

STATE GOVERNMENT FINANCES - Weekly SGS

**SGS cut-off rises by 9 bps to 7.08%
with increase in tenor to 20 from 16
years**

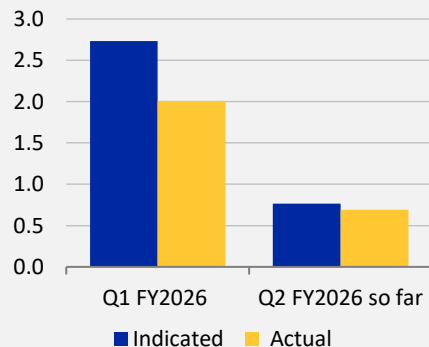
JULY 22, 2025





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



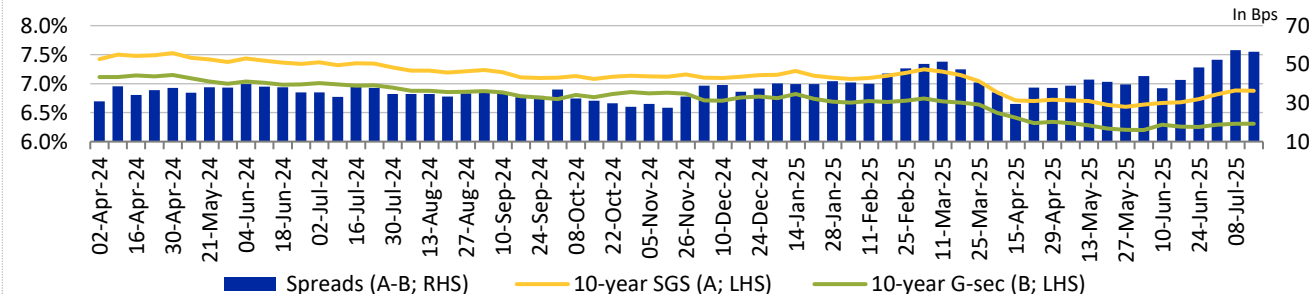
Source: Reserve Bank of India (RBI); ICRA Research

Six state governments raised Rs. 108 billion through state government securities (SGS) on July 22, 2025, a substantial 42% below the amount indicated for this week in the Q2 FY2026 auction calendar. The six state governments issued SGS in tenures between 12 and 30 years on July 22, 2025. This is unlike a typical auction wherein a few states issue securities in the less than 10-year and 10-year segment, while most states have been displaying a preference for longer maturity securities in the recent months. Accordingly, the weighted average tenor of the SGS rose to 20 years on July 22, 2025 from 16 years last week and the weighted average cut-off of the SGS rose to 7.08% from 6.99%.

EXHIBIT: SGS issuances in FY2026 so far

Amount in Rs. billion	Indicated	Notified	Raised	Cumulative till this week
Week of July 22, 2025	185	108	108	2,699
Week of July 23, 2024	161	121	121	1,847
Growth	14.9%	-11.2%	-11.2%	46.1%

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





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