RBI Floating Rate Savings Bond (FRSB)

A sovereign bond paying one of the highest safe rates, 8.05%, reset every 6 months.

8.05% p.a. (Jul–Dec 2026) | Interest taxable at slab

In brief

Suits	Investors who want sovereign safety with a rate that moves with small-savings rates.
You get	The NSC rate plus 0.35%, reset every six months; paid half-yearly.
Your money	7-year term; early exit only for senior citizens after a minimum period.
Tax	Interest is taxed at your slab.
Watch for	There is no cumulative option, so it suits regular-income needs.

Key facts

Interest rate	8.05% p.a. (NSC rate + 0.35%, reset every 6 months)
Tenure	7 years
Interest paid	Half-yearly (1 Jan & 1 Jul), no cumulative option
Minimum	₹1,000 · no maximum limit
Tax	Fully taxable at slab; TDS applicable

What's new

Jul 2026 RBI set the rate at 8.05% (NSC 7.7% + 0.35%) for 1 July–31 December 2026. The next reset is 1 January 2027.

> The full guide answers 10 questions on RBI FRSB, from eligibility to tax and withdrawals: merasip.com/guides/rbi-floating-rate-savings-bond. To talk it through, WhatsApp 60039 03737.

Sources: RBI – Floating Rate Savings Bonds 2020 (Taxable); RBI press release.

Educational information prepared by Trustner from official sources. It is not investment, tax or insurance advice. Rates and rules change; confirm the current position with the bank, post office, insurer or your tax consultant before acting.