

STATE GOVERNMENT FINANCES - Weekly SGS

Actual issuances in April 2026 were 23% lower than indicated, narrower than earlier 40–80% gap, aided by in-line issuance of BIS states

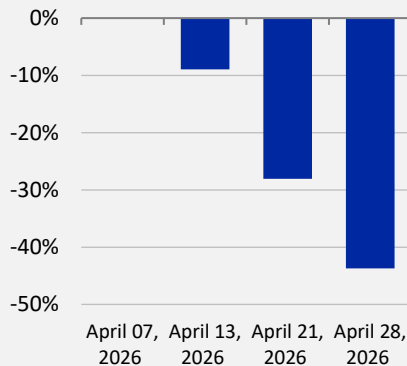
April 28, 2026





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EXHIBIT: Deviation between actual and indicated issuance in April 2026



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

Seven state governments raised Rs. 143 billion through state government securities (SGS) on April 28, 2026, a sharp ~44% below the indicated amount as per the Q1 FY2027 auction calendar. The actual issuance by states that had adopted the Benchmark Issuance Strategy (BIS) continued to be in line with their indicated amounts for this auction. In contrast, the non-BIS states, Goa, Gujarat, Karnataka, Odisha, Punjab, Tamil Nadu and West Bengal had indicated borrowing of Rs. 110 billion on April 28, 2026, but did not participate. Moreover, Uttarakhand partially accepted bids (Rs. 3 billion vs. Rs. 5 billion) for its 10-year paper. Overall, the SGS issuance in April 2026 was 23% below the indicated amount, significantly narrower than the 40-80% shortfalls during April FY2023-FY2026, following in-line issuance by the BIS states.

In the auction held on April 28, 2026, ~57% of the total issuance was in longer tenors, ~23% in shorter tenors and the balance 20% in the 10-year bucket. The weighted average tenor of all SGS declined to 14 years in the last weekly auction of April 2026 from 15 years last week. The weighted average SGS cut-off inched up to 7.74% in the auction held on April 28, 2026, from 7.73% last week.

The 10-year G-sec (06.48 GS 2035) rose to 6.98% on April 28, 2026 from 6.89% last Tuesday, reflecting rising crude oil prices and global uncertainties. During the same period, the weighted average cut-off of 10-year SGS increased to 7.71% from 7.64%. Accordingly, the spread between them eased to 73 bps on April 28, 2026 from 75 bps last week.

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 28, 2026	255	145	143	621	7.74%	73 bps
April 29, 2025	271	247	247	539	6.75%	38 bps



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