

STATE GOVERNMENT FINANCES - Weekly SGS

**SGS cut-off rises by 8 bps to 6.82%
amid sharply higher-than-indicated
issuances**

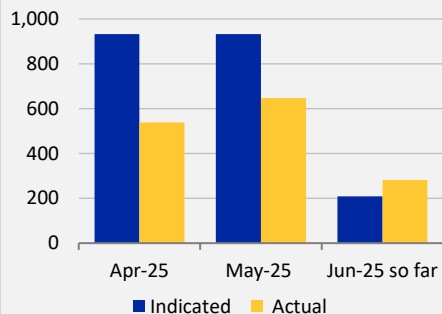
JUNE 3, 2025





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



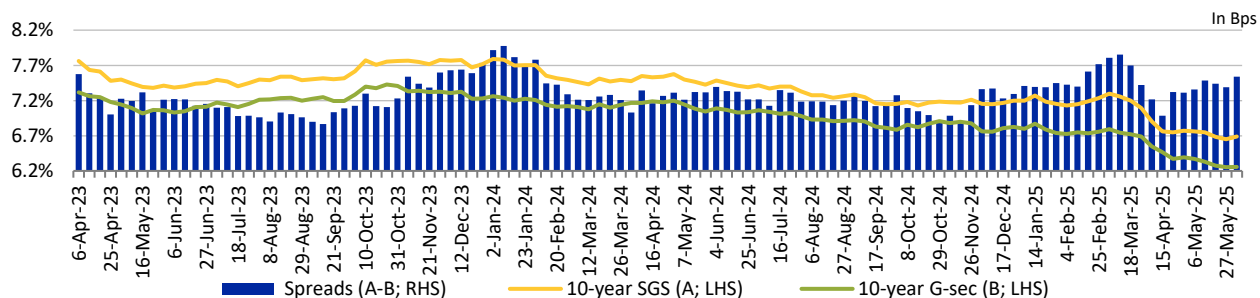
Source: Reserve Bank of India (RBI); ICRA Research

Twelve states together raised Rs. 282 billion through state government securities (SGS) on June 3, 2025. This was a sizeable ~35% above the amount indicated for this week in the Q1 FY2026 auction calendar. The weighted average cut-off of the SGS rose to 6.82% on June 3, 2025, from 6.74% last week, with a mild increase in the weighted average tenor to 18 years from 17 years. The spread between the cut-off yield of the 10-year SGS and the 10-year G-sec (6.33 GS 335) increased to 44 bps on June 3, 2025, from 40 bps last week.

EXHIBIT: SGS issuances in FY2026 so far

Amount in Rs. billion	Indicated	Notified	Raised	Cumulative till this week
Week of June 3, 2025	209	294	284	1,468
Week of June 4, 2024	186	195	195	1,135
Growth	12.4%	50.8%	44.5%	29.4%

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





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