Zero Coupon Yield Curve Update

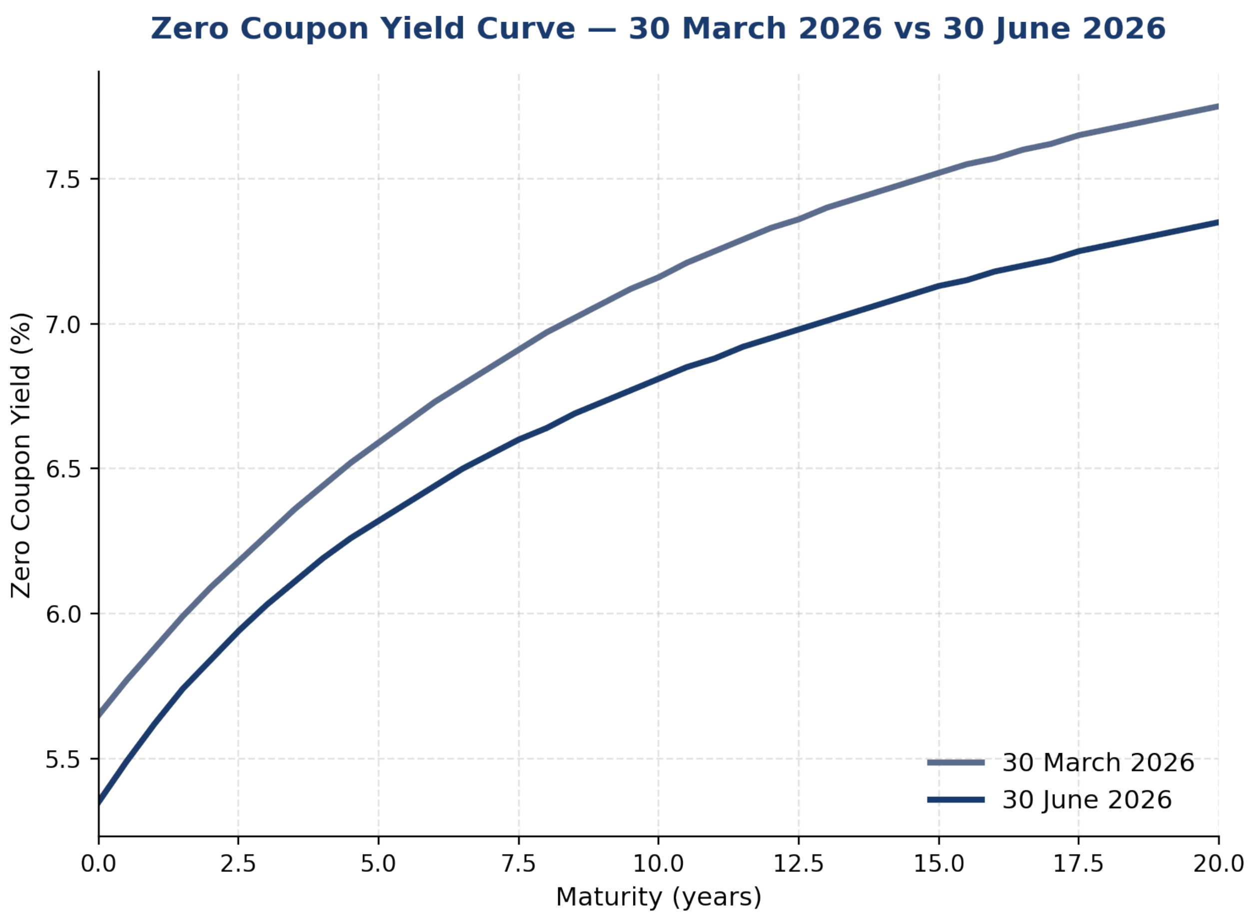
Comparison as at 30 March 2026 vs 30 June 2026 | Source: CCIL | Actuaria LLP

Summary of Change

Between 30 March 2026 and 30 June 2026, the INR sovereign zero-coupon yield curve shifted down across all tenors. The decline was smallest around the 2–3 year point (about 24–25 bps) and widened at longer tenors, reaching roughly 39–40 bps by the 15–20 year segment. The 1-year to 20-year spread narrowed from 1.87% to 1.73%, indicating a modest bull-flattening of the curve over the quarter. For AS 15 / Ind AS 19 valuations, lower discount rates at the June 2026 measurement date will, all else equal, increase the present value of long-duration employee benefit obligations (gratuity, leave encashment, and similar plans) compared to the March 2026 valuation.

Broad Overview

The zero-coupon yield curve (ZCYC), published periodically by the Clearing Corporation of India Ltd. (CCIL), represents the term structure of discount rates implied by INR government securities and is the standard reference used for discounting future cash flows in actuarial valuations of employee benefit plans in India. The chart below compares the curve at the two quarter-end dates for tenors up to 20 years, the range most relevant to typical employee benefit liability durations; the full table of rates follows on the next page.



Zero Coupon Yield Rates (%) – Maturities up to 20 Years

Mat (yrs)	30-Mar-26	30-Jun-26	Δ (bps)	Mat (yrs)	30-Mar-26	30-Jun-26	Δ (bps)
0	5.65	5.35	-30	10.5	7.21	6.85	-36
0.5	5.77	5.49	-28	11	7.25	6.88	-37
1	5.88	5.62	-26	11.5	7.29	6.92	-37
1.5	5.99	5.74	-25	12	7.33	6.95	-38
2	6.09	5.84	-25	12.5	7.36	6.98	-38
2.5	6.18	5.94	-24	13	7.40	7.01	-39
3	6.27	6.03	-24	13.5	7.43	7.04	-39
3.5	6.36	6.11	-25	14	7.46	7.07	-39
4	6.44	6.19	-25	14.5	7.49	7.10	-39
4.5	6.52	6.26	-26	15	7.52	7.13	-39
5	6.59	6.32	-27	15.5	7.55	7.15	-40
5.5	6.66	6.38	-28	16	7.57	7.18	-39
6	6.73	6.44	-29	16.5	7.60	7.20	-40
6.5	6.79	6.50	-29	17	7.62	7.22	-40
7	6.85	6.55	-30	17.5	7.65	7.25	-40
7.5	6.91	6.60	-31	18	7.67	7.27	-40
8	6.97	6.64	-33	18.5	7.69	7.29	-40
8.5	7.02	6.69	-33	19	7.71	7.31	-40
9	7.07	6.73	-34	19.5	7.73	7.33	-40
9.5	7.12	6.77	-35	20	7.75	7.35	-40
10	7.16	6.81	-35				

Source: CCIL zero-coupon yield curve, rates as at 30 March 2026 and 30 June 2026. Δ (bps) = change in yield from March to June, in basis points (negative = decline). Prepared by Actuaria LLP for illustrative and reference purposes; refer to the full CCIL publication for tenors beyond 20 years or intermediate dates.

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