

HISTORY OF INDIAN COINS, CURRENCY AND IT'S EVOLUTION: A STUDY

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ABSTRACT

Indian Rupee has an important place in the history of money in the world. It is not an exaggeration to say that India stands in the first line when it comes to the transactions of money in various countries. The Indian coins have a glorious history of 2,500 to 3,000 years. At present, a lot of debate is taking place on digital money in the whole country. Several analyses are being put forth about the pros and cons of the cashless, digital payment system. Let us look at the journey of Indian coins, Rupee and currency in this background.

KEY WORDS: Coinage system, Indian Rupee, Evolution of Coins, Digital payment.

OBJECTIVES

1. To conduct a review of literature related to Indian Coins, Notes, and Currency.
2. To understand the importance of Indian Coins, Notes, Currency and its Evolution.
3. To analyze the expansion of the Indian Coins, Notes and Currency.

INTRODUCTION

Study of Coins is called Numismatics. Coins are one among the basic sources of History. They are helpful to understand the economic condition of an empire or a royal dynasty, their borders, titles of kings, emperors and the Yagnas performed by them. Some kings have minted coins after winning other kingdoms and while performing Yagnas. The emblems of the royal dynasties are also etched in the coins. The golden, silver, bronze and copper coins also help us to study the prosperity of their time. Also, they help us to ascertain the religious system of that period.

BARTER SYSTEM

In the beginning, India also had a barter system like in other parts of the world. People exchanged their goods with others to get the goods that they wanted. The barter system continued even after the introduction of the coins. It was prevalent in several villages even after India attained Independence. Villagers were given grains and crops in exchange for any service or work. Even today, several tribal communities of the country do not know about Rupees and Notes. They mainly transact with the barter system.

There was a severe cash crunch when the Government of India demonetized the notes of Rs 500 and Rs 1,000 denomination a few years ago. Some villages in Rajasthan revived the good old barter system and it was reported in media too. A tribal convention, organized in north-eastern states, also highlighted the significance of the barter system. However, the barter system cannot be applied

everywhere when the whole world is running on the currency system. Also, the barter system cannot be practiced in a big way at the time. Hence, currency or digital payment has become inevitable nowadays.

COIN SYSTEM IN ANCIENT INDIA

Coin system came into practice in India for the first time in 6th century BCE. At the same time, coins were minted in China and Lidia in the Middle East. Earlier, several seals were found in Indus Valley, Mesopotamian, Egyptian and Chinese civilization areas. However, research or studies have not been conducted to ascertain whether these seals were used as coins or not. Researchers have argued that since the script on the Indus Valley civilization's seals cannot be read, nothing can be said definitely in this regard.

Coins were in circulation during Rig Vedic and post-Vedic periods. The coins were used in the time of the Mahajanapadas in ancient India. Magadha, Kuru, Panchala, Saurashtra and other Mahajanapadas had coins. The coins were made by flattening silver and pressing seals on them. They were called as 'Purana', 'Karshapana' or 'Pana'. They had a specific weight and had different sizes. The symbols printed on the coins belonged to the respective dynasties. Coins called Shamana, Krishnavala, Hiranya and Padas (Karpavarna) were in circulation by the end of Rig Vedic period. The people were using copper metal with the name 'Ayas'. In the post-Vedic period, Nishka, Krishnavala, Padas and Shathamana coins were in circulation.

The credit of introducing the systematic coins (with writing) in India for the first time goes to Indo Greeks. They started printing the faces of the kings on coins. One side of the coin had the king's face and the other side had the picture of the God he worshipped. Inspired by this, a lot of dynasties and tribes minted their coins and circulated them in their areas. It means that Indians learnt the art of minting coins following the invasion of Greeks or Macedonians.

The coins were given a new form during the Maurya era (322 to 185 BC). They brought out various coins, made from gold, silver and copper, into circulation. Nishka (Gold coin), Purana (Silver coin) and Karshapana (Copper coin) were used in this time. These coins had the images of the sun, moon, peacock, deer and the bull. Maurya emperor Ashoka's coins had the images of Swastik, elephant and moon. The salary was given in the form of coins to officers. Punch marked coins were minted under the supervision of Lakshanadhyaksha.

Kautilya has mentioned about the coins in his book 'Arthashastra'. He has referred to golden coins as 'Suvarnarooopa' and silver coins as 'Rupyarooopa'. The coins made from copper are called as 'Seesarooopa' (Lead form). Later, Kushanas brought golden coins into circulation. Their king Vima Kadphises was responsible for this. The coins issued by him show that he was a follower of Shaiva religion. His coins have the images of Shiva and his vehicle Nandi. Later, Kanishka also issued some kinds of coins.

Gupta ruler Samudragupta has been called as the 'Founder of Coin System' in India. He had minted a total of eight kinds of coins. They were:

1. Ashwamedha (Horse sacrifice ritual)
2. Tiger

3. Veenapani (Saraswathi)
4. Danush (Bow)
5. Yuddhakodali (war weapon)
6. Chandragupta (Image of Chandragupta putting ring to Kumaradevi)
7. Coins narrating the victory of the king over heaven
8. Coins with Samadra Gupta standing with a disc on one side and Lakshmi on the other side

Chandragupta II, during the reign of Guptas, issued gold, silver and copper coins. The coins with the images, like killing a lion, horse riding, moon model, Garuda and Lakshmi, were released.

During the time of Shatavanahas, coins made from copper and zinc in the name of Dinar, Karshapana, Brahmapana and Gadyana were in circulation. Kadambas of Banavasi brought the coins called as Padmatanka, Gadyana and Pana into circulation. Gangas of Talakad issued Gadyana and Suvarna Nishka coins. Kodevana Kasu and Dramma were the other coins of the Gangas.

Badami Chalukyas had issued coins known as Gadyana and Varaha. Rashtrakutas of Manyakheta brought Drumma, Gadyana, Suvarna, Kalanju, Kasu and Manjata coins into circulation. Hoysalas of Dwarasamudra, like the ancient Indians, had issued golden coins called Gadyana and Pana.

COIN SYSTEM IN MEDIEVAL INDIA

By the turn of 12th century AD, the Turkey Sultans, who had seized power in Delhi, started printing the Islamic (Arabic, Persian) seals on coins instead of those related to Indian kings. Golden, silver and copper coins were called 'Tanka' in those days. The coins with lower values were called 'Jithal'.

The Delhi Sultans had tried to implement a systematic coin system with different denominations of coins. Allauddin Khilji was giving a salary of 234 Tankas to a soldier per year. Mohammed Bin Tughlaq conducted several experiments in the coin system (1329 to 1330 AD). Several new coins were issued during his time. He had issued 'Dinar', a coin of 200-grain weight. Besides, golden coins with 174-grain weight and 'Adali', a 150-grain weight silver coin, were also in circulation.

Numismatist Edward Thomas has called Tughlaq as the 'King of Moneyed People'. Tughlaq had issued copper coins and said that they could be used instead of golden and silver coins. Taking advantage of this, goldsmiths minted copper coins in their workshops. This led to the circulation of a lot of fake coins and it gave a blow to the economic system. On learning this, Tughlaq withdrew the copper coins and instead gave golden and silver coins to the citizens. This further hit the treasury. Firoz Shah Tughlaq (1351 to 1388 AD) brought out small coins 'Aada' (Half Jital) and 'Bikh' (Quarter of Jital) made from an alloy of gold and copper for the poor. Foreign traveller Ibn Battuta's writings inform us that he had also issued 'Shashpani' (Six Jithals) coins.

The monetary system entered into a new phase with the establishment of the Mughal Empire in the 16th century. The Mughals brought a uniform and organized monetary system in their empire.

Later, the Rupee was introduced. Mughal emperors Babur, Humayun and Akbar had introduced silver Sharukhee or Dirham coins. They were minted in the minting units in Agra, Janpur, Kabul, Lahore and Samarkhand.

Sher Shah Suri - Rupee had not entered India until the middle part of the 16th century. The system of measuring the coins with the standard of Rupee came later than 1540 AD. Sher Shah Suri, the founder of the Sur Dynasty in India, was responsible for this development. Originally, he was a king of Pathan origin, Afghanistan.

In a sudden development, Sher Shah Suri defeated Mughal emperor Humayun and ruled over India (1540 to 1555 AD). He brought a silver coin, weighing 178 grains (the minimum weight), into circulation and called it a '**Rupiya**' (Rupee). It was the precursor of the modern Rupee. Paise calculation was also introduced at this time. A silver coin was divided into 40 copper pieces. These copper pieces became Paises. Coins were minted with Devnagari script at Agra, Gwalior, Ujjain, Lucknow, Shergarh (Sasaram) and Abusakar. After Sher Shah, the Mughal emperors continued the Rupiya system.

Mughal emperor Akbar issued golden, silver and copper coins. Akbar's golden coins were called 'Mohurs'. Kalim kind of golden and silver coins was in circulation in 1585 AD. The aspects of religious reforms can be seen in the coins issued by Akbar after 1585 AD. He had released golden and silver coins with various images to mark the 45th year celebration of ascending the throne. These coins have images of Ram and Sita. Aurangzeb cancelled the Kalim kind of coins in 1659 AD. Mumadi (Silver), Dam (Copper), Pi (Half Dam copper), new Pagoda (Gold), Entera Raiyal (Silver), Old Pagoda (Gold) and Fanam (Gold) were the other coins of the Mughal era.

The coin system of ancient India continued in the period of the Vijayanagar Empire (1336 to 1678 AD). Their emblem was Varaha (Wild boar). But they also printed the emblems of Hanuman, Garuda and elephants on the coins. The name, 'Sriveerahirahara', in Devnagari or Kannada script, was also inscribed on the coins. They had issued the coins Varaha, Gadyana, Pon and Pagodas. Han', the golden and silver coins, were in vogue during the Bahmani Sultans period (1347 to 1687 AD). Copper coins were more in circulation than their golden counterparts. The golden, silver and copper coins were in circulation during the reign of Adil Shahi rulers of Bijapur.

COINS AND CURRENCY IN THE BRITISH ERA

Rupee system was widely in use all over by the time the British came to India in the first decade of 1600 AD. According to a government report, 994 various kinds of coins were in circulation then.

The East India Company tried to introduce the Pound system of England here several times. But they were not successful. The Rupee was hugely popular. Hence, the British exported the Rupee to their colonies. The British received from the Mughals to mint coins at their mint in Bombay in 1777 AD. Golden, silver, copper and tin coins were minted by the British administration. They called the golden coin as 'Carolina', silver coin as 'Angelina' and copper coin as 'Cuparoon' and tin coin as 'Tinny'.

The first paper money was made in British India. The Bank of Hindustan released the first paper note in 1770 AD. The General Bank of Bengal and Bengal Bank also released the paper money

into circulation. A provision was made to exchange the silver coins with the paper notes. The British introduced the Currency Act to bring in a uniform coin system in 1835 and released the silver coins called 'Paise'. The Currency Act was a landmark in the Indian currency which made silver rupee weighing 180 grains as the sole unlimited legal tender throughout British India. As a result, gold coins were demonetized. The British tried to introduce the gold coins again in 1841. But Lord Dalhousie cancelled this experiment. The British officially implemented the Rupee system in their colonies after the First War of Indian Independence in 1857. They removed the images of the local administration from the coins and printed the images of the British rulers on the coins.

In 1862, a series of notes and coins were circulated in honor of Britain Queen Victoria. According to the recommendations of the Herschell Committee of 1893, the golden and silver money-minting units were closed.

The Reserve Bank of India (RBI) was established in 1935. It took over the responsibility of printing coins and notes and circulating them all over the country. The RBI printed the first note of Rs 5 in 1938. The note had the image of Britain's King George VI. It also printed the note of Rs 10,000. However, it was derecognized after independence. There was a severe shortage of silver during the Second World War. The printing of Rs 2 denomination notes became inevitable. The coins, made from copper and nickel were printed instead of the silver coins of lower denominations.

DURING INDEPENDENT INDIA

The old monetary system continued for some time after India attained independence in 1947. The Anna system was implemented on August 15, 1950. The image of the Ashoka Pillar was printed on the coins and notes instead of the British rulers. Later, the Indian monetary system entered another phase (In the Anna system, one Rupee was equal to 16 Annas or 60 Paise). An amendment was made to the Indian Coinage Act in 1955. It came into force from January 1, 1957. Then, one Rupee became equivalent to 100 Paise. This standard was followed in the later years too (even today). The RBI released the coins which were easy for visually challenged persons to identify and use.

The RBI released notes in memory of Mahatma Gandhi's birth centenary in 1969. This was for the first time that RBI brought out notes in the honor of a man. Later, a series of 'Gandhi notes' with more security features were released in 1996. In 2006, notes with more embedded security features were issued.

A symbol was given to Rupee in July 2010. With this, the Indian Rupee joined the league of US Dollar, England's Pound and Euro of Europe which have a symbol and became one of the few countries which have a symbol for their currency. Earlier, Rupee was written as Rs. UdayakumarDharma lingam was the designer of the Rupee's symbol.

CONCLUSION

On November 8, 2016, Prime Minister NarendraModi announced the demonetization of the notes of Rs 500 and Rs 1,000 denominations. The notes of Rs 500 were brought out in a new form. Also, the new notes of Rs 2,000 were issued. Now, this is all a history.

The Union government, which wants to reduce the use of notes, is trying to create a digital payment or cashless economic system. There are also plans to introduce plastic notes of some

denominations. The plastic notes have already been successful in several countries, including Australia and Singapore. The plastic notes last long and do not get wet in rain too. In all, the Indian economic system has come a long way from the age of coins through various phases. It is now in the digital or cashless transaction (like pay tm, Google pay, Phone pay, Bhim app etc). We have to see how it will gain strength in this era and of course, it will be recorded in the economic history in the coming days.

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