



PROLETARIAN POWER

PEACE, PROSPERITY AND JUSTICE ... FOR ALL

5th April, 2025.

To

The Finance Minister,
Government of India,
134/North Block,
New Delhi 110001

Honourable Finance Minister Smt.Nirmala Sitharaman ji,

Sub: Using CBDCs to meet public welfare expenditure (subsidies) - Reg

We are happy to learn that the Government started using Central Bank Digital Currency (CBDC) to meet some of public welfare expenditure. We have learnt that the Government is issuing CBDCs to eligible students towards interest subvention which they can redeem by using them while paying off their education loans. This is in line with our thinking. In our letter dated 15th May, 2022 (addressed to the Prime Minister with a copy marked to your office) we suggested that a '**special currency**' may be created to meet Government expenditure under various public welfare programmes. We also enunciated in the said letter various benefits the country can derive by using such 'special currency' (The letter in question is available on our website)

Having made a beginning, we think the Government should scale up the process by increasing their use quickly. One area that looks promising to us in this regard is the 'free rice' scheme - implemented by various State Governments. We learn from the print media that the Government of Telangana has decided to distribute 6 Kg rice per-head/per-month to 3.10 Crore people, that is 85% of the State's population. This scheme is expected to cost Rs.10,665 Crores of which Center's share comes to Rs.5,489 crores. Now the Central Government may issue CBDCs for this amount directly to the beneficiaries who in turn can surrender them at PDS points while receiving rice. The State Government in turn forwards them to the Central Government to receive an equal amount of INRs. **To make this process effective and foolproof we strongly recommend that such CBDCs should have an expiry date (say, 6 months from the date of issue).**

The above suggestion is for your consideration.

Thank you.

Yours sincerely,

(Chandra Sekhar Gupta Boggarapu)
Founder, Proletarian Power (proletarianpower.org),
502, Vaishnavi Twins Plaza, G-90/A, Madhura Nagar,
Hyderabad - 500038.

P.S. CBDCs being digital/programmable units, we guess, incorporating features like expiry date may not be difficult.

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1. The Governor, Reserve Bank of India, Shahid Bhagat Singh Road, Fort, Mumbai 400001.
2. Shri Prahlad Joshi ji, Union Minister, Ministry of Consumer Affairs, Food and Public Distribution
179, Krishi Bhavan, New Delhi - 110001.

Proletarian Power (proletarianpower.org) is a not-for-profit entity primarily engaged in analyzing the macro economic environment in India from 'public interest' angle..
