

STATE GOVERNMENT FINANCES - Weekly SGS

**SGS cut-off rises by 2 bps to 7.08%
with spread between 10-year SGS and
G-sec increasing to 62 bps, highest
since January 2022**

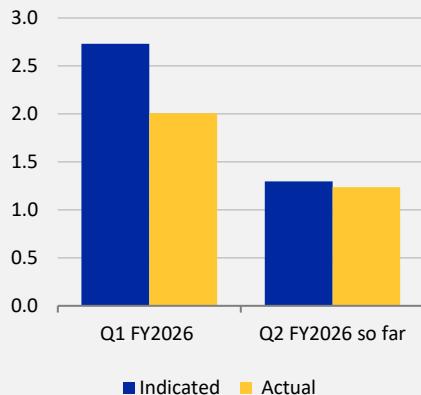
AUGUST 5, 2025





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



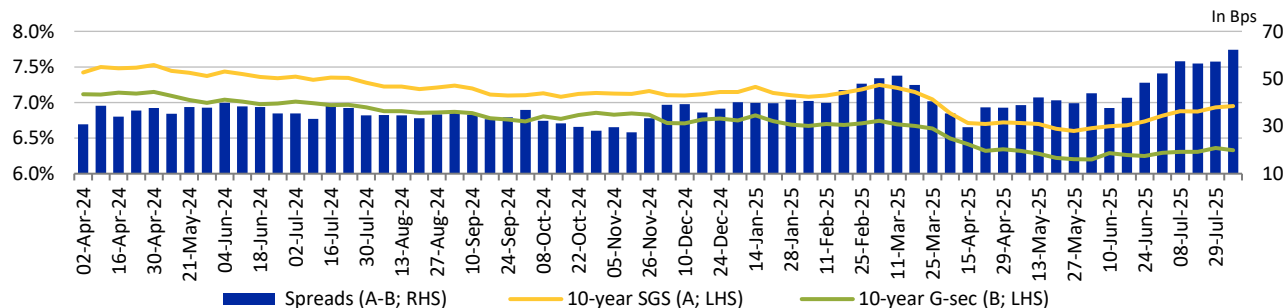
Source: Reserve Bank of India (RBI); ICRA Research

Eleven state governments and one Union Territory (UT) raised Rs. 268 billion through state government securities (SGS) on August 5, 2025, similar to the amount indicated for this week in the Q2 FY2026 auction calendar. The weighted average cut-off of the SGS increased to 7.08% on August 5, 2025 from 7.06% last week, despite the weighted average tenor declining mildly to 17 from 18 years. The spread between the cut-off yield of the 10-year SGS and the 10-year G-sec (6.33 GS 2035) widened to 62 bps (highest since January 24, 2022) on August 5, 2025, from 57 bps last week.

EXHIBIT: SGS issuances in FY2026 so far

Amount in Rs. billion	Indicated	Notified	Raised	Cumulative till this week
Week of August 5, 2025	267	271	268	3,244
Week of August 6, 2024	255	237	232	2,374
Growth	4.8%	14.3%	15.3%	36.6%

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





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