Coinage Act, 2011, (Central)

Section 12 - Prohibition of Making or Melting or Destruction of Coins

(1) No person shall--

(i) use any metal piece as coin whether stamped or unstamped, intended to be used as money except by the authority of the Government, or

(ii) melt or destroy any coin, or

(iii) use coin other than as a medium of exchange, or

(iv) have in his possession, custody or control,--

(a) any melted coin, whether in the molten state or in a solid state, or

(b) any coin in a destroyed or mutilated state, or

(c) coins substantially in excess of his reasonable requirements for the purpose of selling such coins for value other than their face value or for melting or for destroying or for disposing these coins other than as a medium of exchange.

Explanation.--For the purposes of determining the reasonable requirements of coins of a person, due regard shall be had to--

(i) his total daily requirements of coins;

(ii) the nature of his business, occupation or profession;

(iii) the mode of his acquisition of coins; and

(iv) the manner in which, and the place at which, such coins are being possessed, held or controlled by him.

(2) Whoever is found to be in possession of any metal or material which contains alloys in the same proportions in which they have been used in the manufacture of any coin shall be presumed, until the contrary is proved, to have contravened the provisions of sub-section (1).

(3) Nothing in this section shall apply--

(i) to any person who is found in possession of any metal or scraps or scissel, etc., of non-recyclable coinage metal, which he may so possess as a result of valid disposal by auctions by a Mint;

(ii) to the Mint, Reserve Bank of India and its authorised agents, and suppliers of coins or coin blanks to the extent of orders placed by or under the authority of the Government until their supply or completion of orders placed by the Government;

(iii) to any prospective supplier who intends to supply coin or coin blanks as samples against a valid tender documents purchased by him provided that quantity is in reasonable agreement with quantity of samples to be supplied.