the unit permits, a higher rate of interest, not exceeding the applicable rate for normal term loan, will be charged.
- (b) *Term Loan:* The term loan will not exceed Rs. 9 lakhs. It will carry concessional rate of interest 12.5 percent per annum, if located in notified backward areas and 13.5 percent if located

in other areas. In the case of loans for acquisition of vehicles, a uniform rate of 12.5 percent per annum will be discharged. Assistance for purchase of vehicles by ex-servicemen would be limited upto 2 vehicles per entrepreneur/unit.

Repayment Period

The soft seed capital assistance will be repayable over a period of upto 10 years including an initial moratorium upto 5 years. The term loan would be repayable over upto 10 years including usual grace period of 1 to 2 years. Transport loans will be repayable in 5 years.

Security

As stipulated in the Scheme, no security, including collaterals, should be insisted upon for soft seed capital assistance. In respect of term loans, SFC should take the normal security by way of charge on the assets created out of the assistance provided by it and collateral security or third party guarantee need not be insisted upon.

Procedure for Channelising Assistance

State financial Corporations (SFCs) or State Industrial Development Corporations (which combine in them the functions of SFCs) in their respective State/Region will act as agents of IDBI for sanction, disbursement and recovery of soft seed capital assistance, as well as normal term loan for the project. Loan will be sanctioned after assessing the viability of the projects.

Training

- (a) EDP training is not to be taken as an essential conditions for assistance under the Scheme. Training will, however, be arranged where it is considered necessary by the Screening Committee. Sanction/disbursement of assistance is not to be held up on account of the Ex-servicemen

having not undergone training.

- (ii) Each State/UT has been requested to earmark suitable accommodation for conducting training. Administrative cost incurred in collecting the sponsored candidates as also payment of stipends for the duration of training, where applicable, will be borne by the Rajya Sainik Boards.
- (iii) The Directorate General of Resettlement has earmarked part of its income for promoting self-employment, State/Union Territories are advised to apportion, likewise, part of their income from their Welfare Funds for self-employment assistance.
- (iv) All training expenditure, like cost of training, papers/material including remuneration, if any, to faculty will be met by IDBI. Expenditure towards preparation of project reports, consultancy services, etc., from Technical Consultancy Organisation/ Small Industries Service Institute/Other agency will also be borne by IDBI, subject to a maximum of Rs. 2,500 per person.

Course Duration

The course duration will be decided by Technical Consultancy Organisation.

STATEMENT-II*Number of Ex-Servicemen Benefited Under SEMFEX Scheme.*

<i>Sl.No.</i>	<i>Name of R S Board</i>	<i>No. of application registered</i>	<i>No. of Application forwarded to SFCS by RSB</i>	<i>No. of loan sanctioned</i>	<i>Amount sanctioned Rs. in Lakhs)</i>
(a)	(b)	(c)	(d)	(e)	(f)
1.	Andhra Pradesh	68	59	6	NA
2.	Assam	56	56	6	3
3.	Bihar	261	261	58	75
4.	Gujarat	67	67	1	5
5.	Haryana	53	53	12	38
6.	Himachal Pradesh	6	6	-	-
7.	Jammu & Kashmir	144	144	-	-
8.	Karnataka	210	196	8	25
9.	Kerala	225	50	5	16
10.	Madhya Pradesh	48	48	1	6
11.	Maharashtra	30	30	19	45
12.	Manipur	Report awaited			
13.	Meghalaya	Nil	Nil		
14.	Nagaland	Report awaited			
15.	Orissa	4	4	2	14
16.	Punjab	152	152	11	22
17.	Rajasthan	555	555		

(a)	(b)	(c)	(d)	(e)	(f)
18.	Sikkim	Nil	-	-	-
19.	Tripura	23	23	Nil	-
20.	Tamil Nadu	20	20	-	-
21.	Uttar Pradesh	535	535	58	153
22.	West Bengal	40	40	16	-
23.	Arunachal Pradesh	Report awaited			
24.	A & N Island	-do-			
25.	Chandigarh	Report awaited.			
26.	Delhi	248	218	31	88
27.	Goa,daman & Diu	2	2	-	-
28.	Mizoram	62	62	62	54
29.	Pondicherry	2	2	1	3
		2811	2583	297	547

Judicial Districts in Delhi

3311. DR. B.L. SHAILESH: Will the Minister of LAW AND JUSTICE be pleased to state:

(a) whether the proposal to create five judicial districts in the capital made almost seven years ago is still hanging fire even after the Government had chosen some sites for the courts and got prepared the lists of pending cases classified district wise;

(b) if so, the reasons therefor; and

(c) the steps Government propose to take to implement this proposal without any

further delay in the larger interest of the litigants and general public in the capital?

THE MINISTER OF STATE IN THE MINISTRY OF LAW AND JUSTICE (SHRI H.R. BHARDWAJ) : (a) No, Sir. The Government do not propose to bifurcate the lower civil courts in Delhi.

(b) and (c). Does not arise.

Freedom Fighters' Pension Cases from Goa

3312. SHRI SHANTARAM NAIK: Will the Minister of HOME AFFAIRS be pleased to state: