



# Bill Summary

## The Coinage Bill, 2009

- The Coinage Bill, 2009 was introduced on December 17, 2009 in the Lok Sabha by the Minister of Finance, Shri Pranab Mukherjee. The Bill was referred to the Department related Standing Committee on Finance (Chairperson: Dr Murli Manohar Joshi), which is scheduled to submit its report within three months.
- The Bill consolidates the laws relating to coinage and Mints and repeals the Metal Tokens Act, 1889; the Coinage Act, 1906; the Bronze Coin (Legal Tender) Act, 1918 and the Small Coins (Offences) Act, 1971.
- The government may abolish or establish a Mint in any place, which may be managed by the Ministry of Finance, Department of Economic Affairs or any other authorised person. It may also authorise minting of coins by a foreign organisation if it deems it is in the public interest to do so.
- A “mint” is defined as any organisation authorised by the government to make a coin by stamping metal. A “coin” is defined as any coin which is made of metal stamped by the government and which is a legal tender but does not include credit card or e-money issued by any bank or financial institution.
- The denominations, dimensions, designs, compositions and standard weight of coins shall be as prescribed by the government. The denomination of a coin cannot be higher than Rs 1,000.
- The Bill allows all coins issued as legal tender under other Acts immediately before the Coinage Act, 2009 is enacted to continue. It also allows certain other specified coins such as silver coins and naya paisa to continue as legal tender.
- The government has the power to call in any coin which shall then cease to be a legal tender.
- The government can authorise any person to cut or break diminished or defaced coins. The authorised person shall receive and pay for the coin at its face value. However, if he believes the coin has been fraudulently defaced or is a counterfeit coin the cost has to be borne by the person giving the coin.
- The Bill prohibits anyone from making, melting or destroying coins except persons authorised by the government. It also prescribes penalties for contravention of these provisions. Any person bringing a piece of metal to be used as a coin by sea, land or air without the permission of the government shall be penalised with imprisonment and fine.
- The offences under this Act shall be cognisable and bailable but not compoundable. The offences may be tried summarily by a Judicial Magistrate of the first class or a Metropolitan Magistrate of first class or a Metropolitan Magistrate.

DISCLAIMER: This document is being furnished to you for your information. You may choose to reproduce or redistribute this report for non-commercial purposes in part or in full to any other person with due acknowledgement of PRS Legislative Research (“PRS”). The opinions expressed herein are entirely those of the author(s). PRS makes every effort to use reliable and comprehensive information, but PRS does not represent that the contents of the report are accurate or complete. PRS is an independent, not-for-profit group. This document has been prepared without regard to the objectives or opinions of those who may receive it.

