SEMFEX

The Self Employment Scheme For Ex-servicemen (SEMFEX-II) has been in operation since 15 January 1988. The scheme has been specially designed to provide a comprehensive package of credit for encouraging ex-servicemen, disabled service personnel, war widows and widows of ex-servicemen to undertake agricultural and allied activities or to set up non-farm units in rural areas to earn their livelihood for leading a dignified life.

Substantial number of armed forces personnel retires every year at a comparatively young age. Majority of the ex-servicemen, having stayed away from their families during their service, prefer to settle close to their homes in rural areas. Resettlement of these young retirees poses a major problem.

Every year, many army personnel lay their lives in the noble cause of defending the nation leaving behind their wives to fend for themselves. In their struggle to accomplish the task left undone on home front by their husbands, the war widows need to be provided with opportunities for gainful employment /occupation. Besides war widows, wives of ex-servicemen are also covered under SEMFEX-II. The coverage of this category of women in SEMFEX-II is significant in the context of march of women folk in India from dependence to independence. SEMFEX-II recognises the shift from 'welfare' approach to 'empowerment' approach in respect of war widows and wives of ex-servicemen as a part of human resources in the development process of the country.

Many army personnel sustain serious injuries and are rendered disabled for life. Despite the disabilities and handicaps they develop, they deserve a life with heads held high throughout the rest of their lives. SEMFEX-II covers them in the form of financial assistance for economic activities and opportunities.

"From Arms to Farms" (SEMFEX-II) scheme has been promoted with the assistance of National Bank for Agriculture and Rural Development (NABARD). This bank is the apex institution in the country for promoting agriculture and rural development. It provides refinance to banks for financing development of agriculture and allied activities such as minor irrigation, farm mechanisation, dairy etc. Recognising the importance of combining ancient wisdom with modern scientific knowledge NABARD aims at increasing production and productivity in agriculture by simultaneously ensuring diversification through cost effective mechanism of lowering down the cost of production by assured irrigation, good quality seeds, organic farming and post harvest technology. With a view to creating wage employment and self employment opportunities NABARD also supports cottage and village industries, tiny and small scale industries, handloom and handicrafts and service sector activities in rural areas.

SEMFEX-II has two sub-schemes as under :-

a. **Farm Sector**
b. Loans under this sector cover development of agriculture and allied activities such as minor irrigation, farm mechanisation including power tillers, nurseries, dairies, poultry, fisheries, plantation, horticulture, forestry, wasteland development etc.

b. Non-Farm Sector

This includes financial assistance for setting up in rural areas, units of tiny, cottage, village or small scale industries relating to a wide spectrum of approved industrial and service activities as discussed in detail in Chapter II.

c. With a view to increasing production and productivity in agriculture NABARD also considers sanction of high-tech / innovative schemes which involve use and adoption of modern methods of science and technology. A number of such schemes have been sanctioned by NABARD in the past.

Rural areas for the purpose of eligibility of refinance covers all the villages in the country and includes those areas comprised in any town the population of which does not exceed 50000 or such other figure RBI may indicate from time to time.

The agencies through which loans can be availed under SEMFEX-II are Commercial Banks (CBs), Regional Rural Banks (RRBs), Cooperative banks including scheduled primary urban cooperative banks