

# STATE GOVERNMENT FINANCES

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**WMA and OD facilities were tapped more frequently in FY2024 relative to FY2023, led by Kerala and Punjab**

**JUNE 2024**





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*SDF usage increased to 2,506 days in FY2024 from 1,300-2,100 days during FY2021-23*

*The frequency of using the WMA facilities jumped to 2,029 days in FY2024 from 1,700-1,850 days during FY2021-23*

*The number of days in OD rose to 749 in FY2024 from 440-720 days in FY2021-23*

The Reserve Bank of India (RBI) provides financial accommodation to 27 state governments (except Sikkim) and two Union Territories (UTs) through special drawing facility (SDF), ways and means advances (WMA) and overdraft (OD) facility to address temporary mismatches in their receipts and payments. In FY2024, the frequency of tapping SDF, WMA and OD facilities stood at 2,506 days (16 states) , 2,029 days (14 states/UT) and 749 days (11 states/UT), respectively, surpassing the FY2021-23 levels.

The increase in the number of days of SDF usage (by 741 days) in FY2024 relative to FY2023 was led by Kerala, Uttarakhand, Mizoram and Punjab. Additionally, the increase in the usage of the WMA facility by 311 days in FY2024 from FY2023 was mainly led by Kerala and Punjab. Moreover, Kerala alone accounted for 80% of the 81-day rise in OD usage in FY2024 relative to FY2023. The contraction in grants from the Centre in FY2024 from the year-ago levels for both Kerala and Punjab, along with the reported cut in Kerala's borrowing limit in FY2024, seem to have tightened the liquidity position of these two states, increasing their reliance on WMA and/or OD facilities. Some states with a considerable reliance on the liquidity facilities also had not availed funds under the Government of India's (Gol's) special assistance to states for capital expenditure (capex loan scheme) in FY2024 until January 2024.

### Exhibit: Number of states availing the liquidity facilities from the RBI in FY2024

Facility	Number of states/UT	States/UT
SDF	16	Andhra Pradesh (AP), Assam, Bihar, Chhattisgarh, Goa, Haryana, Kerala, Maharashtra, Manipur, Meghalaya, Mizoram, Nagaland, Punjab, Rajasthan, Telangana and Uttarakhand
WMA	14	AP, Assam, Haryana, Himachal Pradesh (HP), Jammu and Kashmir (J&K), Kerala, Manipur, Meghalaya, Mizoram, Nagaland, Punjab, Rajasthan, Telangana and Uttarakhand
OD	11	AP, HP, J&K, Kerala, Manipur, Meghalaya, Mizoram, Nagaland, Punjab, Telangana and Uttarakhand



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