

STATE GOVERNMENT FINANCES - Weekly SGS

SGS cut-off jumped by 10 bps to 7.39%; inter-state spread for 10-year SGS widened to unusually high 20-29 bps

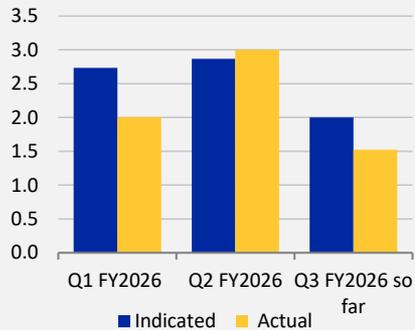
December 2, 2025





[Click to see full report](#)

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



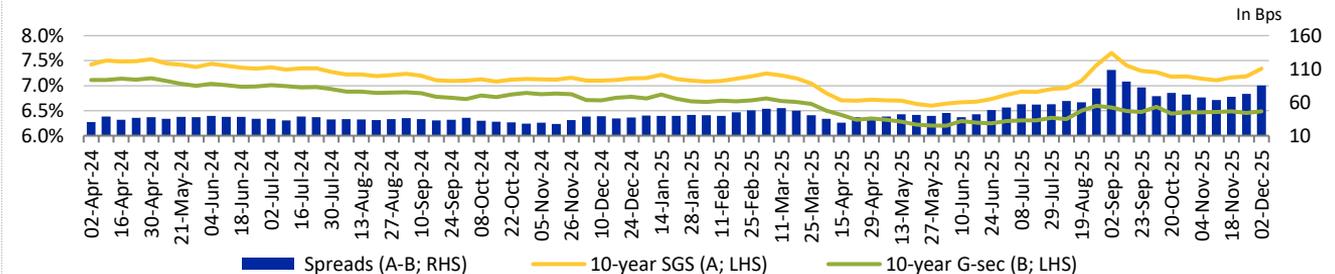
Source: Reserve Bank of India (RBI); ICRA Research

In the largest auction so far in Q3 FY2026, 13 state governments raised Rs. 297 billion through state government securities (SGS) on December 2, 2025. After five consecutive weeks of lower-than-indicated borrowing, SGS issuance in this auction was a sharp 41.5% above the Rs. 210 billion indicated for this week, in the Q3 FY2026 auction calendar; the impact of the double tranche of tax devolution in October 2025 now seems to have worn off. With the rise in the size of borrowing, and dimming hopes of a repo rate cut, the weighted average SGS cut-off jumped to 7.39% on December 2, 2025 from 7.29% last week, despite a mild decline in the weighted average tenor of all the SGS to 14 years from 15 years during the same period. Notably, the 10-year cut-off of Bihar, Meghalaya and Punjab was 7.40%, 7.44% and 7.49%, respectively, while the 10-year cut-off of Tamil Nadu and Rajasthan was at 7.20% and 7.24%, respectively, revealing an unusually high inter-state variation in cut-offs of 20-29 bps. The spread between the cut-off yield of the 10-year SGS and the 10-year G-sec (06.48 GS 2035) widened to 85 bps as on December 2, 2025 from 73 bps in the last weekly auction.

EXHIBIT: SGS issuances in FY2026 so far

Amount in Rs. billion	Indicated	Notified	Raised	Cumulative till this week
Week of December 2, 2025	210	314	297	6,534
Week of December 3, 2024	210	258	258	5,513
Growth	0.0%	21.3%	15.0%	18.5%

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





ICRA

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





ICRA

Business Development/Media Contact Details

Name	Designation	Email	Contact Number
L Shivakumar	Chief Business Officer	shivakumar@icraindia.com	022-61693304
Sai Krishna	Head - Research Sales and Investor Connect	sai.krishna1@icraindia.com	9840774883
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	022-6169 3365
Naznin Prodhani	Head - Group Corporate Communications & Media Relations	communications@icraindia.com	0124-4545860





© Copyright, 2025 ICRA Limited. All Rights Reserved.

All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies, while publishing or otherwise disseminating other reports may have presented data, analyses and/or opinions that may be inconsistent with the data, analyses and/or opinions in this publication. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.



ICRA

Thank You!