

**भारतीय रिज़र्व बैंक**  
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April 01, 2022

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

The limits for financial accommodation extended by the Reserve Bank of India to State Governments / Union Territories (UTs) through Ways and Means Advances (WMA), Special Drawing Facility (SDF) and Overdraft (OD) schemes were last reviewed and **announced** in [October 2021](#). Considering the uncertainties related to the ongoing pandemic, it was decided to continue with the higher WMA limit of ₹51,560 crore for all States, by a further period of six months i.e., up to March 31, 2022.

On a review of the limits and keeping in view the gradual lifting of Covid-19 restrictions, it has been decided to revert to the WMA limits and timelines for OD for State Governments / UTs as recommended by the [Advisory Committee on Ways and Means Advances to State Governments \(Chairman: Shri Sudhir Shrivastava\)](#). These norms will be effective from April 01, 2022 and are subject to review. The major features of the WMA Scheme are as under:

**Ways and Means Advances**

The WMA limit for State Governments/UTs will be ₹47,010 crore. State/UT-wise WMA limits are given in the [Annex](#).

**Special Drawing Facility**

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 Auction Treasury Bills (ATBs). The net annual incremental investments in Consolidated Sinking Fund (CSF) and Guarantee Redemption Fund (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**

Overdraft facility would be provided based on the following guidelines:

- State Governments/UTs can avail overdraft on 14 consecutive days;
- State Governments/UTs can be in OD for a maximum number of 36 days in a quarter;
- If the OD exceeds 100 per cent of the WMA limit for five consecutive working days for the first time in a financial year, Reserve Bank will advise the State to bring down the OD level within the 100 per cent of WMA limit. If, however, such irregularity occurs on a second or subsequent occasion in the financial year, the Reserve Bank will stop payments notwithstanding clauses (a) & (b) above.

## Interest Rates 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:

<b>Scheme</b>	<b>Limit</b>	<b>Rate of Interest</b>
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
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 it exceeds 100 per cent of WMA limit	Repo rate plus 5 per cent

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**(Yogesh Dayal)**  
Chief General Manager

### WMA Limit of State Governments and UTs

(Amount in ₹ crore)

Sl.No.	States/UTs	WMA Limit
1	2	3
1	Andhra Pradesh	2,252.00
2	Arunachal Pradesh	285.00
3	Assam	1,243.00
4	Bihar	2,272.00
5	Chhattisgarh	1,056.00
6	Goa	203.00
7	Gujarat	2,518.00
8	Haryana	1,464.00
9	Himachal Pradesh	656.00
10	Jammu and Kashmir	1050.00
11	Jharkhand	1,067.00
12	Karnataka	3,137.00
13	Kerala	1,683.00
14	Madhya Pradesh	2,560.00
15	Maharashtra	4,686.00
16	Manipur	233.00
17	Meghalaya	209.00
18	Mizoram	191.00
19	Nagaland	245.00
20	Odisha	1,576.00
21	Puducherry	155.00
22	Punjab	1,104.00
23	Rajasthan	2,608.00
24	Tamil Nadu	3,601.00
25	Telangana	1,728.00
26	Tripura	304.00
27	Uttar Pradesh	5,680.00
28	Uttarakhand	602.00
29	West Bengal	2,641.00
	<b>Total (All States/UTs)</b>	<b>47,010.00</b>