

STATE GOVERNMENT FINANCES - Weekly SGS

**SGS cut-off climbs by 9 bps to 6.98%,
with the increase in tenor to 24 from
17 years**

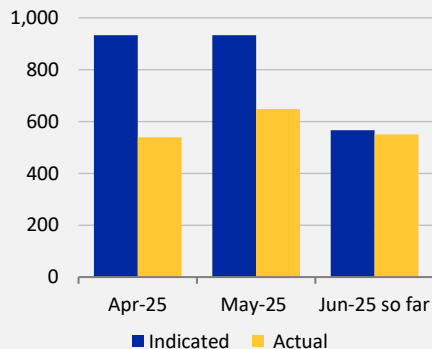
JUNE 17, 2025





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



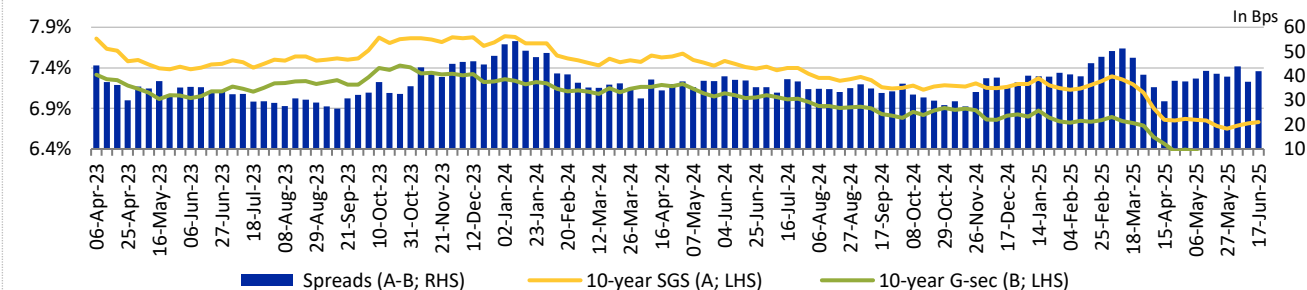
Source: Reserve Bank of India (RBI); ICRA Research

In a small-sized auction, four state governments together raised Rs. 85 billion through state government securities (SGS) on June 17, 2025, only a third of the amount indicated for this week in the Q1 FY2026 auction calendar. This followed the release of two instalments of tax devolution to the states in June 2025. The weighted average cut-off of the SGS climbed to 6.98% on June 17, 2025, up from 6.89% last week, with the rise in the weighted average tenor to 24 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 2035) increased to 42 bps on June 17, 2025, from 38 bps last week.

EXHIBIT: SGS issuances in FY2026 so far

Amount in Rs. billion	Indicated	Notified	Raised	Cumulative till this week
Week of June 17, 2025	242	85	85	1,736
Week of June 18, 2024	162	95	95	1,288
Growth	49.8%	-10.5%	-10.5%	34.9%

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





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