

## STATE GOVERNMENT FINANCES - Weekly SGS

Weighted average SGS cut-off eased  
by 8 bps to 7.73% amid lower-than-  
indicated borrowing

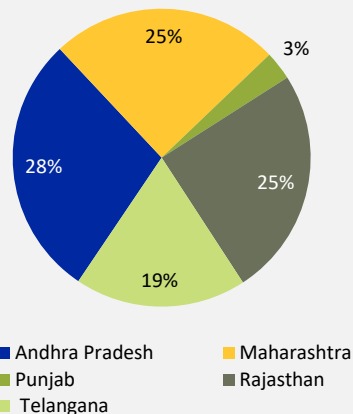
April 21, 2026





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**EXHIBIT: State-wise composition of issuance on April 21, 2026**



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

Five state governments raised Rs. 169 billion through state government securities (SGS) on April 21, 2026, a sharp ~28% below the indicated amount as per the Q1 FY2027 auction calendar. Notably, the Government of India (GoI) released Rs. 878 billion as tax devolution to all states on April 10, 2026, which may have eased immediate cash flow requirements of some states. The actual issuance by states that had adopted the Benchmark Issuance Strategy (BIS) was in line with their indicated amounts for this auction. In contrast, Goa, Gujarat, Manipur, Tamil Nadu and West Bengal (all non-BIS states) had indicated borrowing of Rs. 74 billion on April 21, 2026, but did not participate. Additionally, Punjab borrowed an additional Rs. 8 billion through SGS in the third weekly auction of April 2026.

In the auction held on April 21, 2026, ~67% of the total issuance was in longer tenors, ~26% in shorter tenors and the balance 7% in the 10-year bucket. The weighted average tenor of all SGS declined to 15 years in the third weekly auction from 16 years last week. The weighted average SGS cut-off dipped by 8 bps to 7.73% in the auction held on April 21, 2026, from 7.81% last week. Notably, the cut-off of Punjab's 12-year paper at 7.84% was higher than the cut-off of 7.70% for Telangana's 11-year SGS and 7.81% for Andhra Pradesh's 30-year SGS.

The 10-year G-sec (06.48 GS 2035) and SGS yield stood at 6.89% and 7.64%, respectively, on April 21, 2026. Accordingly, the spread between them eased to 75 bps compared to 78-82 bps in the last few auctions.

**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
<b>April 21, 2026</b>	235	169	169	478	7.73%	75
<b>April 22, 2025</b>	177	109	109	292	6.95%	38



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