

Coinage Act, 1906

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Act 3 of 1906

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Object and Reasons.- The object of this Bill is to consolidate the Acts relating to the coinage. The law, as originally formulated in the Indian Coinage Act, 1870 (23 of 1870), has been materially modified by two Acts, namely, the Indian Coinage and Paper Currency Act, 1893 (8 of 1893), which abolished obligatory free coinage, and the Indian Coinage and Paper Currency Act, 1899 (22 of 1899), which made gold coins a legal tender. The present Bill proposes to repeal both these Acts as well as the main Act of 1870, to reproduce their provisions, so far as they are still required, in a consolidated form, and to provide for the introduction of a nickel one-anna piece and of a bronze-coinage.

Act 47 of 1975:- "Under Section 6 of the Indian Coinage Act, 1906, coins may be minted for issue under the authority of the Central Government for such denominations not higher than one hundred rupees as the Central Government may, by notification in the Official Gazette, determine. Minting of high denomination commemorative coins has recently become a big numismatic attraction. India has been in the market of commemorative issues from 1969. Until now, commemorative coins in the denomination of ten rupees, twenty rupees and fifty rupees have been issued. As proposals received from the World Wild Life Fund. International Union for Conservation of Nature and Natural Resources, Unismatics, Italcambio and Food and Agriculture Organisations involve minting of coins of higher denominations than one hundred rupees, it is considered necessary to remove the existing restriction contained in section 6 of the Act so as to enable India's participation in international commemorative issues. It is proposed to take power to mint coins of such denominations not higher than one thousand rupees as the Central Government may, by notification in the Official Gazette, determine"

Act 33 of 1985:- There have been persistent reports of shortage of coins in the country. Government have taken various steps to meet the demand of coins. Production in the three Mints located at Bombay, Calcutta and Hyderabad has been geared up with the purchase of new machinery and equipment, overtime work and introduction of incentive scheme for the workers so as to ensure significant increase in the

production of coins. Although production has increased from 525 million pieces in 1981-82 and 660 million pieces in 1983-84 to 1,063 million pieces in 1984-86 and 1,356 million pieces during 1984-85, complaints of shortage continue. It is, therefore, proposed to import coins from foreign countries. Necessary steps will be taken to ensure security. The existing Act, namely, the Coinage Act, 1906 does not specifically provide for the manufacture and import of coins from outside the country. Hence it is proposed to amend the Coinage Act, 1906 so as to facilitate the coining and import of coins from outside the country.² This Bill seeks to achieve the above object. - Gazette of India, 13-5-1985, Pt. II, Section 2, Ext., P. 2 (No. 27). [2nd March, 1906] An Act to consolidate and amend the law relating to Coinage and the Mint. Whereas it is expedient to consolidate and amend the law relating to Coinage and the Mint; It is hereby enacted as follows:- Preliminary

1. Short title and extent.-

(1) This Act may be called the [* * *] [Word "INDIAN" omitted by the Indian Coinage (Amendment) Act (47 of 1975), Section 2 (12-8-1975).] Coinage Act, 1906; and (2) [It extends to the whole of India [* * *] [Substituted for the former sub-section (2), by the A.L.O., 1950.].]

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 [Central Government] [Substituted by A.O., 1937.] may, by notification in the [Official Gazette] [Substituted by A.O., 1937.], (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.

4. Silver Coins.-

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

5. Standard weight and fineness.-

[Repealed by Act 28 of 1947, Section 2.] [COINAGE [Substituted for original heading and Section 6, by the Indian Coinage (Amendment) Act (28 of 1947), Section 3 (7-6-1947).]

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

[(1)] [Section 6 re-numbered as sub-sec. (1) by the Coinage (Amendment) Act (33 of 1985), Section 2 (24-5-1985).] Coins may be coined at the Mint for issue under the authority of the Central Government, [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.] [Substituted for the words "of such denominations not higher than one hundred rupees" by the Indian Coinage (Amendment) Act (47 of 1975), Section 3 (12-8-75).](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 sub-section] [Sub-section (2) inserted by the Coinage (Amendment) Act (33 of 1985), Section 2 (24-5-1985).].]

7. [Standard weight and remedy.- [Substituted for original Section 7, heading "Bronze Coinage" preceding S.7, S.8 and S.9, by the Indian Coinage (Amendment) Ordinance (4 of 1942), Section 2.]

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.][* * * * *] [Substituted for original Section 7, heading "Bronze Coinage" preceding S.7, S.8 and S.9, by the Indian Coinage (Amendment) Ordinance (4 of 1942), Section 2.]

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

* * * * *][* * * * *] [Heading "Dimensions and Designs of Coins" omitted by the Indian Coinage (Amendment) Act (28 of 1947), Section 4 (7-6-1947).]

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. Demonetization of sovereign and half-sovereign.-

[Repealed, *ibid.*]

12. Silver coin when a legal tender.-

[Repealed, ibid.]

13. [Coin when a legal tender.- [Substituted for former Section 13, by the Indian Coinage (Amendment) Act (28 of 1947), Section 5 (7-6-1947).]

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

14. [Decimal system of coinage.- [Inserted by the Indian Coinage (Amendment) Act (31 of 1955), Section 2 (1-4-1957).]

(1)The rupee shall be divided into one hundred units and the new coin representing such unit may be designated 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).] [Inserted by the Indian Coinage (Amendment) Act (17 of 1964), Section 2 (1-6-1964).](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.] [Inserted by the Indian Coinage (Amendment) Act (17 of 1964), Section 3 (1-6-1964).]

15. Coin made under former Acts.-

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

15A. [Power to call in coin.- [Inserted by Act 10 of 1924, S, 3.]

Notwithstanding anything contained in [section 13] the [Central Government] [Substituted by A.L.O., 1937.] may, by notification in the [Official Gazette,] [Substituted by A.L.O., 1937.] call in with effect from such date as may be specified in the notification, any coin, of whatever date or denomination, referred to in [that section] [Substituted for the words "any of those sections" by Act 28 of 1947, Section 7 (7-6-1947).] [* * *] [Words "other than the rupee and half-rupee referred to in sub-section (1) of Section 12" omitted by Ord. 12 of 1940, Section 2.] and on and from the date so specified such coin shall cease to be a legal tender [save to such extent as may be specified in the notification] [Substituted for "save at a Government currency office" by Ord. 12 of 1940, Section 2.].[* * * *] [Proviso was omitted by Ord. 12 of 1940, Section 2.]Diminished, Defaced, And Counterfeit [* * *] [Word &Quot;silver&Quot; Repealed By Act 21 Of 1919, Section 6(1)] Coins

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 [Central Government] [Substituted by A.L.O., 1937] is tendered to any person authorised by the [Central Government] [Substituted by A.L.O., 1937] [* * *] [Words or by the "Local Government" repealed by A.O., 1937] 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 break the coin.

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 no 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 purposes 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 clause (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 [* * *] [Words "silver or other" omitted by Act 28 of 1947, S.8.] coin purporting to be coined or issued under the authority of the [Central Government] [Substituted by A.L.O., 1937.] is tendered to any person authorised by the [Central Government] [Substituted by A.L.O., 1937.] [* * *] [Words "or by the Local Government" omitted by A.O., 1937.] to act under this section, and such person has reason to believe that the coin is counterfeit [or has been fraudulently defaced] [Inserted by Act 28 of 1947, Section 8.], 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 [in the case of silver coin] [Inserted by Act 21 of 1919, Section 6 (2).] receive and pay for the coin according to the value of the silver bullion contained in it. Supplemental Provisions

21. Power to make rules.-

(1) [The Central Government may, by notification in the Official Gazette, make rules] [Substituted for the words "The Central Government may make rules" by Act 47 of 1975, section 4(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- [* * *] [Clause (a) was omitted by the Act 28 of 1947, section 9] (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 [than two per cent, in the case of silver coins or five per cent, in the case of pure nickel] [Substituted for word "in any case than two per cent" by the Act 28 of 1947, section 9], 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 [* * *] [Word "and" is omitted by Act 04 of 1927, section 2][* * *] [Clause e is omitted by Act 04 of 1927, section 2](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 with-out prejudice to the validity of anything previously done under that rule.] [Sub-section (3) sub. by Act 47 of 1975, section 4(ii)]

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 [India.] [Substituted for the words "the territories to which this Act extends," by Act 62 of 1956, Section 2 and Sch.]

24. [Tlemporary provisions with respect to certain Hyderabad coins.- [Inserted by Act, 3 of 1951, Section 3 and Sch. (1-4-1951).]

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 [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 [four years] [Substituted for "two years" by Act 10 of 1953] from such commencement, as the Central Government may, by notification in the Official Gazette, determine.]

25. [Tbmporary provisions with respect to French coins.- [Inserted by the French Establishments A.L.O., 1954, Para. 3 and Schedule.]

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.]THE SCHEDULE - Enactments repealed.- [Repealed by the Repealing and Amending Act, 1914 (10 of 1914), Section 3 and Sch. II.]