

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS  
RAJYA SABHA UNSTARRED QUESTION NO. 3094  
TO BE ANSWERED ON 28.03.2023

**Trial of CBDC**

3094 **Dr. M. Thambidurai:**  
**Dr. Kanimozhi NVN Somu:**

Will the Minister of *Finance* be pleased to state:

- (a) whether the RBI has started trials of its retail Central Bank Digital Currency (CBDC) in four big Indian cities, if so the details thereof;
- (b) whether it is a fact that the RBI has chosen four banks for the pilot project and those banks have chosen some individuals and some account holders for this;
- (c) if so, the details thereof;
- (d) the reasons for creating a separate e-wallet when most of the people already have UPI; and
- (e) whether Government has any plans to merge digital currencies and make them interchangeable and if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI PANKAJ CHAUDHARY)

(a): RBI has launched the first pilot of Digital Rupee- Retail segment (₹-R) on December 01, 2022. The ₹-R pilot currently covers the five cities of Mumbai, New Delhi, Bengaluru, Bhubaneswar and Chandigarh. The pilot is covering select locations in closed user group (CUG) comprising participating customers and merchants. The ₹-R is in the form of a digital token that represents legal tender. It is being issued in the same denominations that paper currency and coins are currently issued. It is being distributed through financial intermediaries, i.e., banks. The ₹-R offers features of physical cash like trust, safety and settlement finality. As in the case of cash, it will not earn any interest and can be converted to other forms of money, like deposits with banks.

(b) & (c): RBI has identified eight banks for phase-wise participation in the retail pilot project. These include the State Bank of India, the ICICI Bank, the Yes Bank and the IDFC First Bank, the Bank of Baroda, the Union Bank of India, the HDFC Bank and the Kotak Mahindra Bank. The participating banks have selected individuals/account holders for the trials.

(d): A separate ₹ wallet has been conceived in the pilot considering that ₹ forms part of the currency system while UPI is related to the payment systems. Users will be able to transact with ₹-R through a digital wallet offered by the participating banks and stored on mobile phones/devices .

(e): The Reserve Bank of India issues only one digital currency on behalf of Government of India,-Central Bank Digital currency (CBDC), which is a liability of the Central Bank.

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