

STATE GOVERNMENT FINANCES - Weekly SGS

**SGS cut-off rises by 5 bps to 7.10%;
spreads widened to 57 bps, highest
since February 2022**

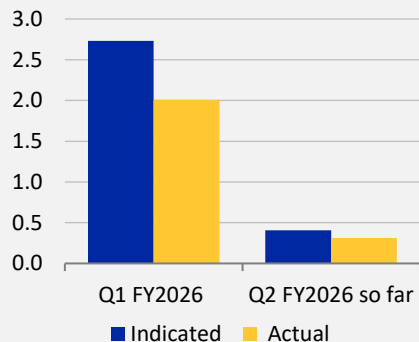
JULY 8, 2025





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



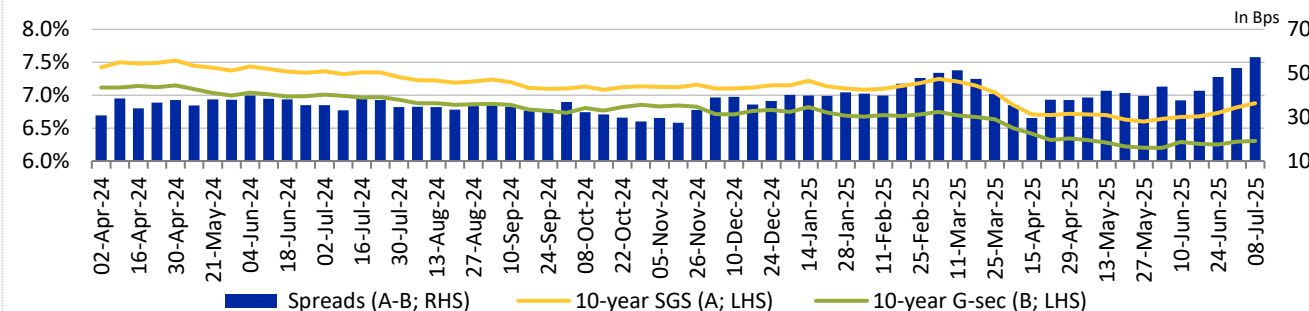
Source: Reserve Bank of India (RBI); ICRA Research

Six state governments and one Union Territory (UT) raised Rs. 133 billion through state government securities (SGS) on July 8, 2025, nearly 41% below the amount indicated for this week in the Q2 FY2026 auction calendar. The weighted average cut-off of the SGS rose to 7.10% on July 8, 2025 from 7.05% last week, despite the decline in the weighted average tenor to 18 years from 20 years. Additionally, the spread between the cut-off yield of the 10-year SGS and the 10-year G-sec (6.33 GS 2035) widened to 57 bps (highest since February 2022) on July 8, 2025 from 52 bps last week.

EXHIBIT: SGS issuances in FY2026 so far

Amount in Rs. billion	Indicated	Notified	Raised	Cumulative till this week
Week of July 8, 2025	224	133	133	2,322
Week of July 9, 2024	102	61	61	1,660
Growth	119.6%	118.0%	118.0%	39.9%

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





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Analytical Contact Details

Name	Designation	Email	Contact Number
Aditi Nayar	Chief Economist, Head – Research & Outreach	aditin@icraindia.com	0124- 4545 385
Neetika Shridhar	Vice President	neetika.shridhar@icraindia.com	0124 – 4545 305
Jaspreet Kaur	Senior Analyst	jaspreet.kaur@icraindia.com	0124 – 4545 853





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Business Development/Media Contact Details

Name	Designation	Email	Contact Number
L Shivakumar	Chief Business Officer	shivakumar@icraindia.com	022-61693304
Neha Agarwal	Head – Research Sales	neha.agarwal@icraindia.com	022-61693338
Rohit Gupta	Head Business Development – Infrastructure Sector	rohitg@icraindia.com	0124-4545340
Vivek Bhalla	Head Business Development – Financial Sector	vivek.bhalla@icraindia.com	022-61693372
Vinita Baid	Head Business Development – East	vinita.baid@icraindia.com	033-65216801
Shivam Bhatia	Head Business Development – Corporate Sector – North & South	shivam.bhatia@icraindia.com	0124-4545803
Sanket Kulkarni	Head Business Development – Corporate Sector – West	sanket.Kulkarni@icraindia.com	022 – 61693365
Naznin Prodhani	Head – Group Corporate Communications & Media Relations	communications@icraindia.com	0124-4545860





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