

STATE GOVERNMENT FINANCES - Weekly SGS

**SGS cut-off rises by 6 bps to 6.74%
amidst elongation of tenor**

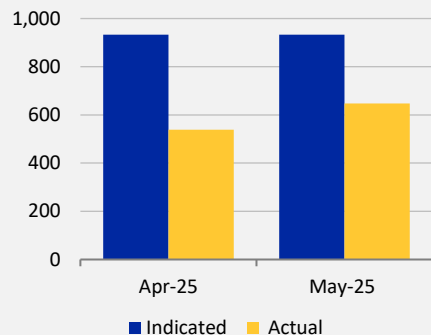
MAY 27, 2025





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EXHIBIT: Actual and indicated SGS issuances (Rs. billion)



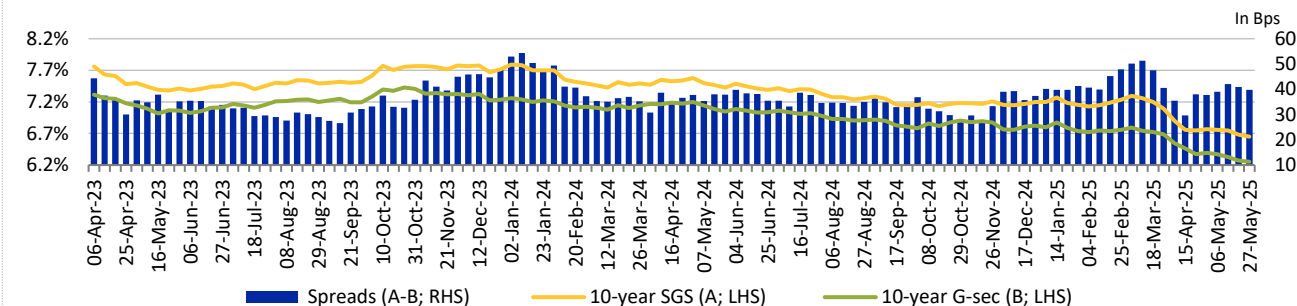
Source: Reserve Bank of India (RBI); ICRA Research

Eight states and one Union Territory (UT) together raised Rs. 157 billion through state government securities (SGS) on May 27, 2025, a sharp 46% below the amount indicated for this week in the Q1 FY2026 auction calendar. The weighted average cut-off of the SGS rose to 6.74% on May 27, 2025, from 6.68% last week, with the increase in the weighted average tenor to 17 years from 14 years. The spread between the cut-off yield of the 10-year SGS and the new 10-year G-sec (6.33 GS 2035) declined mildly to 40 bps on May 27, 2025, from 41 bps last week.

EXHIBIT: SGS issuances in FY2026 so far

Amount in Rs. billion	Indicated	Notified	Raised	Cumulative till this week
Week of May 27, 2025	289	158	157	1,186
Week of May 28, 2024	331	212	212	940
Growth	-12.7%	-25.5%	-26.2%	26.2%

EXHIBIT: Spread between weighted average cut-off of 10-year state and GoI G-sec yield





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