

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

STARRED QUESTION NO:334
ANSWERED ON:12.12.2002
WELFARE SCHEMES FOR EX-SERVICEMEN
ARUN KUMAR;KAILASH MEGHWAL

Will the Minister of DEFENCE be pleased to state:

- (a) the schemes being implemented by his Ministry under the "Welfare Schemes for Ex- Servicemen" and "Rehabilitation Training";
- (b) the criteria adopted by the Government for providing loans, grants and other financial assistance for these schemes alongwith the contribution/participation of the State Governments;
- (c) the details of such schemes being implemented by the Union Government/State Governments since April 1, 1998; and
- (d) the funds provided by the Union Government during the above period, year-wise, scheme- wise?

Answer

MINISTER OF DEFENCE (SHRI GEORGE FERNANDES)

(a) to (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 334 FOR 12.12.2002

The following schemes for the Welfare and Rehabilitation of ex-Servicemen are in operation:-

I. RESETTLEMENT SCHEMES:

(i) Re-employment: In order to provide re-employment opportunities to ex-servicemen in civilian departments the Central Government have provided for reservation in Group 'C' and Group 'D' vacancies for them. In Defence Security Corps 100% vacancies are reserved for ex-servicemen. In para-military forces 10% vacancies of Assistant Commandants are reserved for ex-servicemen. The Central Public Sector Undertakings and Nationalized Banks also provide for reservation in Group 'C' and Group 'D' posts.

(ii) Training: Directorate General Resettlement arranges various training programmes for ex-Servicemen/retiring Defence personnel to improve their employability. The training programmes include vocational training, ITI training and on the job training.

(iii) Self-Employment schemes:-Ex-Servicemen are provided financial assistance for self-employment ventures under following schemes:-

(a) SEMFEX-I Under this scheme, financial assistance is provided for establishing Tiny, Small Scale Industries, Small Scale Service and Business (Industry Related) Enterprises including Transport (Heavy Duty only), Travel and Tourism activities, Hotels and Restaurants, Nursing Homes/Clinics/Diagnostic Centres and other service activities.

Project Cost limit under this scheme is Rs. 15 lakhs and all eligible ex-Servicemen/Widows up to the age of 60 years are eligible to take the benefit of the scheme. Soft Seed Capital Assistance (SSCA) to the extent of 15 percent of the total project cost at 6% per annum rate of interest is also available under the scheme. The financial assistance is available through State Financial Corporations.

(b) SEMFEX-II The scheme envisages provision of comprehensive package of credit measures for encouraging ex- Servicemen, widows of deceased defence personnel and disabled Service Personnel to undertake agriculture and allied activities and set up non farm units in rural areas. There is no age limit for ex-Servicemen for availing loan facility.

There is no upper limits for financial assistance in respect of projects under farm sector. Loan assistance is, however, restricted to Rs. 15 lakhs in non-farm sector.

(c) SEMFEX-III Under the scheme loan for Khadi Industries is provided to ex-Servicemen by Khadi and Village Industries Commission (KVIC) at a nominal interest of 4% per annum. Maximum loan limit in case of Ex-Servicemen Co- operative Society/Institution is Rs.

25 lakhs whereas individual entrepreneurs can avail loan up to Rs. 10 lakhs. There is no age limit for ex-Servicemen for availing loan facility.

(d) National Equity Fund Scheme (Sena Se Laghudhyog) - The objective of this Scheme is to provide equity type support to entrepreneurs for setting up new projects in tiny/small scale sector or for undertaking expansion, modernisation, technology up-gradation and diversification by existing tiny, Small Scale Industries (SSI) and service enterprises. Under the Scheme the project cost ceiling is Rs. 50 lakh and soft loan assistance is provided @ 25% of the project cost subject to a maximum of Rs. 10 lakh per project. The promoter's contribution is 10% of the project cost. No interest is charged on the soft loan component. However, service charge of 5% per annum is levied, repayment period under the Scheme has been fixed for seven years (including moratorium up to three years).

**YEAR-WISE BREAKUP OF NUMBER OF CASES CLEARED FOR SETTING UP PRODUCTION UNITS IN VARIOUS SCHEMES
LOAN AMOUNT SANCTIONED AND ACTUAL DISBURSAL OF LOAN**

Amount in Lakh

SCHEME 96-1997 97-1998 98-1999 99-2000 2000-01 2001-2002@

SEMFEX-I

	96-1997	97-1998	98-1999	99-2000	2000-01	2001-2002@
No. of cases	10	12	12	9	Nil	Nil
Amount Sanctioned	13.75	5.50	15.49	5.63	Nil	Nil
Disbursed	10.41	5.50	14.97	5.61	Nil	Nil

SEMFEX-II

	96-1997	97-1998	98-1999	99-2000	2000-01	2001-2002@
No. of cases	415	359	468	297	4679	496
Amount Sanctioned	289.16	179.76	379.17	274.51	2828.16	277.95
Disbursed	192.87	171.04	266.94	265.98	2574.37	261.64

SEMFEX-III

	96-1997	97-1998	98-1999	99-2000	2000-01	2001-2002@
No. of cases	39	45	13	83	703	36
Amount Sanctioned	119.39	57.13	27.24	135.54	581.22	20.4
Disbursed	105.47	48.84	25.19	100.79	380.36	20.4

@ Figures for the year 2001-2002 is provisional. Information from all the states has not been received.

(iv) The ex-Servicemen are encouraged to float security agencies and coal transport companies. The Director General Resettlement sponsors ex-Servicemen security agencies to various public sector undertakings. The Coal India and its subsidiaries give coal transport contracts to transport companies floated by ex-Servicemen.

(v) Eight percent of petroleum product agencies have been reserved for allotment to widows/dependents of posthumous gallantry award winners, war disabled, war widows etc.

(vi) Ex-servicemen are eligible for allotment of Army Surplus Disposable Vehicles.

II. WELFARE SCHEMES

Medical Facilities:

(i) Ex-servicemen, their families and families of deceased Service personnel drawing pension of any kind are entitled to free out patient treatment in 127 Military Hospitals and more than 1000 Medical Inspection Rooms including 24 exclusively reserved for ex-servicemen. In-patient treatment is also provided subject to availability of beds.

(ii) Ex-servicemen who are not availing medical facilities from Military Hospitals may choose to draw Rs. 100/- every month for medical treatment.

(iii) Ex-servicemen/dependents suffering from serious diseases are given financial assistance from Armed Forces Flag Day Fund to the extent of 90 percent (in the case of Junior Commissioned Officers, Other Ranks) and 75 percent (in the case of officer level) of the total expenditure incurred for treatment in civil/authorized hospitals provided no financial assistance was available from any other source. These are by-pass surgery, Angioplasty, Angiography, Kidney/Renal Transplantation, Cancer/Spastic Paraplegic treatment, Coronary Artery Surgery, Open Heart Surgery, Valve Replacement, Pacemaker Implant. Financial Assistance is also provided to ex-servicemen/dependents for medical treatment in Civil/Authorized Hospitals from Army Group Insurance (AGI) at package rate for certain serious diseases.

Ex-Servicemen Contributory Health Scheme (ECHS):

It has been decided to introduce a new medical scheme for providing medical care to ex-Servicemen War widows and their dependents on the pattern of Central Government Health Scheme.

Education facilities for children:

(i) Free educational facilities are provided to children of Defence personnel killed or disabled in war.

(ii) 25 seats in the MBBS, two seats in BDS (Bachelor of Dental Surgery) and two seats in Engineering are available through Kendriya Sainik Board (KSB) to dependents/wards of certain categories of Defence personnel.

(iii) 25 percent seats are reserved for the wards of serving and ex-Servicemen personnel in Sainik Schools.

(iv) States/UTs have made reservation of seats in professional colleges/ITI/Polytechnics for wards of serving and retired Defence Personnel.

Travel Concession:

(i) Rail Travel Concession: Recipients of Chakra series of gallantry awards are entitled for free rail pass for travelling in I Class / II AC class.

(ii) Air Travel Concession: Recipients of Certain category of Gallantry Award and their widows are eligible to 50% concession in fare for air travel in domestic flights of the Indian Air Lines.

Other Facilities:

(i) Ex-servicemen can avail of Canteen facilities from the nearest CSD canteens.

(ii) Sainik Bhawans/Rest Houses spread all over the country have been established for ex-servicemen.

III. ELIGIBILITY CRITERIA FOR PROVIDING LOANS/ FINANCIAL ASSISTANCE TO EX-SERVICEMEN

(i) Those un-employed ex-Servicemen who have not availed the benefit for any other rehabilitation scheme run by the Government, are

eligible to avail loan facilities under Self-Employment Schemes (SEMFEX-I, II and III and National Equity Fund Scheme).

(ii) Those ex-Servicemen whose financial position is not sound are eligible for financial assistance for various purposes viz., medical treatment, marriage of daughters, repair of houses, education of children from Raksha Mantri's Discretionary Fund (RMDF).

IV. FUNDS PROVIDED FOR WELFARE SCHEMES BY THE GOVERNMENT

(i) All the resettlement and welfare schemes except National Equity Fund Scheme (Senase Laghudyog) were in operation prior to 1st April, 1998.

(ii) There is no specific budget allocation for the rehabilitation and welfare of ex- Servicemen and no financial grant is provided to State Governments for the purpose.