

PRESS INFORMATION BUREAU  
GOVERNMENT OF INDIA

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FEATURE ON DECIMAL COINAGE

NOT TO BE PUBLISHED OR BROADCAST BEFORE  
APRIL 1, 1957.

SWITCH OVER TO DECIMAL COINAGE  
CONVERSION RATES WITH EXISTING COINS

of one,  
New coins /two, five and ten Naye Paise are being put into circulation with effect from today. The principal worry of the average citizen would be to ascertain how many Naye Paise one should get in exchange for a given number of annas and pies. But there is no cause for worry, because both the old coins and the new coins <sup>will</sup> be legal tender for about three years.

Under the new system, the rupee will retain its value, but <sup>it</sup> will be divided into 100 units of Naye Paise as against the existing division of the rupee into 192 pies or 64 pice. Eight anna and four anna coins are exactly equivalent to 50 and 25 Naye Paise and may be used as such for all purposes.

The table below shows in the first column the new series of coins being issued, in the second column the exact value and in the third column the existing series of coins which would be eventually replaced by those under the first one:

<u>Naya Paisa</u>	<u>Exact Equivalent</u>	<u>Existing Coin</u>
1 Naya Paisa ..	1.92 pies ..	1 pice
2 Naye Paise ..	3.84 " ..	2 pice
5 Naye Paise ..	9.60 " ..	1 anna
10 Naye Paise ..	One anna and 7.20 pies <sup>it</sup> ..	2 annas

The above table makes /clear that for one Naya Paisa and two, five and ten Naye Paise there are no exact equivalents in existing coins.

All the .....

All the new coins will not be put into circulation on April 1, 1957. Only one Naya Paisa and two, five and ten Naye Paise will be circulated. The others namely, 25 and 50 Naye Paise and the new rupee (100 Naye Paise), will be put into circulation later.

As more and more new coins are introduced, the existing coins will be gradually withdrawn. It is expected that the process of withdrawal of existing coins may take upto three years. During this period of transition, knowledge of the conversion rates between the old and the new coins is essential.

To enable people to understand the conversion rates properly the Ministry of Finance has prepared and widely distributed two Reckoners giving conversion tables up to Re. 1. They are also being published as advertisements in the newspapers and periodicals.

Ready Reckoner No. 1, which gives the rate of conversion of all coins beginning from 1 pie to a rupee, is mainly intended for conversion of book balances as on April 1, 1957.

The simplified Ready Reckoner, with which the public at large will be directly concerned, indicates the conversion rate in terms of annas and pice (expressed in 3, 6 and 9 pies) only. It omits reference to values involving odd pies, because reference to odd pies has not been considered necessary as pie coins are not usually available for tender in course of a transaction.

The conversion table is to be used only when coins are actually tendered in course of a transaction. For other purposes where conversion is necessary, such as computation of total value at a given rate, the exact

equivalent.....

equivalent rate in the decimal coinage should first be found out even though it involves fractions of Naya Paisa and then the total amount calculated at that rate. Any fractions of Naya Paisa in the resultant product might be rounded off and payment made or received on that basis.

Another way - an easy one - of doing this would be to calculate the total amount in existing currency, retaining the rate given in terms of existing coinage, and then to find out from the conversion table the rounded off equivalent in decimal coinage for any fractions of a rupee in the total amount.

Both 3 and 4 pies are convertible to 2 Naye Paise. Today, the person who pays cannot be compelled to pay 4 pies, which is the nearest equivalent at the rate of 192 pies to 100 Naye Paise, but will have to be satisfied with a payment of 3 pies, **which**, according to the 'rounding off' principle prescribed in Section 14(2) of the Indian Coinage (Amendment) Act, 1955, is equal to 2 Naye Paise.

There would thus be some loss, particularly in the earlier stages, but it is expected that the loss will be minimised when increasing quantities of new coins get into circulation. This gain or loss will <sup>be</sup> counter-balanced by some transaction in which there is a corresponding loss or gain.

Exchange will, however, be allowed only for four annas worth of existing coins, or multiples thereof at a time. This will avoid any loss accruing to either party by the exchange.

Facilities for the exchange of the existing coins

for.....

for decimal coins with effect from April 1, 1957, will be available at all treasuries, sub-treasuries, offices of the Reserve Bank of India, branches of the State Bank of India, the State Bank of Hyderabad and the Bank of Mysore.

There need not, however, be any rush to the treasuries and banks for exchanging their holdings of small coins into the equivalent decimal coins, since both the old and new coins will be circulating side by side as legal tender and it is by no means obligatory to make payment in new coins, irrespective of whether the prices are fixed in old or new denominations.

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MG:US:POOL

Annexures: 2 Conversion Tables.

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