

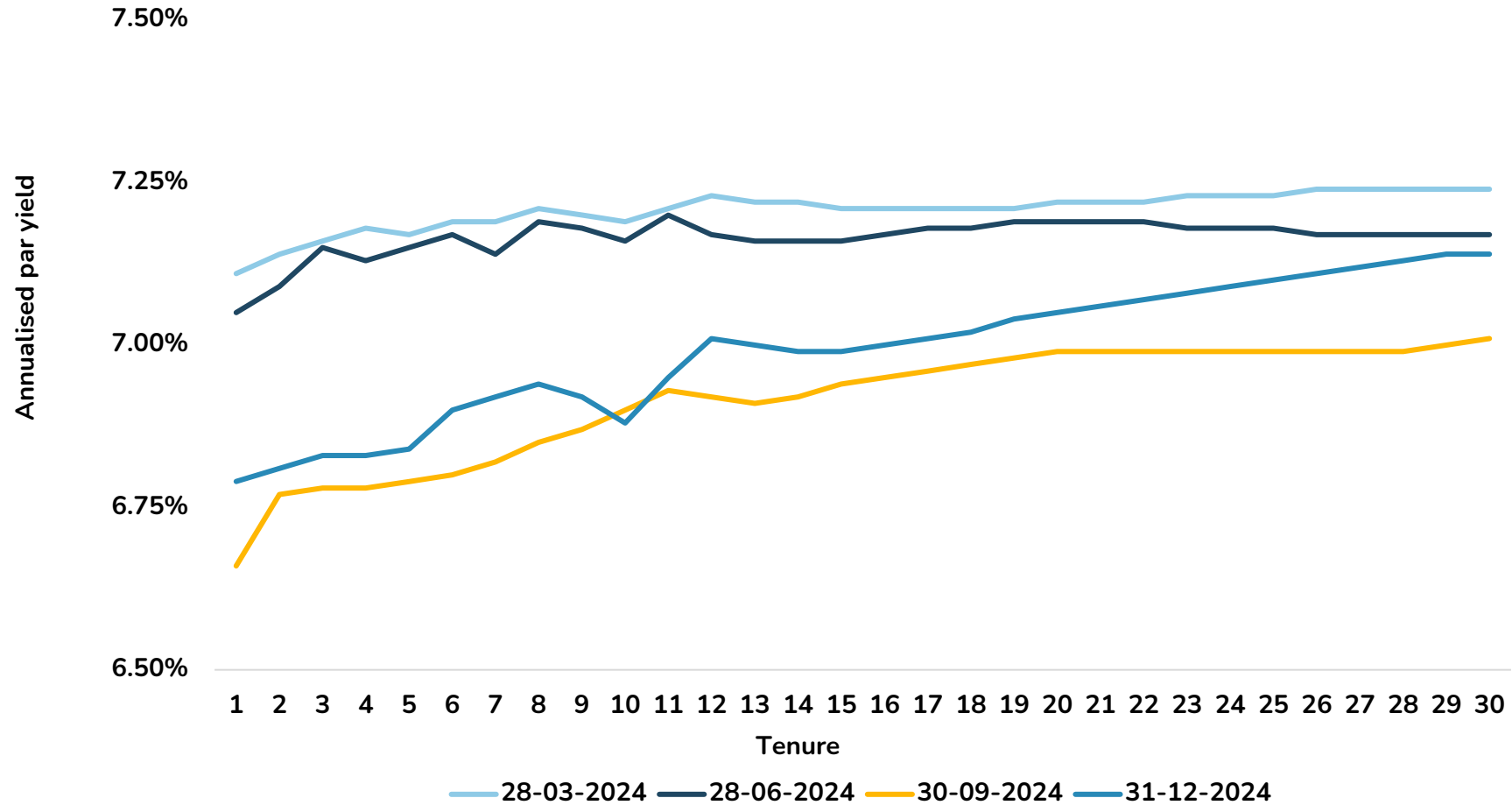


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KAP's Interest Rate Updates For Employee Benefits as on 31st December 2024

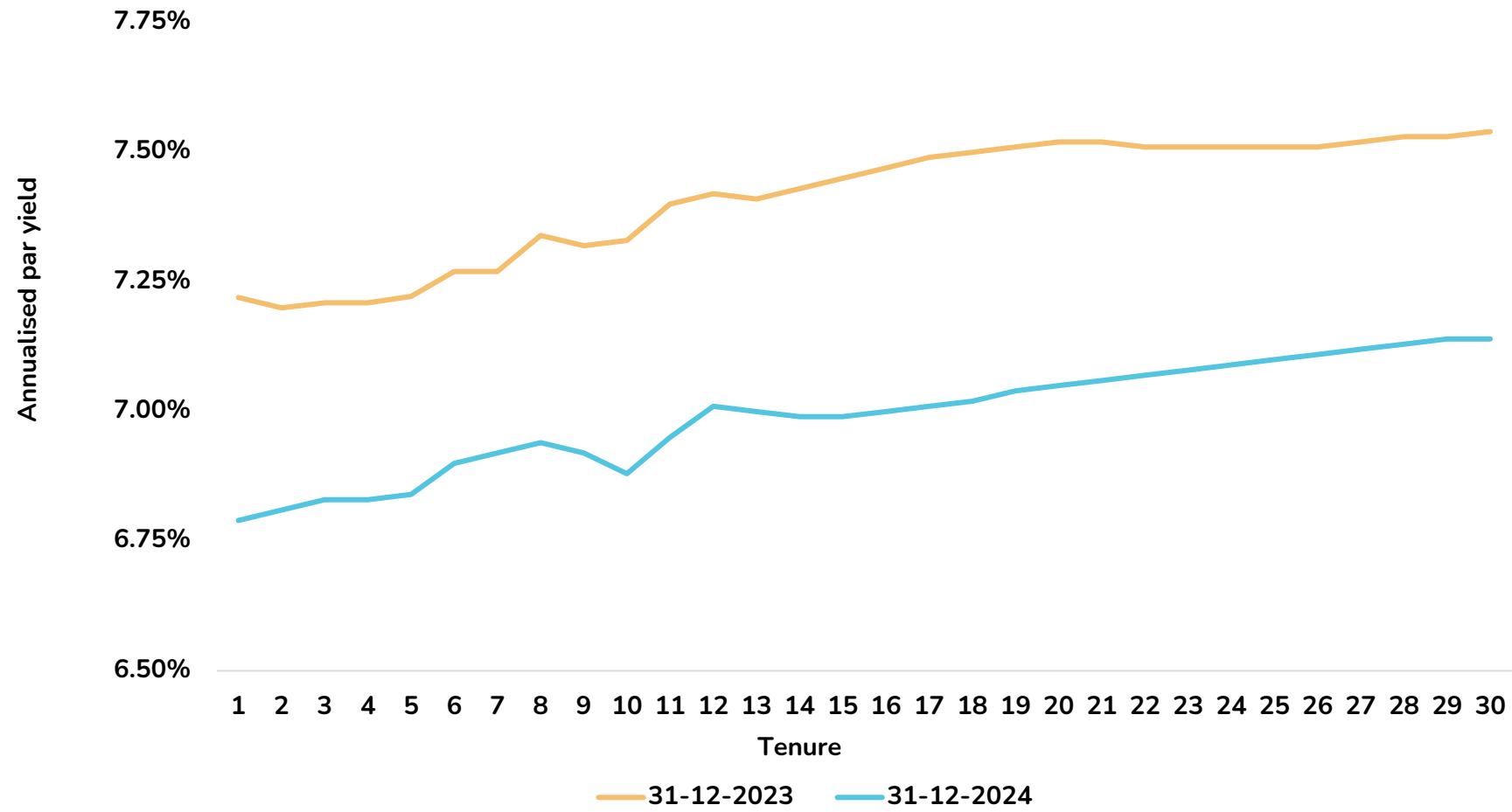
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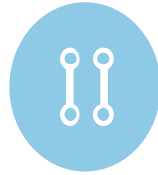
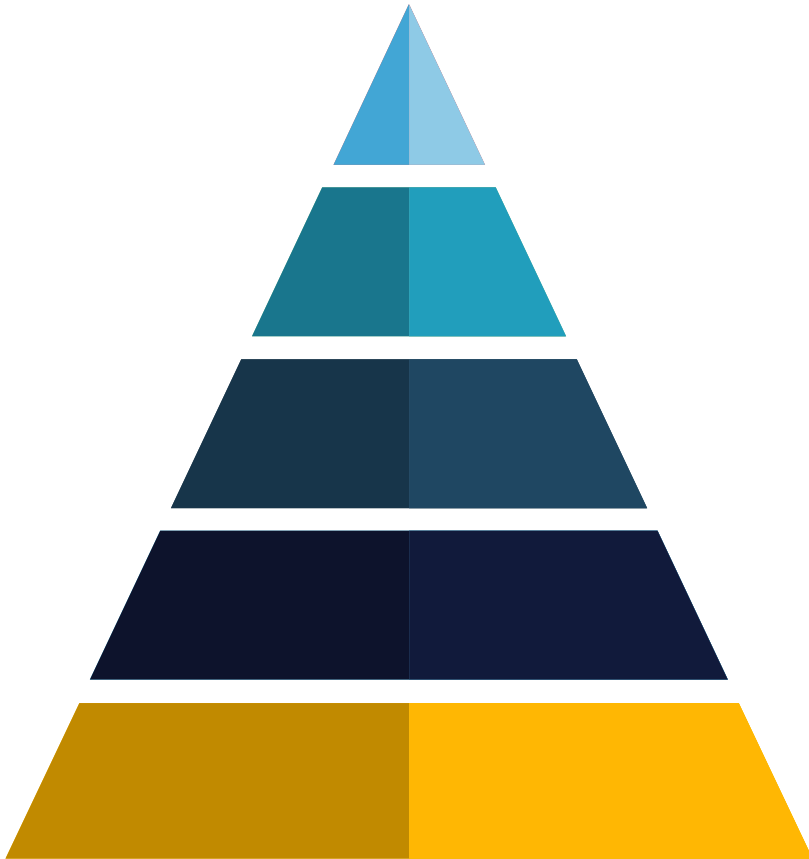
G. Sec Rates as at 31-12-2024



**The rates shall be considered as the final rates for the quarter valuations as on 31-12-2024.

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 31-12-2024 Yield

As compared with 28-03-2024, rates have decreased for each tenure by an average of 22 bps. When compared with last year as on date, i.e., 31-12-2023, there is an average decrease of 42 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.

We work for you, wherever your business takes you!

Thank you!



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