

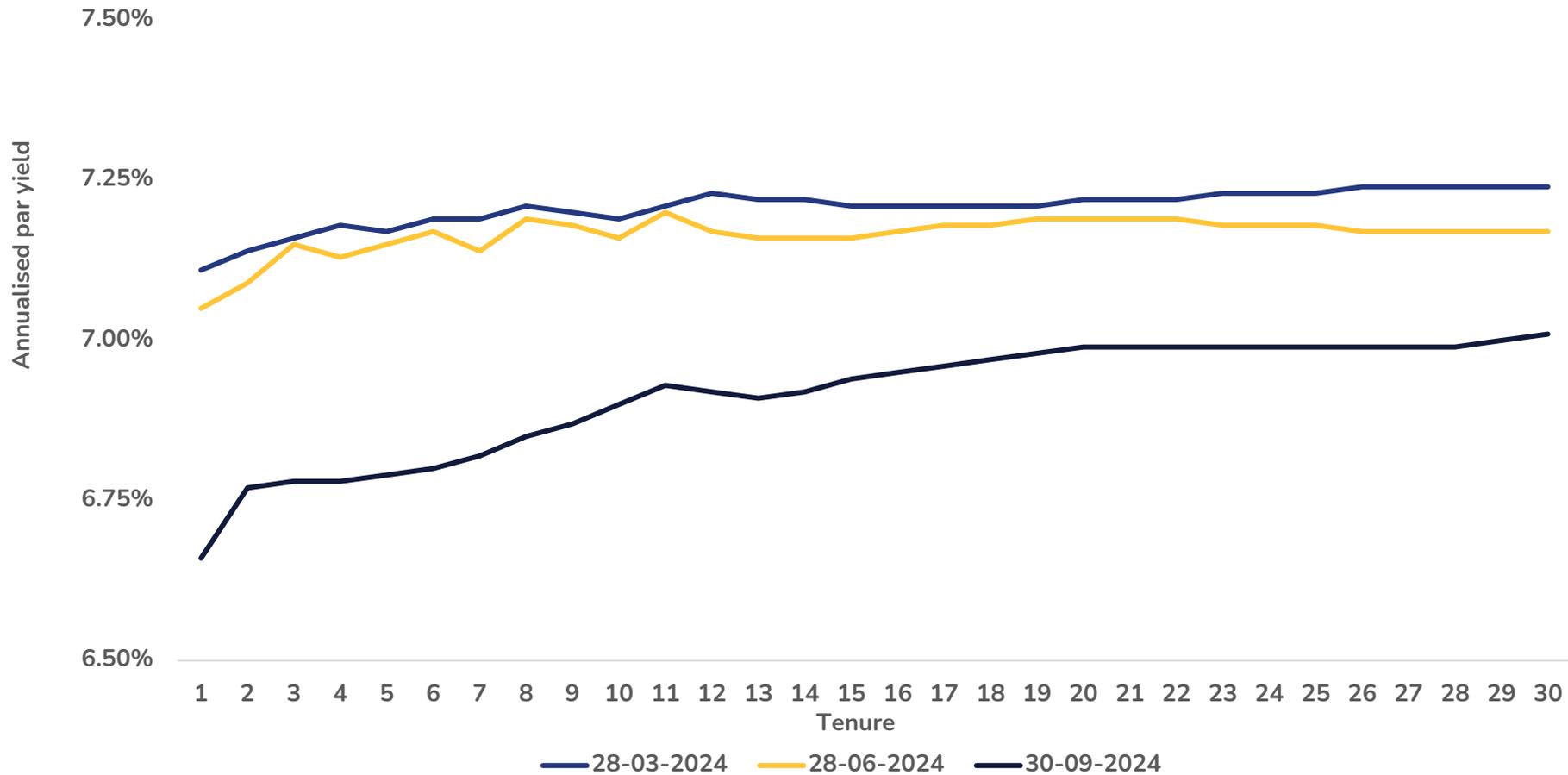


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# KAP's Interest Rate Updates For Employee Benefits as on 30 September 2024

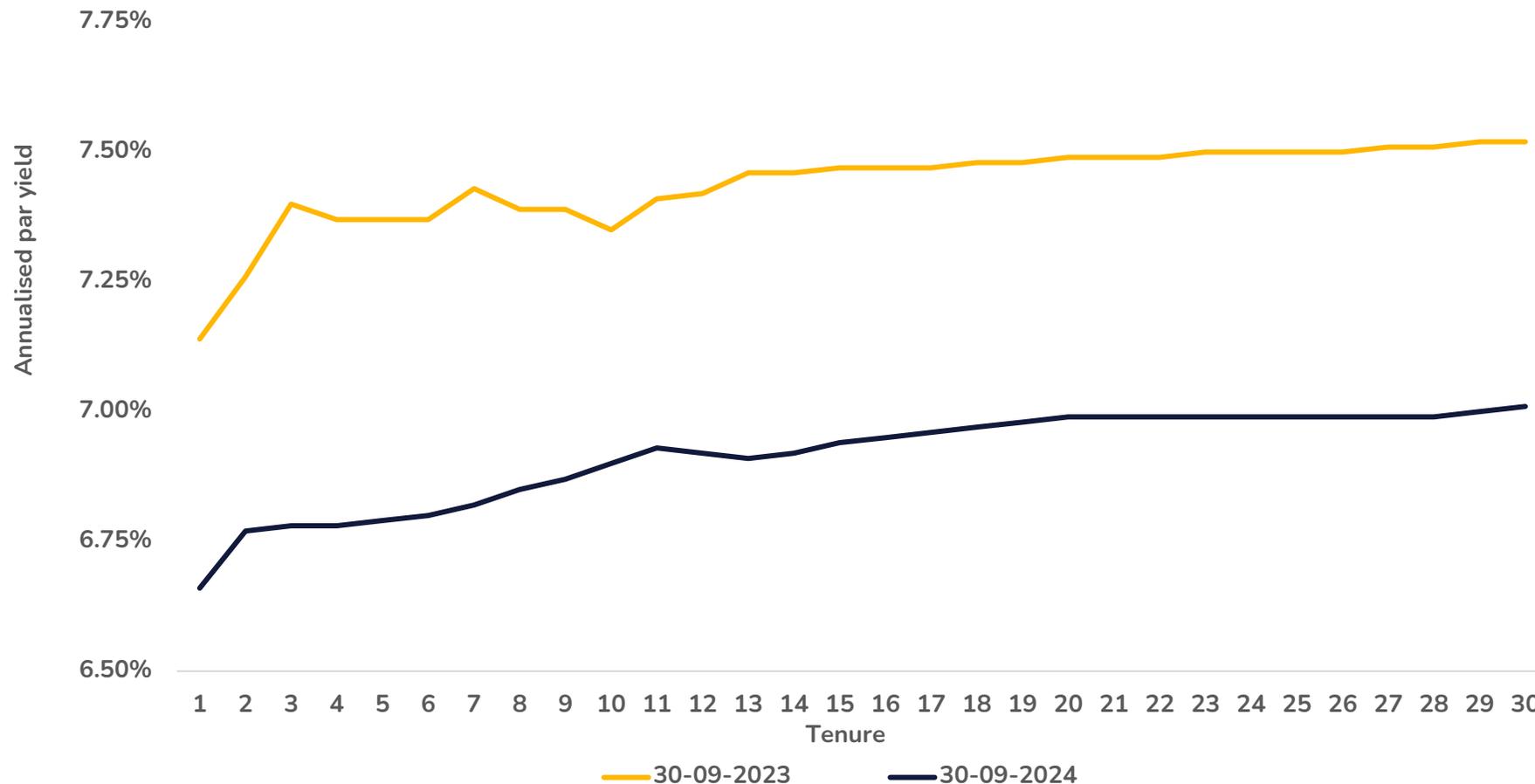
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# G. Sec Rates as at 30-09-2024



\*\*The rates shall be considered as the final rates for the quarter valuations as on 30-09-2024.

# Annualised Par Yields on G. Secs





## Interest Rates Around the World

The impact of the world market facing a recessionary uncertainty is sustained which is reflected in the decline in the Interest Rates. However, decreased G-sec yields can have a generally positive impact on equity markets, reduce borrowing costs, stimulate economic growth, and attract foreign investment, while also affecting bond portfolios and banking sector profitability.



## Comparison of 30-09-2024 Yield

As compared with 28-03-2024, rates have decreased for each tenure by an average of 29 bps. When compared with last year as on date, i.e., 30-09-2023, there is an average decrease of 52 bps.



## Impact on Obligation

A decrease in yield will lead to an increase in the present value of obligations, thereby resulting in a loss due to changes in financial assumptions, assuming all other assumptions remain unchanged.



## Impact on Asset

A decrease in G-sec yields can lead to an increase in the fair value of plan assets when a company performs a mark-to-market (MTM) valuation. This occurs because the inverse relationship between bond yields and prices results in higher valuations for bonds held in the plan.

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**Thank you!**



**K.A. PANDIT**

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