

# Jivhala loan scheme

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**In news**— On Maharashtra Day on May 1, the Maharashtra Department of Prisons has launched Jivhala (meaning 'affection' in Marathi) loan scheme for inmates serving sentences in jails across the state.

## Key features of the scheme-

- It has been launched primarily for convicted inmates who are undergoing a prison sentence of more than three years.
- The credit scheme is being offered by the Maharashtra State Cooperative Bank.
- The pilot version of the scheme was introduced for prisoners at Yerawada Central Jail in Pune, and will gradually be extended to nearly 60 prisons across the state.
- This is likely the **first kind of credit scheme for prisoners in India**. Existing loans initiatives for inmates are for rehabilitation after completion of their prison terms.
- Under this scheme, loan will be disbursed in the name of the inmate, and it will be issued to designated family members.
- In the initial phase, a loan of Rs 50,000 will be given at a 7 percent interest rate.
- Of the interest the bank earns, one percent will be given back to the system as a contribution to the Prisoners' Welfare Fund.
- The loan will be provided without any requirement of mortgage or guarantor.
- Inmates will be able to use the loans for education of their children, medical treatment of family members, legal fees, or any other expenses.
- On entering the prison system, an inmate is categorised

as skilled, semi-skilled or un-skilled and assigned work in various industrial and manufacturing units inside the prison. For this work, they are paid anywhere between Rs 50 to 70 as daily wages.

- The money, deposited in their accounts, can be used to buy essentials from the jail canteen and/or can be sent home. The inmates get their earnings from the jail upon their release.
- Once an inmate takes a loan, the Equated Monthly Installment calculated will be directly deducted from their prison accounts.

**Note:** Maharashtra Day, commonly known as Maharashtra Din is a state holiday in the state of Maharashtra, commemorating the formation of the state of Maharashtra in India from the division of the Bombay State on 1 May 1960. It is celebrated to commemorate the creation of a Marathi speaking state of Maharashtra.