

STATE GOVERNMENT FINANCES - Weekly SGS

**Weighted average SGS cut-off spiked
by 16 bps to 7.69%, highest in last
two years**

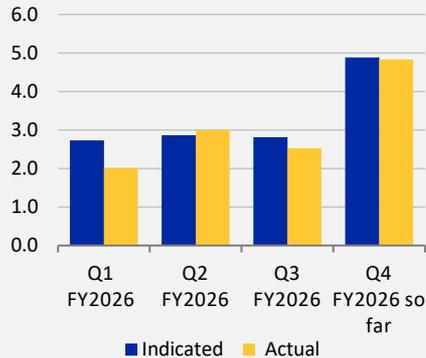
March 24, 2026





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



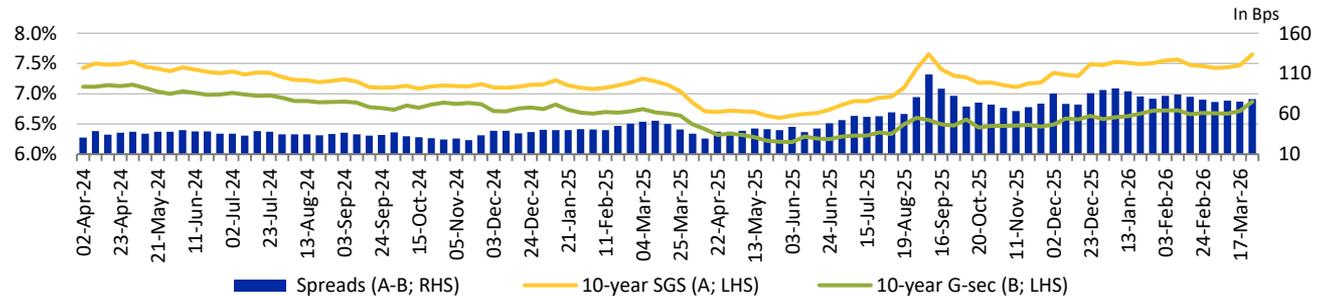
Source: Reserve Bank of India (RBI); ICRA Research

In a large-sized auction, 19 state governments and two Union Territories (UTs) raised Rs. 548 billion (including greenshoe) through state government securities (SGS) on March 24, 2026, ~14% above the amount indicated in the Q4 FY2026 auction calendar. The issuance was lower than the notified amount on account of non-acceptance/partial acceptance of bids by Assam, Jharkhand, Karnataka, Kerala, Nagaland and Tamil Nadu. The weighted average SGS cut-off jumped by 16 bps to 7.69% (highest since mid-January 2024) on March 24, 2026 from 7.52% last week, amid the weighted average tenor remaining stable at 14 years. Additionally, the spread between the cut-off yield of the 10-year SGS and the 10-year G-sec (06.48 GS 2035) widened to 78 bps as on March 24, 2026 from 75 bps last week. The inter-state spread for 10-year issuances also stood at a surprisingly wide 13-week high of 32 bps in this auction.

EXHIBIT: SGS issuances in FY2026 so far

Amount in Rs. billion	Indicated	Notified (including green shoe)	Raised	Cumulative till this week
Week of March 24, 2026	480	594	548	12,364
Week of March 25, 2025	541	747	723	10,733
Growth	-11.2%	-20.4%	-24.1%	15.2%

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





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