

STATE GOVERNMENT FINANCES - Weekly SGS

Weighted average SGS cut off jumps
by ~10 bps to 7.52% amid a large-
sized auction

January 27, 2026

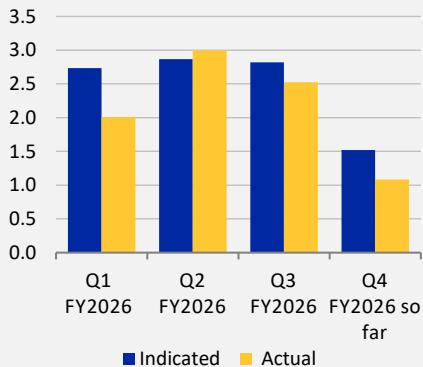
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EXHIBIT: Actual and indicated SGS issuances (Rs. trillion)



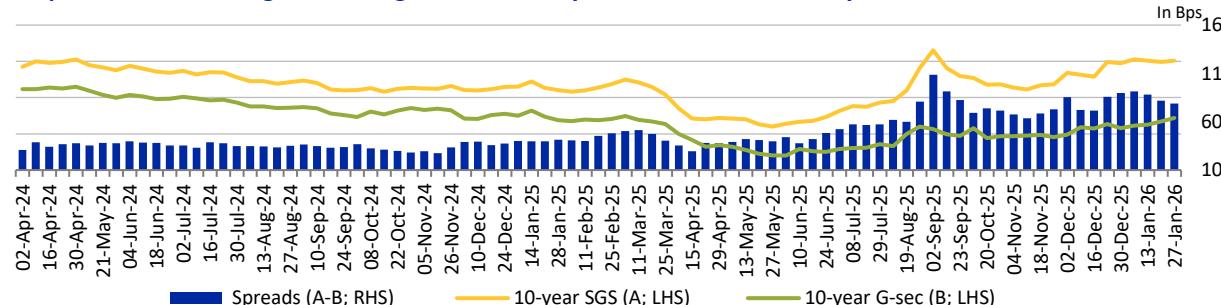
Source: Reserve Bank of India (RBI); ICRA Research

In the largest auction so far in FY2026, 15 state governments raised Rs. 383 billion through state government securities (SGS) on January 27, 2026, although this is ~19% below the amount indicated in the Q4 FY2026 auction calendar. Owing to the large-sized auction, the weighted average SGS cut-off jumped to 7.52% on January 27, 2026 from 7.43% last week. However, the weighted average tenor of all SGS remained stable at 13 years. Additionally, the spread between the cut-off yield of the 10-year SGS and the 10-year G-sec (06.48 GS 2035) eased to 79 bps as on January 27, 2026 from 82 bps last week.

EXHIBIT: SGS issuances in FY2026 so far

Amount in Rs. billion	Indicated	Notified	Raised	Cumulative till this week
Week of January 27, 2026	473	398	383	8,616
Week of January 28, 2025	486	320	320	7,258
Growth	-2.7%	24.4%	19.7%	18.7%

EXHIBIT: Spread between weighted average cut-off of 10-year state and 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





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