

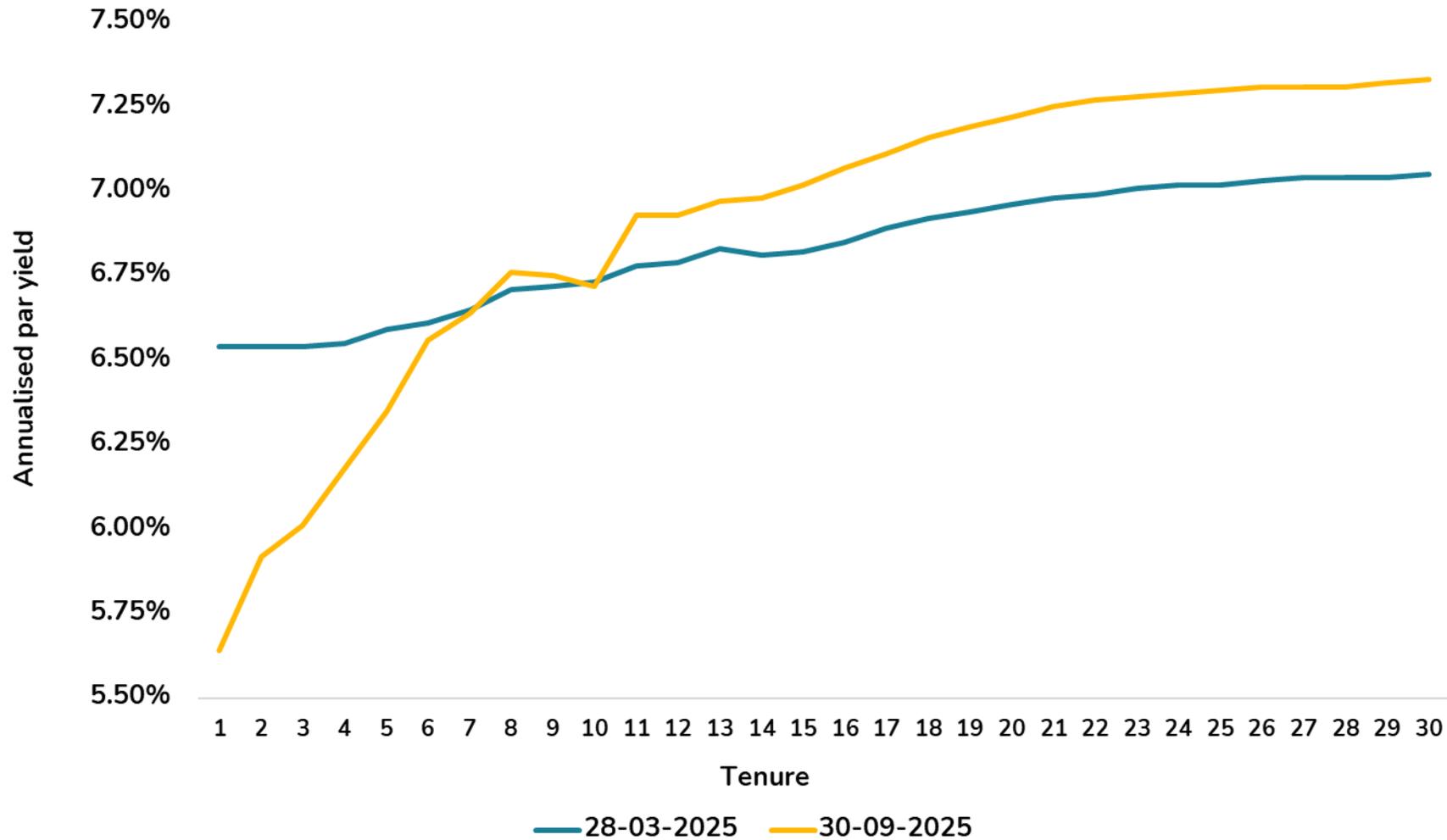


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KAP's Interest Rate Updates For Employee Benefits as on 30th September 2025

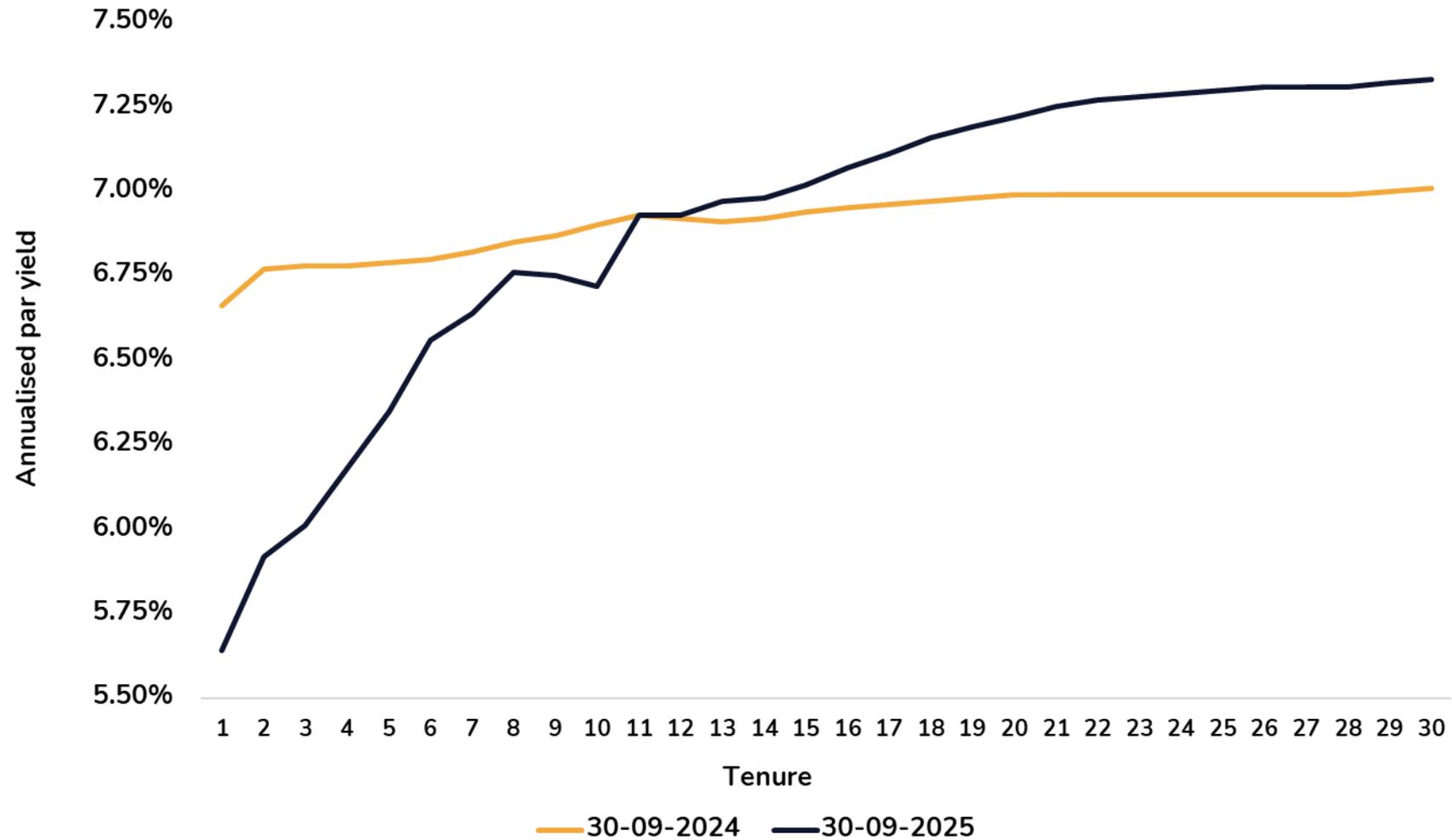
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G. Sec Rates as at 30-09-2025



**The rates shall be considered as the final rates for the quarter valuations as on 30-09-2025

Annualised Par Yields on G. Secs



Annualized Par Yields on G. Secs as on 30-09-2025



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Term	Annualized Yield (% p.a.)
1	5.64%
2	5.92%
3	6.01%
4	6.18%
5	6.35%
6	6.56%
7	6.64%
8	6.76%
9	6.75%
10	6.72%

Term	Annualized Yield (% p.a.)
11	6.93%
12	6.93%
13	6.97%
14	6.98%
15	7.02%
16	7.07%
17	7.11%
18	7.16%
19	7.19%
20	7.22%

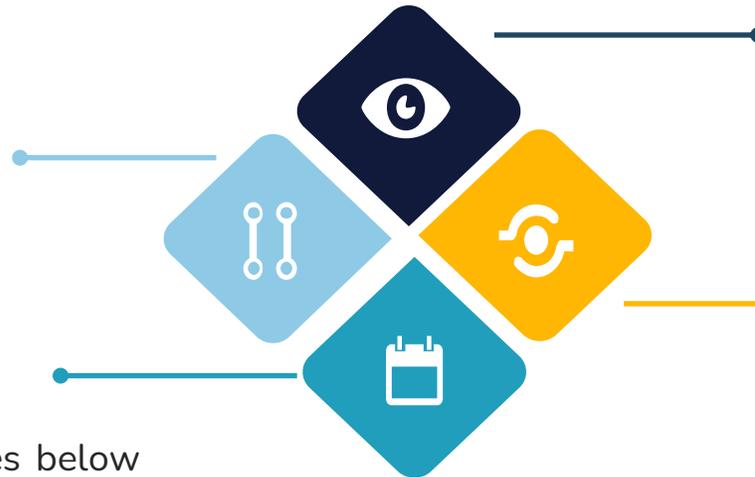
Term	Annualized Yield (% p.a.)
21	7.25%
22	7.27%
23	7.28%
24	7.29%
25	7.30%
26	7.31%
27	7.31%
28	7.31%
29	7.32%
30	7.33%



Comments & Insights

Interest Rates Around the World

Falling government bond yields typically indicate investor caution about the economic outlook, prompting a shift toward safer assets. This change impacts borrowing costs, investment preferences, and global capital movement. As a result, it can lead to lower interest rates, increased equity market activity, and shifts in currency and commodity markets—reflecting broader market sentiment and economic expectations.



Comparison of 30-09-2025 Yield

As compared to 28-03-2025, yields for tenures below 10 years have declined by an average of 27 bps, while yields for tenures above 10 years have increased by about 24 bps. Overall, the movement in the yield curve indicates that the impact will depend on the plan's duration profile, with shorter-duration plans likely to see an increase in liabilities, while longer-duration plans may see some relief.

Impact on Obligation

A decrease in yield will lead to an increase in the present value of obligations, thereby resulting in an actuarial 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!



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