

## **RBI Revises Bank Rate & Penal Interest Rates on shortfalls in reserve requirements**

The Reserve Bank of India (RBI), through **Circular No. RBI/2025-26/23 DoR.RET.REC.16/12.01.001/2025-26** dated April 9, 2025, has revised the Bank Rate as announced in the Monetary Policy Statement 2025-26.

The Bank Rate has been reduced by 25 basis points from 6.50% to 6.25%, effective immediately. As a result, penal interest rates on shortfalls in maintaining the required levels of Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR), which are tied to the Bank Rate, have also been revised.

The penal rate for shortfalls in reserve requirements now stands at Bank Rate plus 3.0 percentage points (9.25%) or Bank Rate plus 5.0 percentage points (11.25%), depending on the duration of the shortfall.

This change updates the provisions detailed in Chapter VIII of the RBI's Master Direction on CRR and SLR (2021) and supersedes the previous circular dated February 7, 2025. All banks are required to adhere to the revised rates with immediate effect.

**Link - <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12832&Mode=0>**