

STATE GOVERNMENT FINANCES

Aggregate usage of WMA and OD facilities declined in FY2025 relative to FY2024, although it remained sizeable for a few states

MAY 2025





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SDF usage increased to 2,809 days in FY2025 from 1,300-2,510 days during FY2021-FY2024.

The frequency of using the WMA facilities declined to 1,873 days in FY2025 from 2,029 days in FY2024.

The number of days in OD dipped to 570 in FY2025 from 660-750 days in FY2022-FY2024.

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 FY2025, the frequency of tapping the SDF rose from FY2024 (by 303 days), primarily led by Kerala, Manipur and Meghalaya. Few states, namely Karnataka, Bihar, Odisha, Gujarat, Maharashtra, Uttar Pradesh (UP), had high balances in Auction Treasury Bills (ATBs) and/or Consolidated Sinking Fund (CSF; against which SDF can be availed), despite which they refrained from tapping into SDF in FY2025.

The usage of the WMA (by 156 days) and the OD (by 179 days) windows by the state governments/UTs in FY2025 declined appreciably from FY2024, chiefly led by the North East (NE) and hilly states. Despite some improvement from FY2024, the WMA usage of Andhra Pradesh (AP), Manipur and Telangana continued to exceed 250 days in FY2025. that of Kerala and Punjab also remained elevated at over 288 days and 201 days in FY2025, respectively, worsening from FY2024.

Similarly, notwithstanding the improvement in the frequency of usage of the OD window by AP, Manipur and Telangana in FY2025 from FY2024, they continued to access this facility for over 80 days in FY2025. The OD usage of Kerala, Himachal Pradesh and Punjab increased by 27-40 days in FY2025 from the year-ago level.

Exhibit: Number of states availing the liquidity facilities from the RBI in FY2025

Facility	Number of states/UT	States/UT
SDF	16	AP, Assam, Chhattisgarh, Goa, Haryana, Jammu and Kashmir (J&K), Jharkhand, Kerala, Manipur, Meghalaya, Mizoram, Nagaland, Punjab, Rajasthan, Telangana and Uttarakhand
WMA	13	AP, Haryana, Himachal Pradesh (HP), J&K, Kerala, Manipur, Meghalaya, Mizoram, Nagaland, Punjab, Rajasthan, Telangana and Uttarakhand
OD	9	AP, HP, J&K, Kerala, Manipur, Meghalaya, Punjab, Telangana and Uttarakhand



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Analytical Contact Details

Name	Designation	Email	Contact Number
Aditi Nayar	Chief Economist, Head – Research & Outreach	aditin@icraindia.com	0124- 4545 385
Neetika Shridhar	Assistant Vice-President	neetika.shridhar@icraindia.com	0124 – 4545 305
Jaspreet Kaur	Senior Analyst	jaspreet.kaur@icraindia.com	0124 – 4545 853





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Business Development/Media Contact Details

Name	Designation	Email	Contact Number
L Shivakumar	Chief Business Officer	shivakumar@icraindia.com	022-61693304
Neha Agarwal	Head – Research Sales	neha.agarwal@icraindia.com	022-61693338
Rohit Gupta	Head Business Development – Infrastructure Sector	rohitg@icraindia.com	0124-4545340
Vivek Bhalla	Head Business Development – Financial Sector	vivek.bhalla@icraindia.com	022-61693372
Vinita Baid	Head Business Development – East	vinita.baid@icraindia.com	033-65216801
Shivam Bhatia	Head Business Development – Corporate Sector – North & South	shivam.bhatia@icraindia.com	0124-4545803
Sanket Kulkarni	Head Business Development – Corporate Sector – West	sanket.Kulkarni@icraindia.com	022 – 61693365
Naznin Prodhani	Head – Group Corporate Communications & Media Relations	communications@icraindia.com	0124-4545860





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