

GOVERNMENT OF INDIA
MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION

LOK SABHA
UNSTARRED QUESTION NO. 4218
TO BE ANSWERED ON 18TH MARCH, 2026

DIGITAL VOUCHERS IN PDS

4218. SMT. BHARTI PARDHI:
SHRI RAVINDRA DATTARAM WAIKAR:
DR. SHRIKANT EKNATH SHINDE:
SHRI SHRIRANG APPA CHANDU BARNE:
SHRI NARESH GANPAT MHASKE:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a): the objectives behind proposing pilot projects for use of digital vouchers in the Public Distribution System (PDS) to modernise delivery and reduce leakages;
- (b): the details of scope and design of the proposed pilots including States or districts identified for implementation;
- (c): the assessment made of the potential impact of digital vouchers on transparency, efficiency and beneficiary convenience in PDS operations;
- (d): the details of consultations held with stakeholders including fair price shop dealers to address operational concerns and ensure smooth implementation;
- (e): whether safeguards are being built to ensure inclusivity and uninterrupted food security during the transition to digital systems; and
- (f): if so, the details thereof and if not, the reasons for the same?

A N S W E R
MINISTER OF STATE FOR MINISTRY OF CONSUMER AFFAIRS,
FOOD & PUBLIC DISTRIBUTION
(SHRIMATI NIMUBEN JAYANTIBHAI BAMBHANIYA)

(a): The objective of pilot project for the use of Central Bank Digital Currency (CBDC) in the Public Distribution System (PDS) is enhancing the Direct Benefit Transfer (DBT) ecosystem by providing a secure, instant, traceable and programmable digital cash mechanism for Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) beneficiaries, thereby enabling smoother fund flow and reducing friction in availing entitlements.

(b): Under CBDC, banks issue commodity-specific digital food coupons (tokens) or voucher codes in the Aadhaar-verified mobile-linked account/wallet of the beneficiary. Beneficiaries can

redeem these food coupons/voucher codes for authorized commodities at associated Fair Price Shops (FPS)/Merchant Outlets.

Government of India (GoI) has launched pilot project on the use of CBDC in the PDS in the State of Gujarat, covering the Sabarmati zone of Ahmedabad city as well as in the urban areas of Surat, Anand, and Valsad districts. A pilot project is also launched in Union Territory of Puducherry for use of CBDC for DBT under PMGKAY.

(c): The introduction of CBDC is aimed to significantly enhance transparency, efficiency, and beneficiary convenience in the functioning of PDS. The system also intend to minimize transaction delays and improve ease of access. CBDC also provide clear information to beneficiaries about their monthly entitlement, the quantity of foodgrains allocated, the subsidy value provided by the GoI, the quantity lifted and the balance due.

(d): GoI has undertaken detailed consultations with key stakeholders, including Reserve Bank of India, State/UT Governments, partner banks, and other implementing agencies, to address operational concerns and ensure smooth implementation of the pilot projects.

(e) & (f): The implementation of pilot project is carried out in a phased manner with limited number of beneficiaries and locations. The existing PDS mechanisms remain operational for remaining beneficiaries who are not covered under pilot project.
