

Coinage Act 1906

February 20, 2013

1. Short title and extent.

(1) This Act may be called the¹ [* * * *] Coinage Act, 1906; and

²[2 It extends to the whole of India ³[* * * *].]

1. Word "INDIAN-", omitted by the Indian Coinage (Amendment) Act (47 of 1975), S. 2 (12-8-1975).

2. Substituted for the former sub-section (2), by the A.L.O., 1950.

3. Words "except the State of Jammu and Kashmir" omitted by the Jammu and Kashmir (Extension of Laws) Act (62 of 1956), S.2 and Sch.

2. Definitions.

In this Act, unless there is anything repugnant in the subject or context, –

(a) "Deface", with its grammatical variations and cognate expressions, includes clipping, filing, stamping, or such other alteration of the surface or shape of a coin as is readily distinguishable from the effects of reasonable wear;

(b) "The Mint" includes the Mints now existing and any which may hereafter be established;

(c) "Prescribed" includes prescribed by a rule made under this Act;

(d) "Remedy" means variation from the standard weight and fineness; and

(e) "Standard weight" means the weight prescribed for any coin.

3. Power to establish and abolish Mints.

The ¹[Central Government] may, by notification in the ¹[Official Gazette], –

(a) Establish a Mint at any place at which a Mint does not for the time being exist; and

(b) Abolish any Mint, whether now existing or hereafter established.

1. Substituted by A.O., 1937.

4. Silver Coins.

[Repealed by the Indian Coinage (Amendment) Act, 1947 (28 of 1947), Section 2-] ¹[* * *]

1. Heading "Silver Coinage" omitted by Act 28 of 1947, S. 2 (7-6-47).

5. Standard weight and fineness.

[Repealed by Act 28 of 1947, S. 2.]

6. Denominations, dimensions, designs and composition of coins.

²[(1)] Coins may be coined at the Mint for issue under the authority of the Central Government, ¹[of such denominations not higher than one thousand rupees], of such dimensions and designs, and of such metals or of mixed metals of such composition as the Central Government may, by notification in the Official Gazette, determine.]

²(2) Notwithstanding anything contained in sub-section (1), if the Central Government is of opinion that it is necessary or expedient in the public interest so to do, it may authorise the coining, 'in like manner as is provided in that sub-section, of coins by any person (including the Government of any foreign country), beyond the limits of India and import such coins for issue under its authority under that subsection.]

1. Substituted for the words "of such denominations not higher than one hundred rupees" by the Indian Coinage (Amendment) Act (47 of 1975), S. 3 (12-8-75).

2. S. 6 re-numbered as sub-sec. (1) and after sub-sec. (1) so re-numbered.' sub-sec. (2) inserted by the Coinage (Amendment) Act (33 of 1985), S. 2 (24-5-1985).

7 Standard weight and remedy

¹[Standard weight and remedy. The standard weight of the coins of any denomination coined under the provisions of section 6-, and the remedy allowed in the making of such coins shall be such as may be prescribed in this behalf by the Central Government.]

¹[* * *]

1. Substituted for original S. 7, heading "Bronze Coinage" preceding S. 8, S. 8 and S. 9. By the Indian Coinage (Amendment) Ordinance (4 of 1942), S. 2.

8. Section

¹[8 *****]

1. Substituted for original S. 7, heading "Bronze Coinage" preceding S. 8, S. 8 and S. 9. By the Indian Coinage (Amendment) Ordinance (4 of 1942), S. 2.

9. Section

9 *****]

1. Substituted for original S. 7, heading "Bronze Coinage" preceding S. 8, S. 8 and S. 9. By the Indian Coinage (Amendment) Ordinance (4 of 1942), S. 2.

10. Power to direct coining, and to prescribe dimensions and designs.

[Repealed by the Indian Coinage (Amendment) Act, 1947 (28 of 1947), S. 4.]

11. Demonetizations of sovereign and half-sovereign.

[Repealed, *ibid.*]

12. Silver coin when a legal tender.

[Repealed, *ibid.*]

13 Coin when a legal tender

¹[Coin when a legal tender. (1) The coins issued under the authority of section 6-shall be a legal tender in payment or on account, –

(a) ²[in the case of a Coin of any denomination not lower than a rupee] for any sum;

(b) In the case of a half-rupee coin, for any sum not exceeding ten rupees;

(c) In the case of any other coin, for any sum not exceeding one rupee:

Provided that the coin has not been defaced and has not lost weight so as to be less than such weight as may be prescribed in its case.

(2) All silver coins issued under this Act after the 10th day of March, 1940 ² [and before the commencement of the Indian Coinage (Amendment) Act, 1947] shall continue as before to be a legal tender in payment or on account, –

(a) In the case of a rupee coin, for any sum;

(b) In the case of a half-rupee coin, for any sum not exceeding ten rupees;

(c) In the case of a quarter-rupees, for any sum not exceeding one rupee: Provided that the coin has not been defaced and has not lost weight so as to be less than

(i) 176.4 grains Troy in the case of a rupee coin, or

(ii) 88.2 grains Troy in the case of a half-rupee coin, or

(iii) Such weight as may be prescribed in the case of a quarter-rupee coin.

(3) All nickel, copper and bronze coins which may have been issued under this Act before the 24th day of January 1942 shall continue as before to be a legal tender in payment or on account for any sum not exceeding one rupee.]

³[(4) All new coins in the naya paisa series, designated as such under the notification of the Government of India in the Ministry of finance, Department of Economic Affairs, No. S.R.O.1120, dated 11th May, 1956 which may have been issued under this Act prior to the commencement of the Indian Coinage (Amendment) Act, 1964; shall continue to be a legal tender in payment or on account, –

(a) In the case of a half-rupee of fifty naya paise coin, for any sum not exceeding ten rupees;

(b) In the case of any other coin, for any sum not exceeding one rupee.]

1. Substituted for former S. 13, by the India Coinage (Amendment) Act (28 of 1947), S. 5 (7-65-47).

2. Substituted and inserted respectively, by the Indian Coinage (Amendment) Act (28 of 1947), S. 3 (7-6-47).

3. Inserted by the Indian Coinage (Amendment) Act (17 of 1964), S. 2(1-6-1964).

14 Decimal system of coinage

¹[Decimal system of coinage. (1) The rupee shall be divided into one hundred units and the new coin representing such unit may be designated² by the Central Government, by notification in the Official Gazette, under such name as it thinks fit, and the rupee, half rupee and quarter rupee shall be respectively equivalent to one hundred, fifty and twenty-five such new coins and shall, subject to the provisions of sub-section (1) and sub-section (2) of section 13-and to the extent specified therein, be a legal tender in payment or on account accordingly.

(2) All coins issued under the authority of this Act in any denominations of annas, pice and pies shall, to the extent specified in section 13-, be a legal tender in payment or on account at the rate of sixteen annas, sixty-four pice or one hundred and ninety-two pies, to one hundred new coins referred to in sub-section (1), calculated in respect of any single coin or number of such coins, tendered at one transaction, to the nearest new coin, or where the new coin above and the new coin below are equally near to the new coin below.

(3) All references in any enactment or in any notification, rule or order under any enactment or in any contract, deed or other instrument to any value expressed in annas, pice and pies shall be construed as references to that value expressed in new coins referred to in sub-section (1) converted thereto at the rate specified in sub-section (2).]

³[(4) As from the commencement of the Indian Coinage (Amendment) Act, 1964, all references in any enactment or in any notification, rule or order under any enactment or in any contract, deed or other instrument to any value in naya paisa or naya paise shall be construed as references to that value expressed respectively in paisa or paise, being the new coins, designated as such from 1st day of June, 1964.]

1. Inserted by the Indian Coinage (amendment) Act (31 of 1955, S. 2 (1-4-57)

2. New coin was designated as 'Naya Paise': see S.R.O., 1120 published in Gaz. of Ind. Extra., 14-5-1956, Pt, II, S. 3, p. 883. For amendment to said notification; see Gaz of Ind., 1-6-1964, Pt., II, S. 3(ii), Ext., p. 425.

3. Inserted by the Indian Coinage (Amendment) Act (17 of 1964), S. 3 (1-6-1964).

15. Coin made under former Acts

[Repealed by the Indian Coinage (Amendment) Act, 1947 (28 of 1947), S. 6(7-6-1947).]

15A Power to call in coin.

¹[Power to call in coin. ⁷ Notwithstanding anything contained in ² [section 13-], the ⁸[Central Government] may, by notification in the ⁸[Official Gazette,] call in with effect from such date as may be specified in the notification, any coin, of whatever date or denomination, referred to in ³[that section] ⁴[* * *] and on and from the date so specified such coin shall cease to be a legal tender ⁵[save to such extent as may be specified in the notification].]

6[*****]

1. Inserted by Act 10 of 1924, S. 3.

2. Substituted for "Section 12 Section 13, or Section 15" by Act 28 to 1947. S. 7 (7-6-1947). Words-Section 14" before the word "or" had been omitted by Ordn. 4 of 1942, S. 5.

3. Substituted for the words "any of those sections" by Act 28 of 1947, S. 7 (7-6-1947)

4. Words "other than the rupee and half-rupee referred to in sub-section (1) of Section 12" omitted by Ordn. 12 of 1940, S. 2.

5. Substituted for "save at a Government currency office", by Ordn. 12 of 1940.

6. Proviso was omitted, ibid.

7. For calling in of: (1) nickel-brass one-anna and half-anna coins; see Gaz. of Ind., 15-6-1959. Pt. II, S.3 (ii), Ext" p. 369; (2) of Cupro-nickel two anna and half-anna coins; see Gaz. of Ind., 2-3-1960, Pt. II, S. 3(ii), Ext., p. 82; (3) of all quaternary alloy rupee coins, half-rupee and quarter rupee coins; see Gaz. of Ind., 28-10-1967, Pt. II, S. 3(ii), p. 4010; (4) All pure-nickel rupee coins, an pure nickel half-rupee coins, all pure nickel quarter rupee coins-sec Gaz. of Ind., 4-8-1984, P. II. S. 3(ii), p. 2269 (w.e.f. 31-12-1984).

8. Substituted by A. L. O., 1937.

16. Power to certain persons to cut diminished or defaced silver coins.

Where any silver coin which has been coined and issued under the authority of the ¹ [Central Government] is tendered to any person authorised by the ¹[Central Government] ² [* * *] to act under this section, and such person has reason to believe that the coin-

(a) Has been diminished in weight so as to be more than such percentage below standard weight as may be prescribed as the limit of reasonable wear, or

(b) Has been defaced, he shall, by himself or another cut or breaks the coin.

1. Substituted by A. L. O., 1937.

2. Words "or by the Local Government" repealed by the A. O" 1937.

OBJECTS AND REASONS

Sections 16-to20-deal with diminished, defaced and counterfeit coins. Of these, sections 16-to19-deal with diminished or defaced coin, while section 20-is limited to counterfeit coin. As regards diminished or defaced silver coin, section 16-confers powers on certain persons, to be authorised in this behalf by the Central Government, to cut or breach such coin. Section 17-prescribes the procedure to be followed in regard to. coins cut or broken on the ground of their being of diminished weight. If diminished in weight beyond the limit of reasonable wear, as may be prescribed, but not beyond a further limit to be prescribed in this connection, they will be accepted at something less than face value according to graduated scale, If diminished beyond

this last percentage, the pieces will be returned to the tenderer and will be worth to him only their value as silver bullion. Section 18-prescribes the procedure to be followed in regard to coins cut or broken on the ground that they have been defaced. In cases where the cutting officer has reason to believe that the defacement was fraudulent he will return the pieces to the tenderer who will bear the loss; and where the defacement is not fraudulent, though it will be cut or broken, shall be received at full face value. An explanation has been added to this clause to show that defacement caused by sweating constitutes fraudulent defacement. Section 19-provides for the case where a coin is liable to be cut or broken both as being diminished in weight and as being defaced. In such cases the section provides that the person cutting or breaking the coin shall deal with it, if he has reason to believe that the coin has been fraudulently defaced, under the provisions of section 18, clause (a), relating to such coin, and otherwise under the provisions of section 17-as a coin which has been diminished in weight. As regards counterfeit coin, section 20-provides for such coin being wholly rejected by the person cutting or breaking them. Power is, however, also taken to require the tenderer to sell, in the case of silver coin, the pieces at bullion value to Government in cases where the officer considers this course to be for any reason desirable-See Select Committee Report.

17. Procedure in regard to coin cut under section 16(a).

A person cutting or breaking coin under the provisions of clause (a) of section 16-shall observe the following procedure, namely: -

(a) If the coin has been diminished in weight so as to be more than such percentage below standard weight as may be prescribed as the limit of reasonable wear, but not more than such further percentage as may be prescribed in this behalf, he shall either return the pieces to the person tendering the coin, or, if such person so requests, shall receive and pay for the coin at such rates as may be prescribed in this behalf; and

(b) If the coin has been diminished in weight so as to be more than such further percentage below standard weight so prescribed as aforesaid, he shall return the pieces to the person tendering the coin, who shall bear the loss caused by such cutting or breaking.

18. Procedure in regard to coin cut under section 16(b).

A person cutting or breaking coin under the provisions of clause (b) of section 16-shall observe the following procedure, namely: -

(a) If such person has reason to believe that the coin has been fraudulently defaced, he shall return the pieces to the person tendering the coin, who shall bear the loss caused by such cutting or breaking;

(b) If such person has not reason to believe that the coin has been fraudulently defaced, he shall receive and pay for the coin at its nominal value. Explanation: - For the purpose of this section a coin which, there is reason to believe, has been defaced by sweating shall be deemed to have been fraudulently defaced.

19. Procedure in regard to coin, which is liable to be cut under both clause (a) and clause (b) of section 16

If a coin is liable to be cut or broken under the provisions of both clause (a) and clause (b) of section 16-, the person cutting or breaking the coin shall deal with it,

(a) If he has reason to believe that the coin has been fraudulently defaced, under (a) of section 18, and

(b) In other cases, under section 17.

20. Power to certain persons to cut counterfeit or fraudulently defaced coin and procedure in regard to coin so cut.

Where any ¹[* * *] coin purporting to be coined or issued under the authority of the [Central Government] ² is tendered to any person authorised by the ²[Central Government] ³[***] to act under this section, and such person has reason to believe that the coin is counterfeit ⁴[or has been fraudulently defaced], he shall by himself or another cut or break the coin, and may at his discretion either return the pieces to the tenderer, who shall bear the loss caused by such cutting or breaking, or ⁵[in the case of silver coin] receive and pay for the coin according to the value of the silver bullion contained in it.

1. Words "silver or other" omitted by Act 28 of 1947, S. 8.

2. Substituted by A. L. O., 1937.

3. Words "or by the Local Government" omitted by A. O., 1937.

4. Inserted by Act 28 of 1947, S. 8.

5. Inserted by Act 21 of 1910, S. 6 (2).

21. Power to make rules.

(1) [The Central Government may, by notification in the Official Gazette, make rules] ¹ to carry out the purposes and objects of this Act.. (2) In particular and without prejudice to the generality of the foregoing power, such rules may-

²[* * *]

(b) Provide for the guidance of persons authorised to cut or break coin under sections 16 and 20;

(c) Determine the percentage of diminution in weight below standard weight not being less ³[than two percent, in the case of silver coins or five percent, in the case of pure nickel], which shall be the limit of reasonable wear;

(d) Prescribe the further percentage referred to in clause (a) of section 17-, and the rates at which payments shall be made in the case of coins falling under the same clause ⁴[***] ⁴[***]

⁵[(3) Every rule made under this section shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in Session for a total period of thirty days which may be comprised in one Session or in two or more Successive Sessions, and if, before the expiry of the Session immediately following the Session or the Successive Sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.]

1. Substituted for the words "The Central Government may make rules," by Act 47 of 1975, S. 4(1) (12-8-1975).

2. Clause (a) was omitted by the Indian Coinage (Amendment) Act. 1947 (28 of 1947), S. 9 (7-6-47).

3. Substituted for "in any case than two per cent" by Act 28 of 1947, S. 9 (7-6-47).

4. Word "and" and clause (e) were omitted by Currency Act, 1927 (4 of 1927), S. 2.

5. Sub-section (3) substituted by the Indian Coinage (Amendment) Act. 1975 (47 of 1975), S. 4(ii) (12-8-75). For Indian Coinage Rules, 1968; see Gaz. of Ind., 6-4-1968, Pt. II, S. 3 (ii), P 1772,

22. Bar of suits.

No suit or other proceeding shall lie against any person in respect of anything in good faith done, or intended to be done, under or in pursuance of the provisions of this Act.

23. Saving of making of other coins at Mints

Nothing in this Act shall be deemed to prohibit or restrict the making at the Mint of coins intended for issue as money by the Government of any territories beyond the limits of ¹[India.]

1. Substituted for the words "the territories to which this Act extends, by Act 62 of 1956, S. 2 and Sch.

24 Temporary provisions with respect to certain Hyderabad coins

¹[Temporary provisions with respect to certain Hyderabad coins. Notwithstanding anything in section 6 of the Part B States (Laws) Act, 1951-, coins of such description as at the commencement of the said Act were in circulation as legal tender in ²[the State of Hyderabad] shall continue to be legal tender in that State to the like extent and subject to the same conditions as immediately before the commencement of the said Act for such period, not exceeding ³[for years] from such commencement, as the Central Government may, by notification in the Official Gazette, determine.]

1. Inserted by Act, 3 of 1951, S. 3 and Sch. (1-4-1951)

2. Substituted for "any Part B States", by the Hyderabad Coinage and Paper Currency (Miscellaneous Provisions,) Act, 1953 (10 of 1953), S. 2 (1-4-1953).

3. Substituted for "two years", by the Hyderabad Coinage and Paper Currency (Miscellaneous Provisions,) Act, 1953.

25. Temporary provisions with respect to French coins.

Notwithstanding anything contained in para 6 of the French Establishments (Application of Laws) Order, 1954, or in this Act coins of such description as at the commencement of the said Order were in circulation as legal tender in the French Establishments, as defined in that Order, shall continue to be legal tender in the said establishments to the like extent and subject to the same conditions as immediately before the commencement of the said Order and for such period or periods, not exceeding one year in the aggregate from such commencement, as the Central Government may from time to time, by notification in the Official Gazette, determine.]

Schedule

Enactments repealed

[Repealed by the Repealing and Amending Act, 1914 (10 of 1914), S. 3 and Sch. II.]
