

RBI/2004/136

DCM(RMMT)No.1181/11/37.01/2003-04

April 5, 2004

The Chairman & Managing Director  
All Public/Private Sector Banks

Dear Sir

**Acceptance of coins**

We invite a reference to our letter DCM(RMMT)No.404/11.37.01/2003-04 dated October 09, 2003, requesting you to instruct your branches to accept coins of all denominations from any member of the public without any restriction. However, we still continue to receive directly as well as indirectly complaints about non-acceptance of coins by bank branches. Such refusal has reportedly, in turn, led to refusal on the part of shopkeepers and petty traders, etc., to accept coins as payment for goods and services sold thus inconveniencing the public at large. Reluctance to accept small coins has also resulted in exchange of words between shopkeepers and customers, particularly, when either party has failed to pay/to return change/small coins. You are, therefore, once again advised to immediately direct all your branches to accept coins of all denominations tendered at their counters either for exchange or for deposit in accounts.

2. As advised earlier, it will be preferable to accept coins, particularly, lower denominations, by weighment. However, accepting coins packed in polythene sachets of 100 each would perhaps be more convenient for the cashiers as well as the customers. Such polythene sachets may be kept at the counters and made available to the customers. A notice to this effect may be displayed suitably inside as also outside the branch premises for information of the public. Considering that aluminium coins of 5 paise, 10 paise, 20 paise, aluminium bronze coins of 10 paise, stainless steel coins of 10 paise, cupronickel coins of 25 paise, 50 paise and rupee one denominations are being withdrawn and remitted to the mints, customers be requested, and not insisted, to pack each of these denominations separately and also metal-wise with 100 coins in each sachet before they are tendered at counters. Similar arrangements may also be made for acceptance of current coins of 25 paise, 50 paise

and one rupee of stainless steel and two rupees and five rupees coins of cupronickel. In cases of large variations in weight, counting machines may be used.

3. In order to obviate the problems of storage of coins at the branches, aluminium coins of 5 paise, 10 paise and 20 paise, aluminium bronze coins of 10 paise, stainless steel coins of 10 paise and cupronickel coins of 25 paise, 50 paise and Re.1 may be remitted to the Government of India Mints at Mumbai/Kolkata/Hyderabad with prior intimation to them through the currency chest and small coin depot branches of your bank (or link currency chest and small coin depot branches of other banks) as per the existing procedure. Stainless steel coins of 25 paise, 50 paise and Re.1 and cupronickel coins of Rs. 2 and Rs. 5 denominations should, however, be put back in circulation. In case the stocks of these coins reach beyond the holding capacity of the currency chest/small coin depot for lack of demand, the Issue Department of the Circle may be approached for remittance of coins.

4. The Regional Managers/Zonal Managers may be advised to pay surprise visits to the branches and report the position of compliance in this regard to the Head Office. The reports may be reviewed at the Head Office and prompt remedial action taken, wherever necessary.

5. Any non-compliance in this regard shall be viewed as violation of instructions issued by the Reserve Bank of India.

Please acknowledge receipt and apprise us of the action taken in the matter.

Yours faithfully

(P.K. Biswas)  
Executive Director

Endt.DCM(RMMT)No. /11.37.01/2003-04 of date

Copy forwarded for information to:

- i)The Regional Director/Chief General Manager/General Manager (O-In-C), Reserve Bank of India, Ahmedabad/ Bangalore/ Bhopal/ Bhubaneswar/ Chandigarh/ Chennai/ Guwahati/ Hyderabad/ Jaipur/ Jammu/ Kanpur/Kochi/ Kolkata/ Lucknow/ Mumbai/ Belapur,Navi Mumbai/ Nagpur/ New Delhi/ Patna/ Thiruvananthapuram. He/She may please make immediate arrangement for providing polythene sachets and accept coins in such sachets as indicated in para 2 of this Circular. He should issue suitable press release regarding arrangement made for acceptance of coins at his Office and at bank branches in his Circle and also display it out side the gate of the compound of the premises. Further, he/she may please ensure the compliance of instructions by the Issue Department and all bank branches in his Issue Circle. He may also ensure that coins are accepted at his Office without any restriction so that there is no cause for complaint from those tendering the coins.
- ii)The Chief General Manager, Inspection Department , Reserve Bank of India, Central Office, Bandra-Kurla Complex, Bandra(East), Mumbai-400 051.
- iii) The Principal, Reserve Bank Staff College, 359, Anna Salai, Teynampet, Chennai -600 018.
- iv) The Principal, Bankers Training College, Veer Savarkar Marg, Dadar, Mumbai-400 028.
- v) The Principal, College of Agricultural Banking, Ganesh Khind Road, Pune-411016.

(V.R. Gaikwad)  
Chief General Manager