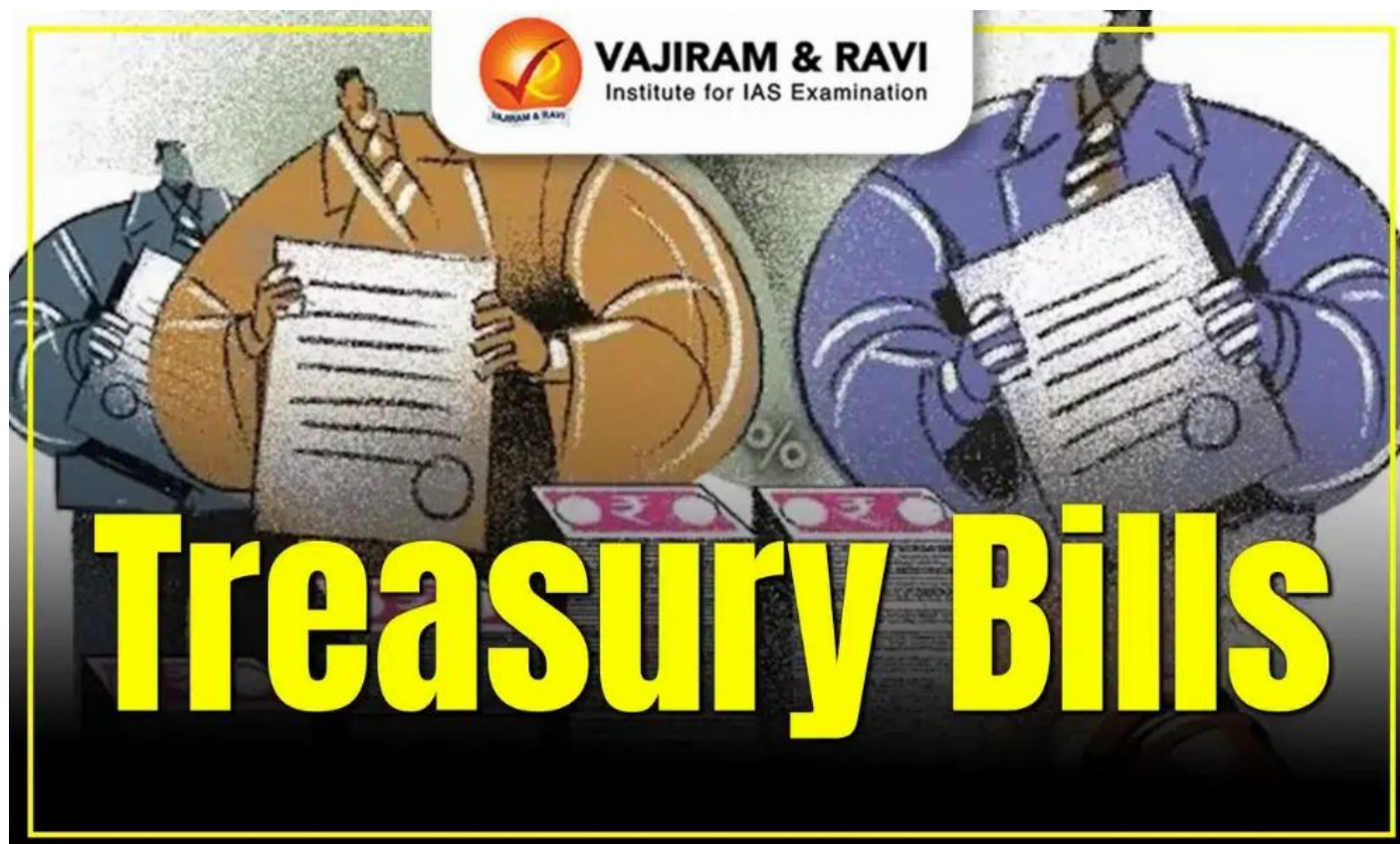


## Treasury Bills

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### Treasury Bills Latest News

India recently extended financial support to the Maldives by renewing a USD 50 million Treasury Bill for another year through the State Bank of India (SBI).

### About Treasury Bills

- A T-Bill is a **short-term debt instrument issued by the Indian government through** the Reserve Bank of India (**RBI**).
- **Purpose:**
  - The primary objective of a T-Bill is to **meet the short-term financial requirements** of the central government.
  - RBI also issues such treasury bills under its **open market operations (OMO)** strategy **to regulate its inflation level** and spending/borrowing habits of individuals.
  - For investors, they present one of the **safest investments** with the **highest liquidity** among government securities.

- **Features:**

- T-Bills are **zero coupon securities**, meaning they **don't pay interest**.
- Instead, they are **issued at a discount** and **redeemed at the face value at maturity**. For example, a 91 day Treasury bill of ₹100/- (face value) may be issued at say ₹ 98.
- The **return** to the investors **is the difference between the maturity value or the face value and the issue price**.
- **Tenure:** T-Bills are issued in India with tenures of **91 days, 182 days, 364 days**.
- **Minimum Investment:** **₹25000 or multiples of this** amount.

- **Issue Process:**

- T-bills are issued through an **auction conducted by the RBI** at regular intervals.
- The auctions are **held at RBI's electronic platform called E-Kuber**.
- **Who can buy T-Bills?**
- T-bills can be purchased by **any entity registered in India**, such as **banks, financial institutions, primary dealers**, corporate bodies, institutions, mutual funds, **state governments, trusts** and even **individuals in both primary as well as secondary markets**.

## Treasury Bills FAQs

**Q1:** What is the treasury bill?

**Ans:** A T-Bill is a short-term debt instrument issued by the Indian government through the RBI.

**Q2:** Is T Bill a good investment?

**Ans:** For investors, T-Bills present one of the safest investments with the highest liquidity among government securities.

**Q3:** What is the primary purpose of issuing Treasury Bills (T-Bills)?

**Ans:** To meet short-term financial requirements of the government.

**Source:** [TOI](#)

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