



**CCIL  
SDL  
QUARTERLY**

**JANUARY - MARCH 2024**

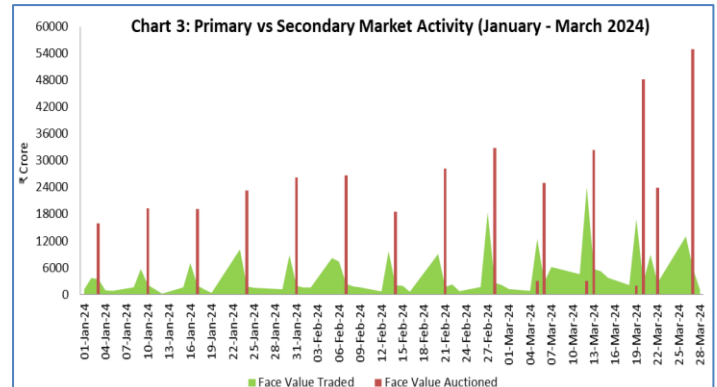
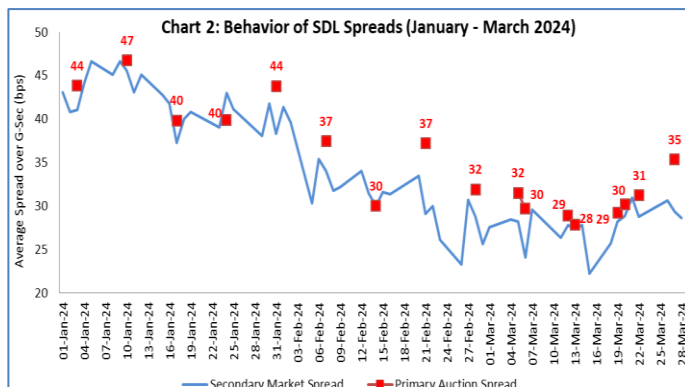
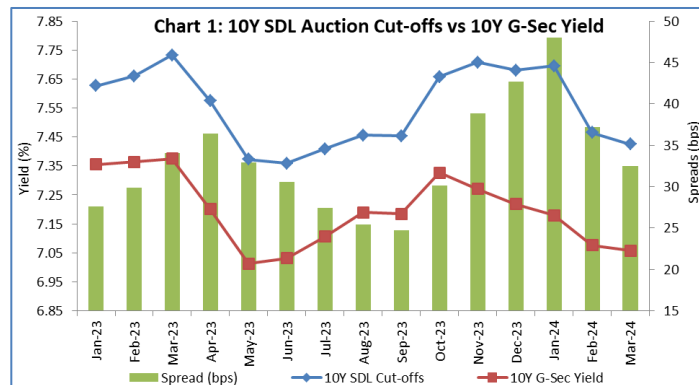
## Issuances

While primary market borrowings by States picked up their usual end of the year momentum from January onwards, almost 50% of the total borrowings during the quarter (₹192763 crore) were concentrated in March. New issuances dominated the borrowings, as States took advantage of the softening market interest rates. Despite the substantial borrowings, the gross borrowings during the quarter were lower (2.52%) than indicated as per the calendar.

Period	SDLs Auctioned	Gross Issuance	Average Weekly Issuance	Average Participating States	Net Borrowing	New Issue		Reissue	
						Number	Amount	Number	Amount
Q4-FY23	202	300934	23149	11	216177	194	287097	8	13837
Q1-FY24	141	167700	12900	14	121171	131	158000	10	9700
Q2-FY24	166	190322	14640	9	76303	146	168322	20	22000
Q3-FY24	200	245992	18922	12	176945	191	230842	9	15150
Q4-FY24	275	403044	28789	11	309869	265	393594	10	9450

## SDL Spreads

Although primary cut-offs for State papers softened during the quarter tracking the softening of G-Sec yields, spreads remained largely at similar levels to the previous quarter.



## State wise - Comparison

The year-end rush to mop up funds from the market, resulted in a few States borrowing substantially higher amounts than that indicated in the borrowing calendar. States like Maharashtra, Uttar Pradesh and Kerala have borrowed more than double of their indicated borrowings. Tamil Nadu, Maharashtra and Uttar Pradesh were the top 3 borrowers during the year. After staying away from the market in the first 2 quarters, Karnataka emerged as the 4<sup>th</sup> largest borrower during the fiscal.

**Table 2: State wise Issuance and Trading - Value (₹ Crore)**

State	Q4-FY24				Q4-FY23			
	Issuance	Net Borrowing	Outstanding	Trading	Issuance	Net Borrowing	Outstanding	Trading
Andhra Pradesh	13450	3549	379238	9085	12175	5175	337230	7872
Arunachal Pradesh	232	102	6653	84	-	-	5981	-
Assam	5750	3750	98639	2689	4200	3505	85639	1408
Bihar	19612	15488	218128	18129	11800	6545	186218	6870
Chhattisgarh	24000	21213	86639	4370	2000	4287	60426	656
Goa	450	160	19574	74	300	50	18714	306
Gujarat	13500	6516	295005	12584	17000	14500	283057	17064
Haryana	15500	7294	264849	10283	17158	10218	237986	9863
Himachal Pradesh	2772	1983	54459	1264	6000	5501	48604	2601
Jammu & Kashmir	4164	3370	72510	1728	2928	1664	58606	1267
Jharkhand	1000	1705	57750	624	1000	1655	60755	1149
Karnataka	54000	48805	400293	38479	4000	2000	337390	9254
Kerala	15538	10438	226280	11122	13903	8170	199142	7347
Madhya Pradesh	15500	8264	228513	15895	28158	17349	202249	18954
Maharashtra	50000	43379	502792	38464	27000	19063	417654	20104
Manipur	326	176	10571	163	550	550	9495	280
Meghalaya	-	-	12310	25	-	-	11398	42
Mizoram	241	191	5831	203	325	254	5190	5
Nagaland	800	655	13430	5	532	327	11414	178
Odisha	-	-	16400	232	-	3000	21058	637
Puducherry	1100	870	8804	629	500	198	8329	4
Punjab	6399	3513	241419	1858	13600	11114	211901	7911
Rajasthan	27075	19388	381254	15811	16806	10941	330118	9717
Sikkim	966	931	10679	112	2100	2076	8978	528
Tamil Nadu	36001	29790	616121	25805	36437	30155	536000	26061
Telangana	13718	12826	320266	7853	12150	11258	271541	5133
Tripura	-	-	9539	-	-	330	10089	-
Uttar Pradesh	42950	39422	568747	22851	41612	39584	480912	27669
Uttarakhand	3500	1000	48410	1049	2700	1600	45110	1476
West Bengal	34500	28500	477042	17940	26000	22000	428132	15523

## State wise Share – Issuance and Trading

Reflecting the convergence in primary and secondary market demand, States papers of Karnataka, Maharashtra, Tamil Nadu and Uttar Pradesh were in demand in the secondary market in line with their significant supply in the primary market.

**Table 3: State wise Share**

State	Q4-FY24				Q4-FY23			
	Issuance		Trading		Issuance		Trading	
	Share (%)	Ranking	Share (%)	Ranking	Share (%)	Ranking	Share (%)	Ranking
Andhra Pradesh	3.34	14	3.50	12	4.05	11	3.94	11
Arunachal Pradesh	0.06	27	0.03	26	0.00	-	0.00	-
Assam	1.43	16	1.04	15	1.40	15	0.70	17
Bihar	4.87	8	6.99	5	3.92	13	3.44	13
Chhattisgarh	5.95	7	1.68	14	0.66	20	0.33	20
Goa	0.11	24	0.03	27	0.10	26	0.15	23
Gujarat	3.35	13	4.85	9	5.65	7	8.54	5
Haryana	3.85	10	3.96	11	5.70	6	4.93	7
Himachal Pradesh	0.69	19	0.49	18	1.99	14	1.30	15
Jammu & Kashmir	1.03	17	0.67	17	0.97	17	0.63	18
Jharkhand	0.25	21	0.24	21	0.33	21	0.57	19
Karnataka	13.40	1	14.83	1	1.33	16	4.63	9
Kerala	3.86	9	4.29	10	4.62	9	3.68	12
Madhya Pradesh	3.85	10	6.13	7	9.36	3	9.48	4
Maharashtra	12.41	2	14.83	2	8.97	4	10.06	3
Manipur	0.08	25	0.06	24	0.18	22	0.14	24
Meghalaya	-	-	0.01	28	0.00	-	0.02	26
Mizoram	0.06	26	0.08	23	0.11	25	0.00	27
Nagaland	0.20	23	0.00	29	0.18	23	0.09	25
Odisha	-	-	0.09	22	0.00	-	0.32	21
Puducherry	0.27	20	0.24	20	0.17	24	0.00	28
Punjab	1.59	15	0.72	16	4.52	10	3.96	10
Rajasthan	6.72	6	6.10	8	5.58	8	4.86	8
Sikkim	0.24	22	0.04	25	0.70	19	0.26	22
Tamil Nadu	8.93	4	9.95	3	12.11	2	13.04	2
Telangana	3.40	12	3.03	13	4.04	12	2.57	14
Tripura	-	-	-	-	0.00	-	0.00	-
Uttar Pradesh	10.66	3	8.81	4	13.83	1	13.84	1
Uttarakhand	0.87	18	0.40	19	0.90	18	0.74	16
West Bengal	8.56	5	6.92	6	8.64	5	7.77	6

## State wise - Spread and Yield Comparison

Reflecting the buoyancy in the G-Sec market, primary and secondary State paper yields have moved to lower levels in comparison to the previous quarter i.e. Q3-FY24. Softening inflation levels and market optimism regarding lower government borrowings, led to G-Sec and State yields moving lower during the quarter, leading to largely stable spreads.

**Table 4: State wise Yields and Spreads**

State Prima	Q4-FY24				Q4-FY23			
	Weighted Average Yield (%)		Spreads (bps)		Weighted Average Yield (%)		Spreads (bps)	
	Issuance	Trading	Issuance	Trading	Issuance	Trading	Issuance	Trading
Andhra Pradesh	7.57	7.46	37	33	7.69	7.64	30	26
Arunachal Pradesh	7.41	7.38	34	31	-	-	-	-
Assam	7.53	7.43	41	34	7.69	7.63	34	28
Bihar	7.56	7.52	38	36	7.70	7.62	30	28
Chhattisgarh	7.49	7.42	38	34	-	7.36	-	29
Goa	7.58	7.62	42	44	7.64	7.53	25	23
Gujarat	7.54	7.37	39	29	7.65	7.52	27	26
Haryana	7.52	7.51	37	36	7.69	7.55	34	30
Himachal Pradesh	7.52	7.42	37	31	7.71	7.66	33	28
Jammu & Kashmir	7.47	7.50	31	32	7.70	7.69	31	29
Jharkhand	7.68	7.38	50	29	7.63	7.58	32	30
Karnataka	7.55	7.49	37	34	7.43	7.44	27	23
Kerala	7.47	7.44	32	30	7.69	7.64	29	28
Madhya Pradesh	7.49	7.44	34	30	7.66	7.61	27	26
Maharashtra	7.49	7.44	34	32	7.69	7.55	30	27
Manipur	7.50	7.47	35	33	7.69	7.74	28	29
Meghalaya	-	7.50	-	34	-	7.53	-	22
Mizoram	7.55	7.56	38	38	7.69	7.64	27	21
Nagaland	7.49	7.49	38	39	7.68	7.64	35	29
Odisha	-	7.14	-	23	-	6.58	-	12
Puducherry	7.49	7.53	37	37	7.61	7.63	20	19
Punjab	7.66	7.53	44	37	7.73	7.69	32	29
Rajasthan	7.50	7.41	36	31	7.73	7.56	35	30
Sikkim	7.60	7.51	45	38	7.54	7.64	13	28
Tamil Nadu	7.47	7.43	31	32	7.62	7.55	20	23
Telangana	7.46	7.42	29	28	7.65	7.61	26	27
Tripura	-	-	-	-	-	-	-	-
Uttar Pradesh	7.47	7.45	34	33	7.72	7.66	32	30
Uttarakhand	7.44	7.42	33	31	7.70	7.61	34	26
West Bengal	7.49	7.47	33	31	7.76	7.73	34	33

## Dispersion of Trading

Increased issuances of new papers across states especially during March 2024, resulted in liquidity being concentrated in new issues.

**Table 5: Age Analysis - Share (%)**

Age of SDL/Quarter	Q4-FY24	Q3-FY24	Q2-FY24	Q1-FY24	Q4-FY23
<= 7 Days	54.52	46.89	26.25	16.36	59.26
7 Days - 1 Month	3.33	7.33	0.99	7.64	5.29
1 Month - 3 Months	5.31	9.40	3.44	16.48	3.90
3 Months - 6 Months	5.43	1.47	14.71	6.52	2.58
6 Months - 1 Year	3.34	5.79	13.61	17.11	2.71
>= 1 Year	28.08	29.12	41.01	35.89	26.26

## Trading Behavior

Secondary market volumes for SDLs jumped in the final quarter of FY24, led by the OTC segment on account of increased issuances by States. Activity in the SDL segment was driven by long term investors.

**Table 6: SDL Trading - Platform Summary**

Period	OTC				NDS-OM				Brokered Deals *				Total SDL Trading	
	Trades	No. of SDLs #	Face Value (₹ crore)	Share in Total Trading (%)	Trades	No. of SDLs #	Face Value (₹ crore)	Share in Total Trading (%)	Trades	No. of SDLs #	Face Value (₹ crore)	Share in Total Trading (%)	Trades	Face Value (₹ crore)
Q4-FY23	5242	39	155137.94	78	5561	40	44742.26	22	816	11	25279.92	13	10803	199880.20
Q1-FY24	4070	40	123373.00	65	5939	52	67840.89	35	777	11	33487.46	18	10009	191213.89
Q2-FY24	3682	38	80367.07	76	3272	34	25015.27	24	446	6	18358.81	17	6954	105382.33
Q3-FY24	4750	41	107346.41	70	4971	39	45689.05	30	492	7	19337.31	13	9721	153035.46
Q4-FY24	5989	51	198085.75	76	6160	53	61325.60	24	653	9	26601.86	10	12149	259411.35

\* Part of the OTC Segment. #Daily Average

## Participant Behavior

FPI buyers joined domestic buyers such as Provident Funds and Insurance Companies during the quarter, albeit in small numbers, even as the selling by Foreign Banks intensified.

**Table 7: Net Activity in Outright Trading - Share (%)**

Category/Period	Q4-FY24	Q3-FY24	Q2-FY24	Q1-FY24	Q4-FY23
Co-operative Banks	0.45	0.96	0.53	0.03	-0.29
Financial Institutions	-0.02	0.04	0.07	-0.16	2.34
Foreign Banks	-24.68	-9.81	-6.14	-5.02	-17.10
FPIs	0.09	0.00	0.00	0.00	-0.02
Insurance Companies	10.68	8.00	-3.61	1.22	6.10
Mutual Funds	3.10	-0.20	-2.40	2.73	5.29
NBFCs	-0.28	1.12	0.54	0.21	0.39
Others	2.19	5.09	-0.85	-1.62	3.17
Payment Banks	0.16	0.01	0.02	0.00	0.00
Primary Dealers	-14.14	-22.24	-19.66	-5.44	-19.69
Private Sector Banks	-9.05	-3.63	2.00	-1.63	-14.51
Provident Funds	30.82	19.40	22.48	9.37	36.12
Public Sector Banks	0.31	1.00	6.66	0.16	-2.09
Small Finance Banks	0.35	0.28	0.36	0.17	0.29

Source: CCIL

## Summary of Outstanding SDLs

**Table 8: Outstanding SDLs Summary**

Quarter	Number of SDLs	Face Value (₹ lakh crore)	Average Coupon	Average Maturity (years)
Q4-FY23	4496	49.29	7.55%	8.14
Q1-FY24	4569	50.51	7.55%	7.95
Q2-FY24	4628	51.66	7.54%	8.06
Q3-FY24	4735	53.43	7.53%	8.15
Q4-FY24	4864	56.52	7.51%	8.50

**Table 9: Tenor wise Outstanding SDLs - Share (%)**

State/Years	0-<=5Y	>5Y-<=10Y	>10Y-<=20Y	>20Y
Andhra Pradesh	26.40	27.83	45.77	0.00
Arunachal Pradesh	37.51	62.49	0.00	0.00
Assam	35.69	64.31	0.00	0.00
Bihar	41.76	45.59	12.66	0.00
Chhattisgarh	54.00	44.85	1.15	0.00
Goa	40.23	55.94	3.83	0.00
Gujarat	52.97	45.50	1.53	0.00
Haryana	35.04	37.05	27.91	0.00
Himachal Pradesh	31.03	39.46	29.51	0.00
Jammu & Kashmir	29.09	27.75	27.29	15.87
Jharkhand	46.30	38.29	15.41	0.00
Karnataka	32.92	34.60	32.48	0.00
Kerala	36.24	22.17	24.91	16.68
Madhya Pradesh	33.91	26.29	35.42	4.38
Maharashtra	35.48	50.50	14.02	0.00
Manipur	30.16	50.00	19.85	0.00
Meghalaya	50.42	43.89	5.69	0.00
Mizoram	18.81	40.64	40.54	0.00
Nagaland	34.08	65.92	0.00	0.00
Odisha	51.83	29.88	18.29	0.00
Puducherry	45.82	35.44	18.74	0.00
Punjab	26.83	24.76	44.45	3.96
Rajasthan	40.35	37.15	15.41	7.10
Sikkim	33.12	66.88	0.00	0.00
Tamil Nadu	34.47	33.81	12.05	19.67
Telangana	22.42	11.87	39.65	26.06
Tripura	41.70	42.41	15.89	0.00
Uttar Pradesh	35.70	47.12	17.18	0.00
Uttarakhand	52.49	47.51	0.00	0.00
West Bengal	27.68	24.19	47.60	0.52
<b>Total</b>	<b>34.77</b>	<b>35.68</b>	<b>24.19</b>	<b>5.36</b>

**Table 10: SDL Issuances Summary – FY24**

State	No. of Issuances	Gross Borrowings	Average Tenor (Years)	Yield (%)	Spread (bps)
Andhra Pradesh	83	68400	14.05	7.51	28.60
Arunachal Pradesh	3	902	10.00	7.60	38.02
Assam	22	18500	9.38	7.52	35.62
Bihar	24	47612	11.98	7.57	33.90
Chattisgarh	32	32000	7.97	7.49	36.46
Goa	24	2550	10.69	7.56	33.91
Gujarat	27	30500	6.85	7.50	34.24
Haryana	42	47500	10.55	7.51	32.00
Himachal Pradesh	14	8072	13.51	7.53	31.28
Jammu & Kashmir	28	16337	24.88	7.53	23.27
Jharkhand	1	1000	8.00	7.68	49.73
Karnataka	38	81000	12.46	7.60	36.32
Kerala	29	42438	21.80	7.47	24.10
Madhya Pradesh	23	38500	15.29	7.50	29.08
Maharashtra	48	110000	10.77	7.49	31.95
Manipur	10	1426	12.21	7.52	29.77
Meghalaya	6	1364	8.62	7.54	33.80
Mizoram	10	901	14.66	7.51	32.02
Nagaland	8	2551	10.00	7.55	38.58
Puducherry	7	1100	10.17	7.49	37.30
Punjab	45	42386	13.66	7.54	30.32
Rajasthan	67	73624	15.01	7.52	29.88
Sikkim	5	1916	10.00	7.58	39.97
Tamil Nadu	57	113001	17.15	7.47	25.90
Telangana	50	49618	18.91	7.47	23.06
Uttar Pradesh	40	95150	11.71	7.55	34.49
Uttarakhand	8	8800	9.77	7.52	29.33
West Bengal	31	69910	18.51	7.52	28.12
<b>Total</b>	<b>782</b>	<b>1007058</b>	<b>13.99</b>	<b>7.52</b>	<b>30.54</b>



## Holding Pattern of Outstanding SDLs at end-December 2023

As at end of	Dec-23	Sep-23	Jun-23	Mar-23	Dec-22
Commercial Banks	33.90	33.87	34.13	33.91	34.34
Co-operative Banks	3.53	3.60	3.68	3.64	3.80
Corporates	2.03	1.87	1.92	2.00	1.94
Financial Institutions	1.63	1.65	1.82	1.84	1.77
Foreign Portfolio Investors	0.03	0.02	0.02	0.02	0.02
Insurance Companies	26.64	26.97	26.73	26.80	27.42
Mutual Funds	2.00	1.86	2.08	1.94	2.02
Non-Bank PDs	0.63	0.61	0.50	0.62	0.44
Others	2.10	2.07	2.12	2.15	2.21
Provident Funds	22.00	21.70	21.19	21.29	20.31
RBI	0.66	0.69	0.70	0.72	0.75
State Governments	0.27	0.27	0.27	0.27	0.24
Pension Funds	4.56	4.82	4.84	4.81	4.74

Source: RBI

### Outlook

As a part of its tax devolution to states, the Centre released ₹2.15 lakh crore in February, bringing the total release of funds during FY24 to ₹10.30 lakh crore. For FY25, the Centre is expected to transfer ₹11.04 lakh crore to States in 14 instalments. As per the first quarter indicative calendar, States are expected to borrow ₹2.54 lakh crore. Election vagaries and emerging outlook on the US interest rates could have an impact on activity in the State loans market in the first quarter of the fiscal.

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