

STATE GOVERNMENT FINANCES - Weekly SGS

**Weighted average SGS cut-off eased
by 3 bps to 7.41% despite higher-
than-indicated issuance and large-
sized auction**

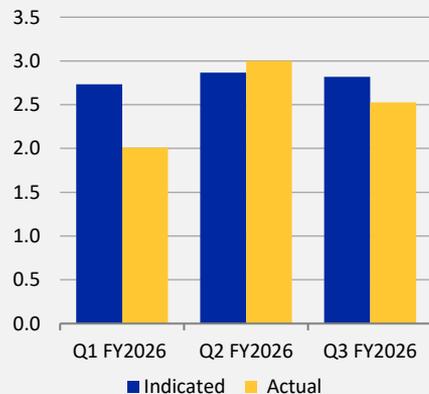
December 30, 2025





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



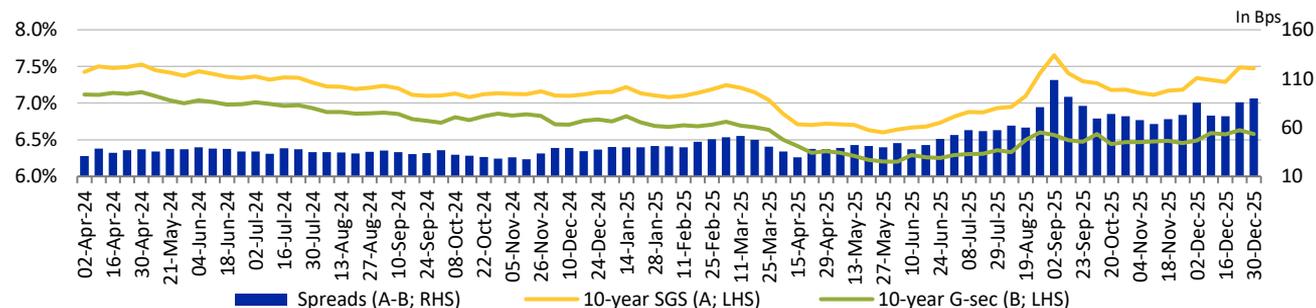
Source: Reserve Bank of India (RBI); ICRA Research

In the last weekly auction of Q3 FY2026, 15 state governments raised Rs. 355 billion (largest so far in FY2026) through state government securities (SGS) on December 30, 2025. This was more than double the amount that was initially indicated for this week. Despite the large sized auction, the weighted average SGS cut-off eased to 7.41% on December 30, 2025 from 7.44% last week while the weighted average tenor of all SGS remained unchanged at 12 years. However, the spread between the cut-off yield of the 10-year SGS and the 10-year G-sec (06.48 GS 2035) widened to 90 bps as on December 30, 2025 from 86 bps in the previous weekly auction. Total issuance in Q3 FY2026 was 10% lower than the amount indicated for this quarter, but 11% higher than in Q3 FY2025.

EXHIBIT: SGS issuances in FY2026 so far

Amount in Rs. billion	Indicated	Notified	Raised	Cumulative till this week
Week of December 30, 2025	153	355	355	7,534
Week of December 31, 2024	232	247	247	6,389
Growth	-33.9%	43.4%	43.4%	17.9%

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





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