



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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Review of Ways and Means Advances Scheme of State Governments/ UTs

Based on the recommendations of the [Advisory Committee on Ways and Means Advances \(WMA\) to State Governments, 2021](#) (Chairman: Shri Sudhir Shrivastava), the Reserve Bank of India (RBI) has revised the WMA Scheme of States and Union Territories (UTs) as under:

WMA Limit

The WMA limit arrived at by the Committee based on total expenditure of States/ UTs, works out to ₹47,010 crore. As the effect of the COVID-19 pandemic is still prevalent, the existing interim WMA limit of ₹51,560 crore for all States/ UTs shall continue for six months *i.e.*, up to September 30, 2021 (State/ UT-wise WMA limits are given in the [Annex](#)). The Reserve Bank will review the WMA limit thereafter, depending on the course of the pandemic and its impact on the economy.

Special Drawing Facility (SDF)

SDF availed by State Governments/ UTs shall continue to be linked to the quantum of their investments in marketable securities issued by the Government of India, including the Auction Treasury Bills (ATBs). The net annual incremental investments in CSF and GRF shall continue to be eligible for availing of SDF, without any upper limit. A uniform hair cut of 5 per cent shall be applied on the market value of securities, for determining the operating limit of SDF on a daily basis.

Overdraft (OD) Regulations

The interim relaxations¹ on OD were effective till March 31, 2021. Thereafter, extant OD Regulations of State Governments/ UTs are in force.

Interest Rate on SDF, WMA and OD

Interest rate on SDF, WMA and OD shall continue to be linked to the Policy rate of the Reserve Bank *i.e.*, the Repo Rate. Interest will be charged for all the days the advance remains outstanding.

The prevailing rates are retained as given below:

Scheme	Limit	Rate of Interest
SDF	If availed against net annual incremental investment in CSF and GRF	Repo rate minus 2 per cent
	If availed against investment in G-sec/ ATBs	Repo rate minus 1 per cent

¹ Interim relaxation was granted in OD facility vide [RBI Press Release dated April 7, 2020](#). Accordingly, the number of days a State can continue to be in OD was increased from 14 to 21 consecutive working days and from 36 to 50 working days in a quarter.

WMA	If outstanding up to 3 months from the date of making the advance	Repo rate
	If outstanding beyond three months from the date of making the advance	Repo rate plus 1 per cent
OD	If availed up to 100 per cent of WMA limit	Repo rate plus 2 per cent
	If exceeds 100 per cent of WMA limit	Repo rate plus 5 per cent

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(Yogesh Dayal)
Chief General Manager

Annex: WMA Limit of State Governments and UTs

(Amount in ₹ crore)

S. No.	States/ UT s	WMA Limit valid up to September 30, 2021
1	2	3
1	Andhra Pradesh	2,416.00
2	Arunachal Pradesh	312.00
3	Assam	1,504.00
4	Bihar	2,272.00
5	Chhattisgarh	1,056.00
6	Goa	272.00
7	Gujarat	3,064.00
8	Haryana	1,464.00
9	Himachal Pradesh	880.00
10	Jammu and Kashmir	1,408.00
11	Jharkhand	1,152.00
12	Karnataka	3,176.00
13	Kerala	1,944.00
14	Madhya Pradesh	2,560.00
15	Maharashtra	5,416.00
16	Manipur	312.00
17	Meghalaya	280.00
18	Mizoram	256.00
19	Nagaland	328.00
20	Odisha	1,576.00
21	Punjab	1,480.00
22	Rajasthan	2,608.00
23	Tamil Nadu	3,960.00
24	Telangana	1,728.00
25	Tripura	408.00
26	Uttar Pradesh	5,680.00
27	Uttarakhand	808.00
28	West Bengal	3,032.00
29	Puducherry	208.00
Total (All States/ UTs)		51,560.00