

**RESERVE BANK OF INDIA**www.rbi.org.inwww.rbi.org.in/hindie-mail: help@rbi.org.in

PRESS RELATIONS DIVISION, Central Office, Post Box 406, Mumbai 400001
Phone: 2266 0502 Fax: 2266 0358, 2270 3279

December 21, 2005

Non-acceptance of Small Coins is an offence: clarifies RBI

The Reserve Bank of India has come across reports that banks are reluctant to accept 50 paise and 25 paise coins. A recent study conducted by the Reserve Bank through the Birla Institute of Technology (BITS), Pilani also suggests that similar reluctance is exhibited by shopkeepers and traders.

The Reserve Bank of India states categorically that all small denomination coins including those of 50 paise and 25 paise coins are legal tender and non-acceptance of any such coins is an offence. The Reserve Bank has advised all banks to desist from any such restrictive practice. Members of public should assert their right to get appropriate change and acceptance of all denomination coins by banks in exchange.

P.V.Sadanandan
Manager

Press Release: 2005-2006/760