

STATE GOVERNMENT FINANCES - Weekly SGS

**Weighted average SGS cut-off rose
to 7.94%, highest since July 2022**

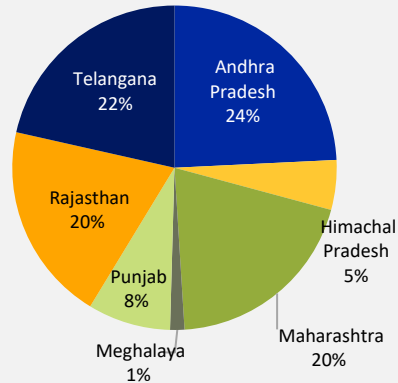
April 7, 2026





[Click to see full report](#)

EXHIBIT: State-wise composition of issuance in the first weekly auction of FY2027



Source: Reserve Bank of India (RBI); ICRA Research

Seven state governments raised Rs. 182 billion through state government securities (SGS) on April 7, 2026, in the first weekly auction of FY2027. This was in line with the indicated amount, albeit 4.2x the amount raised in the same period last year. In the auction held on April 7, 2026, ~78% of the total was issued in longer tenors, ~15% in shorter tenors and the balance ~8% in the 10-year bucket. The weighted average SGS cut-off in the auction held on April 7, 2026, was 7.94%, up 2 bps from the last weekly auction of FY2026. This is the highest weighted average cut-off since July 2022. Notably, the cut-offs of Andhra Pradesh, Maharashtra, Rajasthan and Telangana's 23-31-year papers were in a narrow band of 8.06-8.07%.

The 10-year G-sec (06.48 GS 2035) yield breached 7% for the first time in nearly two years on March 30, 2026 and closed at 7.05% on April 7, 2026. This reflected rising global geopolitical uncertainties, spike in crude oil prices and firming of US Treasury yields. With the weighted average cut-offs of the 10-year SGS at 7.87%, its spread with the 10-year G-sec yield stood at 82 bps on April 7, 2026, up from 78 bps in the last auction of FY2026.

Additionally, as per the data published by the RBI, the total stock of T-Bills of the state governments stood at Rs. 634 billion as on March 27, 2026, the lowest since April 2024. Typically, T-Bill investments tend to taper off towards the end of the fiscal year, which could be on account of back-ended release of funds by state governments.

EXHIBIT: SGS issuances in FY2027 so far

Amount in Rs. billion	Indicated	Notified (including green shoe)	Raised	Cumulative till this week	SGS weighted average cut-off	10-year SGS and G-sec spread
April 7, 2026	182	182	182	182	7.94%	82 bps
April 8, 2025	209	35	35	153	6.85%	NA



ICRA

Analytical Contact Details

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





ICRA

Business Development/Media Contact Details

Name	Designation	Email	Contact Number
L Shivakumar	Chief Business Officer	shivakumar@icraindia.com	022-61693304
Sai Krishna	Head - Research Sales and Investor Connect	sai.krishna1@icraindia.com	9840774883
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	022-6169 3365
Naznin Prodhani	Head - Group Corporate Communications & Media Relations	communications@icraindia.com	0124-4545860





© Copyright, 2026 ICRA Limited. All Rights Reserved.

All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies, while publishing or otherwise disseminating other reports may have presented data, analyses and/or opinions that may be inconsistent with the data, analyses and/or opinions in this publication. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.

#35YearsofUnwaveringCredibility



ICRA

35
Years of
Unwavering
Credibility

Thank You!

#35YearsofUnwaveringCredibility

Sensitivity Label : Public