

ACT No. IV OF 1927.

[PASSED BY THE INDIAN LEGISLATURE.]

(Received the assent of the Governor General on the 26th
March, 1927.)

An Act further to amend the Indian Coinage Act, 1906, and the Indian Paper Currency Act, 1923, for certain purposes, and to lay upon the Governor General in Council certain obligations in regard to the purchase of gold and the sale of gold or sterling.

of 1906,
of 1923.

WHEREAS it is expedient further to amend the Indian Coinage Act, 1906, and the Indian Paper Currency Act, 1923, for certain purposes, and to lay upon the Governor General in Council certain obligations in regard to the purchase of gold and the sale of gold or sterling; It is hereby enacted as follows:—

1. (1) This Act may be called the Currency Act, 1927.

Short title,
extent and
commencement

(2) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

(3) It shall come into force on the 1st day of April, 1927.

of 1906.

2. In the Indian Coinage Act, 1906,—

Amendment of
Act III of 1903.

(a) for section 11 the following section shall be substituted, namely:—

“ 11. Gold coins, whether coined at His Majesty's Royal Mint or at any Mint established in pursuance of a proclamation of His Majesty as a branch of His Majesty's Royal Mint, shall not be legal tender in British India in payment or on account, but such coins shall be received at any Government currency office and, at any time after the 30th day of September, 1927, at any Government Treasury other than a Sub-Treasury, at the bullion value of such coins calculated

Demonetization
of sovereign and
half-sovereign.

calculated at the rate of 8.47512 grains troy of fine gold per rupee"; and

- ✓ (b) the word "and" at the end of clause (d) of sub-section (2) of section 21 and clause (e) of that sub-section shall be omitted.

Amendment of Act X of 1923.

3. In the Indian Paper Currency Act, 1923,—

X of 1923.

- (a) to section 2 after the words "in this behalf" the following shall be added, namely:—

"and

'gold bullion' includes gold coin";

- (b) in clause (a) of section 11, the words "or in gold coin which is legal tender under the Indian Coinage Act, 1906," shall be omitted;

- (c) in section 13—

(i) the words "for gold coin which is not legal tender under the Indian Coinage Act, 1906, or" shall be omitted; and

(ii) for the figures "11.30016" the figures "8.47512" shall be substituted;

- (d) in section 18—

(i) in sub-section (4), the words "sovereigns, half-sovereigns" and the words "coin and" shall be omitted; and

(ii) in clause (a) of sub-section (8), for the figures "11.30016" the figures "8.47512" shall be substituted;

- (e) in section 19—

(i) in sub-section (3), the words "sovereigns, half-sovereigns" shall be omitted, and, in the *Explanation*, after the word "sub-section," the following words and figures shall be inserted, namely:—

"gold bullion shall be reckoned at the rate of one rupee for 8.47512 grains troy of fine gold, and"; and

(ii) in sub-section (5), the words "coin or" and the word "coin", where it occurs for the second time, shall be omitted.

4. Any

4. Any person who offers for sale to the Governor General in Council at the office of the Master of the Mint, Bombay, or at any other place notified in this behalf by the Governor General in Council in the Gazette of India, gold in the form of bars containing not less than forty tolas of fine gold shall, subject to such conditions as the Governor General in Council may, by notification in the Gazette of India, prescribe, be entitled to receive payment for the same at the rate of twenty-one rupees, three annas and ten pies per tola of fine gold.

Obligation upon Government to purchase gold bullion tendered for sale.

5. (1) The Governor General in Council shall sell, to any person who makes a demand in that behalf at the office of the Controller of the Currency, Calcutta, or of the Deputy Controller of the Currency, Bombay, and pays the purchase price in legal tender currency, gold for delivery at the Bombay Mint at the rate of twenty-one rupees, three annas and ten pies per tola of fine gold or, at the option of the Controller or the Deputy Controller, as the case may be, sterling for immediate delivery in London at an equivalent rate:

Obligation upon Government to sell gold or sterling.

Provided that no person shall be entitled to demand an amount of gold or sterling of less value than that of 1,065 tolas of fine gold.

(2) For the purpose of determining the equivalent rate applicable to the sale of sterling under this section, twenty-one rupees, three annas and ten pies shall be deemed to be equivalent to such sum in sterling as is required to purchase one tola of fine gold in London at the rate at which the Bank of England is bound by law to give sterling in exchange for gold, after deduction therefrom of an amount representing the normal cost per tola of transferring gold bullion in bulk from Bombay to London, including interest on its value during transit.

(3) The Governor General in Council shall, from time to time, determine the equivalent rate in accordance with the provisions of sub-section (2), and shall notify the rate so determined in the Gazette of India.

