

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS  
LOK SABHA UNSTARRED QUESTION NO. 2000  
TO BE ANSWERED ON 19.12.2022

**Digital Rupee**

†2000. SHRI SUDHAKAR TUKARAM SHRANGARE:

Will the Minister of FINANCE  
be pleased to state:

- (a) the details of the digital rupee started by the Government as a pilot project;
- (b) whether the Government is contemplating to introduce it at international level;
- (c) whether the Government is of the opinion that the cash transaction would reduce in the next three years upon the introduction of digital rupee and if so, the details thereof; and
- (d) the steps taken/being taken by the Government to promote digital Rupee?

ANSWER

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

(a): The Reserve Bank of India (RBI) has launched pilots in CBDC in both Wholesale and Retail segments. The first pilot in the Digital Rupee, in Wholesale segment (e₹-W), was launched on November 1, 2022, with the use case being settlement of secondary market transactions in government securities. Further, the first pilot of retail digital Rupee (e₹-R) was launched on December 1, 2022. The pilot is covering select locations in closed user group (CUG) comprising participating customers and merchants.

The e₹-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. Users will be able to transact with e₹-R through a digital wallet offered by the participating banks and stored on mobile phones / devices. The e₹-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) to (d): Bringing efficiency in cross-border payments is an important motivation for introducing CBDC. Accordingly, further pilots of use cases of CBDC including cross-border payments, both in wholesale and retail segment, has to be through a phased implementation strategy on the basis of feedback received during the pilots. Further, various features of Digital Rupee are already being spread among public through media campaigns.

The quantum of cash / bank notes in the economy depends on the requirement for meeting the demand for bank notes due to GDP growth, inflation, replacement of soiled bank notes and growth in non-cash modes of payment.

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