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Maharashtra Starts DBT Payouts Under the Ahilyadevi Holkar Karjmafi Yojana

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Maharashtra Starts DBT Payouts Under the Ahilyadevi Holkar Karjmafi Yojana

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> *The Maharashtra government began crediting crop-loan-waiver money directly into farmers' Aadhaar-linked bank accounts on* **August 7, 2026***, transferring about* **Rs 5,028 crore** *to* **6.22 lakh** *eligible farmers in the first bulk tranche under the* **Punyashlok Ahilyadevi Holkar Shetkari Karjmukti Yojana (Karjmafi Yojana)***, Chief Minister Devendra Fadnavis announced.*

FROM CABINET APPROVAL TO PAYOUT

The scheme was first announced in the Maharashtra Budget for 2026-27, presented on **March 6, 2026**, and the state Cabinet, chaired by CM Fadnavis, formally approved it on **June 2, 2026**, with a Cabinet-cleared outlay of **Rs 36,585 crore** intended to benefit roughly **56 lakh farmers**. Implementation, however, was not immediate. A detailed Government Resolution (GR) followed, laying out eligibility and Aadhaar-authentication requirements, and the Cooperation Department released its **first sample list of just 553 farmers**, worth **Rs 2.99 crore**, on **July 22, 2026**, a pilot batch delayed in part because the Income Tax Department had not yet shared its list of taxpayer farmers needed to screen out ineligible applicants. By **August 6, 2026**, Aadhaar authentication had been completed for **12.10 lakh** loan accounts, and the first mass DBT tranche, Rs 5,028 crore to 6.22 lakh farmers, followed a day later. Fadnavis said the process is now largely automatic: "If we receive the authenticated data in one day, we can transfer the money in one day," making Aadhaar authentication the binding constraint on how fast the remaining eligible farmers get paid.

WHO QUALIFIES

The waiver covers **short-term crop loans up to Rs 2 lakh** taken between **April 1, 2019 and March 31, 2025**, where the loan was overdue as of **September 30, 2025** and remained unpaid as of **March 31, 2026**. Separately, farmers who have repaid their crop loans regularly and are not classified as defaulters are eligible for an incentive of up to **Rs 50,000** for maintaining repayment discipline, a design meant to avoid penalising farmers who did not default. The scheme has no landholding-size restriction. Opposition parties have criticised the eligibility conditions, particularly the Income Tax cross-check and the strict overdue-date window, arguing that they exclude a significant share of financially distressed farmers from the payout.

HOW THE DBT/JAM ARCHITECTURE DELIVERS IT

The waiver is disbursed entirely through **Direct Benefit Transfer (DBT)**, built on the **JAM trinity**, **Jan Dhan bank accounts, Aadhaar identity, and Mobile-linked verification**, rather than through loan write-offs routed via bank branches or cooperative societies as in earlier waiver schemes. Farmers must complete **Aadhaar authentication** and be registered on the **Agristack Farmer Registry Platform**; once a farmer's loan account is authenticated, the waiver or incentive amount moves automatically from the state treasury into the farmer's bank account, bypassing manual disbursal at the branch level. The entire process is run online through the Cooperation Department, with the state also directing banks to issue fresh Kharif crop loans immediately to beneficiaries so the waiver does not leave farmers without credit access for the ongoing sowing season.

HOW THIS COMPARES TO THE 2008 CENTRAL WAIVER

Maharashtra's scheme invites direct comparison with the **Agricultural Debt Waiver and Debt Relief Scheme (ADWDRS), 2008**, the Union government's last waiver of comparable national significance.

PARAMETER	ADWDRS 2008 (CENTRE)	KARJMAFI YOJANA 2026 (MAHARASHTRA)
Launch	May 2008	Budget announcement March 6, 2026; Cabinet approval June 2, 2026
Coverage	3.73 crore farmers, nationwide	~56 lakh farmers, Maharashtra
Total cost	Rs 52,259.86 crore	Rs 36,585 crore (Cabinet-approved)
Waiver cap	Full waiver for marginal/small farmers; 25% relief for others	Up to Rs 2 lakh per farmer
Delivery	Through banks/cooperative credit institutions	Direct Benefit Transfer via Aadhaar-linked accounts
Closure	Debt-waiver portion closed June 30, 2008; debt-relief portion closed June 30, 2010	Ongoing, first tranche paid August 7, 2026

The structural difference is delivery architecture: the 2008 scheme routed relief through the banking system's own books, which the Comptroller and Auditor General later flagged for implementation flaws, while Maharashtra's 2026 scheme uses DBT to pay farmers directly, a design intended to reduce leakage and processing time, though it shifts the bottleneck from bank paperwork to Aadhaar-authentication and Income Tax cross-verification instead.

THE FISCAL-SUSTAINABILITY-VERSUS-STRUCTURAL-REFORM DEBATE

The case for the waiver. Crop loan waivers offer immediate, visible debt relief to farmers who have been unable to repay due to crop failure, price volatility, or input-cost inflation, and a well-targeted DBT-based waiver, unlike blanket write-offs, avoids rewarding large or non-distressed borrowers disproportionately. Immediate relief can also restore a farmer's creditworthiness, since a cleared loan account allows fresh borrowing for the next season, which the state has tried to reinforce by directing banks to release new Kharif loans to waiver beneficiaries right away.

The counter to engage. Economists and fiscal analysts have long argued that loan waivers are a recurring fiscal drain that treats a symptom rather than the underlying causes of agrarian distress, weak crop insurance penetration, inadequate irrigation coverage, and Minimum Support Price (MSP) mechanisms that do not fully protect farm incomes against price shocks. A Rs 36,585 crore outlay places direct pressure on Maharashtra's fiscal deficit at a time the state is also funding other welfare commitments, and repeated waivers can erode credit discipline over time, as farmers anticipate future waivers and are less incentivised to repay on schedule, a moral-hazard risk that cuts against the very Rs 50,000 incentive the state has built in for prompt repayers.

Way forward. The consensus among agricultural economists is that debt waivers work best as one-time relief paired with structural fixes, expanding crop insurance coverage under schemes like the **Pradhan Mantri Fasal Bima Yojana (PMFBY)**, improving irrigation access to reduce dependence on erratic rainfall, and ensuring MSP procurement actually reaches distressed farmers, rather than as a standalone or recurring instrument. Maharashtra's DBT-based delivery is a genuine administrative improvement over 2008-style bank-routed waivers, but the scheme's long-run value for UPSC-relevant policy analysis lies less in the waiver itself and more in whether it is followed by investment in the risk-management architecture (insurance, irrigation, price support) that reduces the need for the next waiver.

UPSC RELEVANCE

GS Paper 3: Issues related to direct and indirect farm subsidies and minimum support prices; agricultural produce marketing; e-technology in aid of farmers; Direct Benefit Transfer and JAM trinity.

Prelims focus: Scheme name and its full form, Cabinet approval date, outlay and beneficiary numbers, the loan-period eligibility window (April 2019-March 2025), the Rs 50,000 regular-repayer incentive, and the ADWDRS 2008 comparison figures (3.73 crore farmers, Rs 52,259.86 crore).

📌 FACTS CORNER, KNOWLEDGEPEDIA

PUNYASHLOK AHILYADEVI HOLKAR SHETKARI KARJMUKTI YOJANA:

Announced: Maharashtra Budget 2026-27, March 6, 2026; Cabinet approval: June 2, 2026

Cabinet-approved outlay: Rs 36,585 crore; beneficiaries: about 56 lakh farmers

Waiver cap: up to Rs 2 lakh per farmer, on short-term crop loans taken April 1, 2019 to March 31, 2025, overdue as of September 30, 2025, unpaid as of March 31, 2026

Regular-repayer incentive: up to Rs 50,000

Delivery: Direct Benefit Transfer (DBT) via Aadhaar-linked bank accounts, routed through the Agristack Farmer Registry Platform and the state Cooperation Department

TIMELINE OF DISBURSAL:

First pilot list: 553 farmers, Rs 2.99 crore, released July 22, 2026

Aadhaar authentication completed for 12.10 lakh accounts by August 6, 2026

First mass DBT tranche: about Rs 5,028 crore to 6.22 lakh farmers, August 7, 2026

CENTRAL COMPARISON (ADWDRS, 2008):

Beneficiaries: 3.73 crore farmers nationwide; total cost: Rs 52,259.86 crore

Full waiver for marginal/small farmers; 25% one-time relief for other farmers

Debt-waiver portion closed June 30, 2008; debt-relief portion closed June 30, 2010

Sources: PIB, The Hindu, Indian Express, NABARD

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