

## STATE GOVERNMENT FINANCES - Weekly SGS

**Weighted average SGS cut-off eased  
by 12 bps to 7.71%; spread between  
10-year SGS and G-sec yield  
softened by 1 bp to 71 bps**

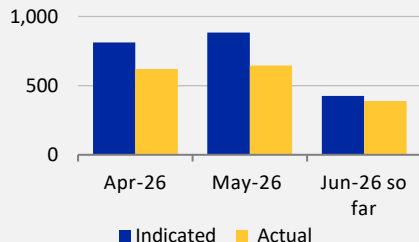
**June 9, 2026**





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**EXHIBIT: Indicated and actual issuance (Rs. billion) in Q1 FY2027 till date**



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

Nine state governments and one Union Territory (UT) raised Rs. 148 billion through state government securities (SGS) on June 9, 2026, which was 18.9% below the indicated amount in the Q1 FY2027 auction calendar. 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, four non-BIS states – Goa, Haryana, Karnataka and Odisha– had indicated a borrowing of Rs. 40 billion on June 9, 2026, but did not participate in the auction. Further, Tamil Nadu under-borrowed by Rs. 5 billion. In contrast, Gujarat and Manipur raised an additional Rs. 5 billion and Rs. 0.5 billion, respectively, through SGS. Moreover, Jammu and Kashmir borrowed Rs. 5 billion, even though it had not indicated its participation in this auction.

In the auction held on June 9, 2026, ~80% of the total issuance was in longer tenors, ~13% in shorter tenors and the balance 7% in the 10-year bucket. The weighted average tenor of all SGS declined to 15 years in this auction from 17 years last week. The weighted average SGS cut-off eased by 12 bps to 7.71% in the auction held on June 9, 2026, from 7.83% last week. The new benchmark 10-year G-sec (06.94 GS 2036) yield softened to 6.92% on June 9, 2026 from 7.0% last Tuesday. This reflected several announcements made by the Reserve Bank of India (RBI) and Government of India (GoI) on June 5, 2026 to attract foreign investments in G-secs. The weighted average cut-off of 10-year SGS eased to 7.63% on June 9, 2026 from 7.72% last Tuesday. Accordingly, the spread between them eased to 71 bps on June 9, 2026 from 72 bps last week.

On a cumulative basis, SGS issuance stands at Rs. 1.66 trillion in Q1 FY2027 till date, a mild 0.2% higher than Rs. 1.65 trillion raised in the same period previous year. Notably, the actual borrowings were 22% below the Rs. 2.1 trillion planned for this period, on account of 23-27% shortfalls in April and May 2026.

Separately, the average monthly investments of state governments in 14-day intermediate treasury bills (ITBs) declined to Rs. 1.5 trillion in May 2026 from Rs. 2.0 trillion in April 2026. However, investments in auction treasury bills (ATBs) increased to Rs. 992 billion from Rs. 685 billion in the same period.

**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
June 9, 2026	183	148	148	1,655	7.71%	71 bps
June 10, 2025	115	183	183	1,651	6.89%	44 bps



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