

Govt to start pilot for digital food coupons under free ration scheme

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New Delhi: Govt is set to roll out a pilot for Central Bank Digital Currency (CBDC) or 'digital food currency' under the free ration scheme to a limited number of beneficiaries in Chandigarh, Puducherry and three districts of Gujarat next month.

Under this, beneficiaries will receive monthly digital food coupons directly into an RBI-enabled digital wallet on their mobile phones and they will get the entitled free foodgrains from ration shops by simply scanning the shop owners' QR code to redeem the coupons.

The initiative is aimed at bringing greater transparency and plugging any leakage in the world's largest free food security programme and re-



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lieving ration card holders from the hassle of biometric authentication. People aware of the plan said this will be conducted as a 'proof of concept' for the "digital food currency" across three regions and will be at a small-scale to demonstrate the feasibility, functionality, and practical potential of the initiative.

Govt will also set a time-frame for using the digital coupon to avoid accumulation. Earlier this month, a

soft launch was done in Ahmedabad with 25 beneficiaries. A govt official said since then around 2,000 transactions have been completed. The pilot to be rolled out next month will cover Anand, Sabarmati and Dahod.

In the case of Chandigarh and Puducherry, the Centre had rolled out Direct Benefit Transfer (DBT) scheme for foodgrains in 2015, which replaced physical foodgrain distribution with direct cash transfers to beneficiaries' bank accounts. Officials said the digital food currency will ensure that beneficiaries are using the subsidy only for buying foodgrains and for no other purpose.

Since there has been no provision of distribution of foodgrains in these two UTs, there are no ration shops.

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