Treasury bills, or T-bills, are short-term borrowing instruments of the GoI. They are issued by the Reserve Bank of India (RBI) on behalf of the government to meet its short-term requirements and reduce the fiscal deficit. They are sold (Minimum Investment: ₹10,000) at a discount and redeemed at face value and have no coupon interest (they do not pay investors any interest). They are available in three tenors: 91 days, 182 days, and 364 days. They are considered as one of the lowest-risk and highly liquid investments (available in both the primary and secondary financial markets).

For instance, a treasury bill worth ₹100 can be obtained for ₹95, but the buyer receives ₹100 when T-bill matures. The returns are higher during the liquidity crisis and vice versa.

In India, Treasury bills were first printed in 1917. Banks, trusts, institutions, and individuals can buy T-bills. T-bills assists RBI in regulating the economy’s total money supply and in raising funds.

Since they are supported by the government of India, the highest authority in the country, investors can have complete peace of mind regarding their investments. The sum must be paid to the investors regardless of the economic downturn.