

THE INDIAN PAPER CURRENCY ACT,
1910 (II OF 1910).

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ACT No. II OF 1910.

PASSED BY THE GOVERNOR GENERAL OF INDIA IN COUNCIL.

*(Received the assent of the Governor General on the 18th
February 1910.)*

An Act to consolidate and amend the law relating to the Government Paper Currency.

WHEREAS it is expedient to consolidate and amend the law relating to the Government Paper Currency; It is hereby enacted as follows:—

Preliminary.

Short title
and extent.

1. (1) This Act may be called the Indian Paper Currency Act, 1910; and

(2) It extends to the whole of British India, inclusive of British Baluchistan, the Santhal Parganas and the Pargana of Spiti.

Definitions:

2. In this Act, "universal currency note" means—

(a) a note of the denominational value of five rupees, ten rupees or fifty rupees, or

(b) a note of any other denominational value which the Governor General in Council may, by notification in the Gazette of India, specify in this behalf.

The Department of Paper Currency.

Department
of Paper
Currency for
issue of cur-
rency notes.

3. There shall continue to be a Department of the public service, to be called the Department of Paper Currency, whose function shall be the issue of promissory notes of the Government of India, to be called currency notes, payable to bearer on demand, and of such denominational values, not being less than five rupees, as the Governor General in Council may direct.

4. At

(The Department of Paper Currency.)

4. At the head of the Department there shall be an officer to be called the Head Commissioner of Paper Currency.

Head Commissioner of Paper Currency.

5. The Governor General in Council may, by notification in the Gazette of India,—

Power to establish circles of issue, offices of issue and currency agencies.

(a) establish districts, to be called circles of issue, seven of which circles shall include the towns of Calcutta, Madras, Bombay, Rangoon, Lahore, Cawnpore and Karachi, respectively;

(b) appoint in each circle some one town to be the place of issue of currency notes, as hereinafter provided;

(c) establish in each such town an office or offices of issue; and

(d) establish in any town situate in any circle an office, to be called a currency agency.

6. (1) The Head Commissioner of Paper Currency shall be the officer in charge of the circle of issue which includes the Town of Calcutta.

Commissioners of Paper Currency and Currency Agents.

(2) For each other circle of issue there shall be an officer in charge to be called the Commissioner of Paper Currency, and for each Currency Agency an officer to be called the Currency Agent.

7. For the purposes of this Act—

Subordination of officers.

(a) Commissioners of Paper Currency shall be subordinate to the Head Commissioner of Paper Currency; and

(b) the Currency Agent at any town shall be subordinate to the Head Commissioner or Commissioner, as the case may be, of Paper Currency for the circle of issue in which that town is situate.

8. All officers under this Act shall be appointed by the Governor General in Council.

Appointment of officers.

9. (1) The

(Supply and Issue of Currency Notes.)

Supply and Issue of Currency Notes.

Head Commissioner and Commissioners to provide and distribute currency notes.

9. (1) The Head Commissioner shall provide currency notes of the denominational values prescribed under this Act, and shall supply the Commissioners and the Currency Agents subordinate to him with such notes as they need for the purposes of this Act.

(2) The Commissioners shall supply the Currency Agents subordinate to them, respectively, with such notes as those Agents need for the purposes of this Act.

(3) Every such note, other than a universal currency note, shall bear upon it the name of the town from which it is issued.

Signatures to currency notes.

10. The name of the Head Commissioner, of one of the Commissioners, or of some other person authorized by the Head Commissioner, or by one of the Commissioners, to sign currency notes, shall be subscribed to every such note, and may be impressed thereon by machinery, and when so impressed shall be deemed to be a valid signature.

Issue of currency notes for silver or gold coin by officers in charge of circles.

11. The officers in charge of circles of issue shall, in their respective circles, on the demand of any person, issue, from the office or offices of issue established in their respective circles, currency notes of the denominational values prescribed under this Act, in exchange for the amount thereof—

(a) in rupees or half rupees or in gold coin which is legal tender under the Indian Coinage Act, 1906, or

(b) in rupees made and declared to be a legal tender under the provisions of the Native Coinage Act, 1876.

III of 1906.

IX of 1876.

Issue of currency notes for silver or gold coin by Currency Agents.

12. Any Currency Agent to whom currency notes have been supplied under section 9 may, if he thinks fit, on the demand of any person, issue from his agency any such notes in exchange for the amount thereof in any coin specified in section 11.

13. The

(Supply and Issue of Currency Notes. Currency Notes where legal tender and where payable.)

III of 1906.

13. The officers in charge of circles of issue shall, on the requisition of the Comptroller General, issue to any Government Treasury currency notes in exchange for gold coin which is not legal tender under the Indian Coinage Act, 1906, or for gold bullion at the rate of one rupee for 7.53344 grains troy of fine gold.

Issue to Government Treasuries of currency notes for gold coin not legal tender or gold bullion.

14. If the Secretary of State for India in Council consents to hold in gold coin or bullion, or in silver bullion or in securities of the kinds mentioned in section 22, the equivalent in value to notes issued in India as a reserve to secure the payment of such notes, the Governor General in Council may from time to time direct that currency notes shall be issued to an amount equal to the value of the coin, bullion and securities so held by the Secretary of State for India in Council.

Issue of currency notes for certain gold coin or gold or silver bullion or securities held by Secretary of State.

Currency Notes where legal tender and where payable.

15. A universal currency note shall be a legal tender at any place in British India, and

Currency notes where legal tender.

any other currency note shall be a legal tender at any place within the circle from which the note was issued,

for the amount expressed in the note in payment or on account of—

- (a) any revenue or other claim, to the amount of five rupees or upwards, due to the Government of India, and
- (b) any sum of five rupees or upwards, due by the Government of India, or by any body corporate or person in British India :

Provided that no currency note shall be deemed to be a legal tender by the Government of India at any office of issue.

(*Currency Notes where legal tender and where payable. Reserve.*)

Currency notes where payable.

16. A currency note shall be payable at the following offices of issue, namely :—

- (a) a universal currency note at any office of issue;
- (b) a currency note other than a universal currency note at any office of issue in the town from which it was issued :

Provided that any such note issued before the commencement of this Act shall also be payable,—

- (i) in the case of a note issued from the office at Cawnpore or Lahore, at any office of issue in Calcutta, and
- (ii) in the case of a note issued from the office at Karachi, at any office of issue in Bombay.

Currency notes issued from currency agencies where deemed to be issued.

17. For the purposes of sections 15 and 16, currency notes issued from any currency agency shall be deemed to have been issued from the town appointed under section 5 to be the place of issue in the circle of issue in which that agency is established.

Provision in case of closure of office.

18 Where an office of issue is closed, the Governor General in Council shall, by notification in the Gazette of India, direct that, with effect from the date of the closing of such office, all currency notes issued therefrom shall, for the purposes of sections 15 and 16, be deemed to have been issued from such other office as may be specified in such notification.

Reserve.

Reserve coin, bullion and securities to be equal to amount of currency notes in circulation.

19. The whole amount of currency notes at any time in circulation shall not exceed the total amount represented by the sovereigns, half-sovereigns, rupees, half-rupees and gold bullion, and the sum expended in the purchase of the silver bullion and securities, which are for the time being held by the Secretary of State for India in Council and by the Governor General in Council as a reserve to

(Reserve.)

to provide for the satisfaction and discharge of the said notes, and the said notes shall be deemed to have been issued on the credit of the Government of India as well as on the security of the said coin, bullion and securities :

Provided that, for the purposes of this section, currency notes which have not been presented for payment, in the case of notes of any denominational value not exceeding one hundred rupees within forty years, and in the case of notes of any denominational value exceeding one hundred rupees within one hundred years, from the first day of April following the date of their issue, shall be deemed not to be in circulation :

Provided further that all notes which are declared under the first proviso to this section not to be in circulation shall be deemed to have been issued on the credit of the Government of India and shall, if subsequently presented for payment, be paid from the revenues of the Government of India.

20. Subject to the provisions of section 19, the Governor General in Council may at any time, if he thinks it expedient, convert any of the coin or bullion for the time being held by him as a part of the reserve into coin of any of the kinds mentioned in section 11 or into gold or silver bullion.

Power to dispose of coin and bullion in reserve.

21. If any coin or bullion held by the Secretary of State for India in Council or by the Governor General in Council as part of the reserve is transmitted by the Secretary of State for India in Council to the Governor General in Council or by the Governor General in Council to the Secretary of State for India in Council, it shall be deemed during the period of transmission to remain part of the reserve referred to in section 19.

Coin and bullion to remain part of reserve during transit between England and India.

22. The securities mentioned in section 19 shall be securities of the United Kingdom of Great Britain and Ireland or of the Government of India, or securities issued by the Secretary of State for India in

Nature and value of securities which may form reserve.

Council

(Reserve. Private Bills payable to Bearer on Demand.)

Council under the authority of Act of Parliament and charged on the revenues of India, and the value of them at the price at which they are purchased shall not exceed one hundred and twenty millions of rupees :

Provided that the value at such price as aforesaid of such of the said securities as are not securities of the Government of India shall at no time exceed twenty millions of rupees.

Trustees of Indian securities purchased under Act.

23. The securities purchased by the Governor General in Council shall be securities of the Government of India, and shall be held by the Head Commissioner and the Master of the Mint at Calcutta or of such other Mint as the Governor General in Council may direct in this behalf, in trust for the Secretary of State for India in Council:

Power to sell and replace Indian securities.

24. (1) The Head Commissioner may, at any time, when ordered so to do by the Governor General in Council, sell and dispose of any of the securities held under section 23.

(2) For the purpose of effecting such sales, the Master of the Mint at Calcutta or of such other Mint as aforesaid shall, on a request in writing from the Head Commissioner, at all times sign and endorse the securities, and the Head Commissioner, if so directed by the Governor General in Council, may purchase securities of the Government of India to replace such sales.

Account of interest on securities.

25. An account showing the amount of the interest accruing on the securities held as part of the reserve under this Act and the expenses and charges incidental thereto, shall be rendered annually by the Head Commissioner to the Governor General in Council, and published annually in the Gazette of India.

Private Bills payable to Bearer on Demand.

Prohibition of issue of private bills or notes

26. No person in British India shall draw, accept, make or issue any bill of exchange, hundi, promissory note or engagement for the payment of money payable

to

(Private Bills payable to Bearer on Demand. Supplementary Provisions.)

to bearer on demand, or borrow, owe or take up any sum or sums of money on the bills, hundis or notes payable to bearer on demand, of any such person :

Provided that cheques or drafts, payable to bearer on demand or otherwise, may be drawn on bankers, shroffs or agents by their customers or constituents, in respect of deposits of money in the hands of those bankers, shroffs or agents and held by them at the credit and disposal of the persons drawing such cheques or drafts.

27. (1) Any person contravening the provisions of section 26 shall, on conviction by a Presidency Magistrate or a Magistrate of the first class, be punishable with a fine equal to the amount of the bill, hundi, note or engagement in respect whereof the offence is committed.

payable to
bearer on de-
mand.

Penalty for
issuing such
bills or notes
and insti-
tution of
prosecutions.

(2) Every prosecution under this section shall be instituted by the officer in charge of the circle of issue in which the bill, hundi, note or engagement is drawn, accepted, made or issued.

Supplementary Provisions.

28. An abstract of the accounts of the Department of Paper Currency, showing—

Abstracts of
accounts.

- (a) the whole amount of currency notes in circulation,
 - (b) the amount of coin and bullion reserved, distinguishing gold from silver, and showing separately the amount of coin or bullion held by the Secretary of State for India in Council, or in transit from or to India, or in the custody of the Mint Master during coinage, and
 - (c) the nominal value of, and the price paid for, the securities held as part of the reserve, showing separately those held by the Secretary of State for India in Council and those held in India under section 23,
- shall

(Supplementary Provisions.)

shall be made up four times in each month by the Head Commissioner, and published, as soon as may be, in the Gazette of India.

Power to
make rules.

29. (1) The Governor General in Council may make rules 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—

- (a) fix the denominational values (not being less than five rupees) for which currency notes shall be issued;
- (b) provide for the alteration of the limits of any of the circles of issue;
- (c) declare the places at which currency notes shall be issued; and
- (d) fix and notify the conditions upon which lost or mutilated currency notes may be paid at offices of issue.

(3) Every such rule shall be published in the Gazette of India, and on such publication shall have effect as if enacted in this Act.

Repeals.

30. The enactments mentioned in the Schedule are hereby repealed to the extent specified in the last column thereof :

Provided that all securities purchased and notes issued under the Indian Paper Currency Act, 1905, or any Act thereby repealed shall, if undisposed of or in circulation at the commencement of this Act, be deemed to have been respectively purchased and issued under this Act :

III of 1905.

Provided also that all currency notes, which under section 29 of the Indian Paper Currency Act, 1905, are to be deemed to have been issued from the office of issue in the town of Cawnpore, shall still be deemed to have been issued from that office.

THE SCHEDULE.

THE SCHEDULE,
ENACTMENTS REPEALED.
(See section 30.)

Year.	No.	Short title.	Extent of repeal.
1905	III	The Indian Paper Currency Act, 1905.	So much as has not been repealed.
1909	II	The Indian Paper Currency (Amendment) Act, 1909.	The whole.