

STATE GOVERNMENT FINANCES - Weekly SGS

**SGS cut-off rises by 4 bps to 7.34%;
spread between 10-year SGS and G-
sec yield remains firm at above 80
bps**

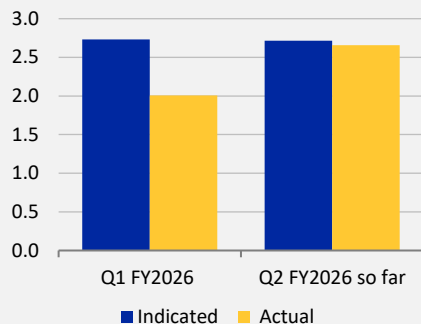
SEPTEMBER 23, 2025





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



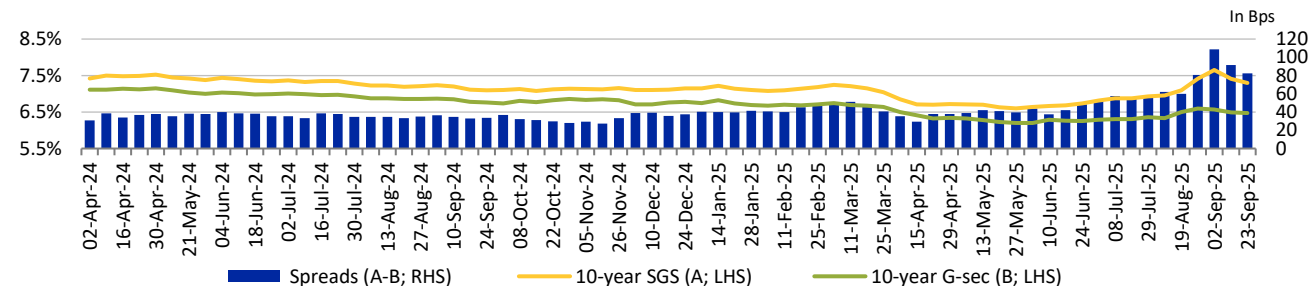
Source: Reserve Bank of India (RBI); ICRA Research

Eleven state governments raised Rs. 250 billion through state government securities (SGS) on September 23, 2025, a sharp 24% above the amount indicated in the Q2 FY2026 auction calendar for this week. Notably, Maharashtra did not accept any bids for the notified amount of Rs. 20 billion, 20-21-year SGS in this auction. The weighted average SGS cut-off hardened to 7.34% on September 23, 2025 from 7.30% last Tuesday, amid a rise in the weighted average tenor to 16 from 13 years. While the spread between the cut-off yield of the 10-year SGS and the 10-year G-sec (6.33 GS 3035) eased to 82 bps as on September 23, 2025, from 91 bps in the last weekly auction, it remained elevated.

EXHIBIT: SGS issuances in FY2026 so far

Amount in Rs. billion	Indicated	Notified	Raised	Cumulative till this week
Week of September 23, 2025	201	275	250	4,667
Week of September 24, 2024	270	344	344	3,856
Growth	-25.4%	-20.1%	-27.3%	21.0%

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





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