



EVOLUTION OF CURRENCY IN ANCIENT INDIA

Ajanta Sarkar and Gagori Kalita

(Department of Economics,
GKB College, Morigaon)

ABSTRACT: Ancient India is known as the Indus Valley Civilization or Harappan Civilization, the earliest known urban culture of the Indian subcontinent. The concept of currency in Indian dates back to the period of Maurya Emperor Chandragupta Maurya. The period was famous for the enlightening Arthashastra, written by Chanakya, prime minister to the first Maurya Emperor. Money plays a great role in every economy so it is in India. The evolution of currency in India is quite worth discussing.

Keywords: coins, money, notes, silver, gold, evolution, ancient, India

THE BARTER SYSTEM: The barter system of exchange of goods was prevalent in ancient India from the Vedic period. The Indus valley people may have used precious metals of fixed weights such as silver for buying goods which is evident from excavations in the DK area at Mohenjo-Daro. But eventually barter method gave way slowly to the money economy through the medium of coins for their obvious advantages. The origin of coins, also known as metallic money in India dates back to the sixth–seventh centuries BC and it is probable that Lydia, India and China invented coinage around the same time and also independent of each other. The emergence of coinage was one of the important monetary innovations in ancient India. The formation of ‘janapadas’ and the evolution of the second urbanization were the catalysts for the invention of coinage. The money economy originated in India during the ‘janapada’ period and it grew markedly during the Magadha, Nanda, and Mauryan rule which needed the maintenance of a huge army as well as official machinery to run the big empire. Coinage and urbanization which are linked also facilitated the growth of trade in the country internally as well as with other countries. Maritime trade prospered especially with Rome during the Satavahana rule in the Deccan. The lack of trade barriers between ‘janapadas’ and the presence of local rulers even during the rule of major dynasties might have contributed to the growth of trade.

The major issue was a common measure of value which resulted in the failure of the barter system, the problem lies in the scarcity of a common measure of value, hence it is difficult to find out any fixed ratio for exchanging goods and services.

COINS IN ANCIENT INDIA:

Pre Historic and Bronze age

There is no strong evidence in the Indian setting to establish that individuals in the Stone Age used cash or conducted barter exchanges. The **Indus Valley Civilization** appears to have engaged in considerable trade across a vast network, although it appears that it was mostly based on the barter system. The Harappans, on the other hand, employed **fixed-weight metals** like silver for trade and mercantile purposes.

Coins in Vedic period

The Rigveda mentions **nishka (gold)** and **nishka greeva (gold ornaments)**, however, it's unclear whether these may be **interpreted as coins**. Later Vedic scriptures, on the other hand, made mention of **nishka, suvarna, shatamana, and pada**. Scholars, on the other hand, believe that these phrases do not imply the widespread use of **traditional coinage**.

Punch Marked Coins

The first coins were cast coins with only one side die-struck. '**Punch Marked**' coins have one to five marks or symbols incised on a single side. According to Panini's Ashtadhyayi, the copper pieces of punch-marked coins were stamped with symbols. Each 'Ratti' weighed 0.11 gramme and was referred to as such. The first evidence of this currency can be found between the sixth and second centuries BC. Two of its classifications are listed **below**

- **Mahajanapada Coins**
- **Coins during Mauryan Period**

Mahajanapada Coins (around 6th century BC)

Puranas, Karshapanas, and Pana were the earliest punch-marked coins struck in India in the 6th century BC by the numerous Janapadas and Mahajanapadas of the **Indo-Gangetic Plain**. These coins had varied shapes, and a standard weight, and were made of silver with diverse patterns, such as a humped bull in Saurashtra, a Swastika in Dakshin Panchala, and five symbols in Magadha. **Punch-marked Magadhan coins** became the most widely circulated coinage in South Asia. They are mentioned in the **Manusmriti** and Buddhist Jataka Stories, and in the south, they lasted three centuries longer than in the north.

Coins during Mauryan Period (322–185 BC)

In his **Arthashastra treatise, Chanakya**, the prime minister of the first Mauryan emperor Chandragupta Maurya, reported the minting of punch-marked coins such as **rupyarupa (silver), suvarnarupa (gold), Tamra rupa (copper), and sisarupa (lead)**. The sun and the six-armed wheel were the most consistent of the several symbols utilized. Karshapanas were silver coins with an average of 50–54 grains of silver and 32 rattis in weight.

The Indo- Greek Coins

The silver drachm carries the kingly profile of Apollodotus II, who resigned east and west Punjab aka Taxila in the waning days of the Indo- Greek kingdom between 80 and 65 BC. The Indo- Greek coins were of three types:

- Starter (gold)
- Drachm (silver)
- Copper (chalcone)

The front of the coin carried the bust of the ruler in whose name it was issued and the back usually carried the figure of a deity, like Zeus, Apollo, Poseidon, etc.

Coins By Satavahana

The rule of the Satavahanas began around **232 BC** and lasted until **227 AD**. The **Satavahana rulers** mostly employed lead as a coinage material. Silver coins were extremely rare. They also utilized a silver-and-copper alloy known as '**potin**' in addition to lead. Copper coins are also widely accessible. The **Satavahana coins** are a useful source of information about the Satavahanas' dynastic history, despite their lack of beauty and creative merit. On one side of most **Satavahana coins** was a figure of an elephant, horse, lion, or **Chaitya**. The **Ujjain emblem** was depicted on the other side, which was a cross with four circles at the ends of the two intersecting lines. **Prakrit** was the dialect used.

Coins of Western Satraps - The Indo Scythians

The **Western Satraps (35–405 AD)** ruled over Western India, which included **Malwa, Gujarat,** and **Kathiawar** during the time. They were all Saka people. **Western Satrap coins** have a long and illustrious history. They date from the **Saka era**, which began in **78 AD**. On one side, the Western Satraps' coins feature the king's head, but on the other, they feature a Buddhist chaitya or stupa, which was undoubtedly copied from **Satavahanas**. Prakrit is a widely used language that is written in a variety of scripts.

Coins Issued by Gupta Age

The **Gupta period (319 AD–550 AD)** saw a significant rebirth of **Hinduism**. The Guptas mostly created **gold coins**, but they also issued **silver and copper coins**. Gupta gold coins came in various different shapes and sizes. On one side of these coins, we see the monarch practicing **Ashvamedha**, playing the veena, riding a **horse or elephant, fighting a lion, tiger,** or rhinoceros with a sword or bow, or sitting on a sofa. The **goddess Lakshmi**, seated on a throne or a lotus seal, or the queen herself, is depicted on the opposite side. For the first time in coin history, the inscriptions on the coins were all written in **Sanskrit (Brahmi script)**. Gupta monarchs created coins representing the emperors not just in military activities such as hunting lions/tigers, posing with weapons, etc., but also in leisure pursuits like playing the Veena, with representations of **goddess Lakshmi, Durga, Ganga, Garuda,** and **Kartikeya** on the reverse side of the coin. The fall of **Gupta dominance** in the sixth century, due to a Hun invasion, ushered in a time of uncertainty, when a number of local kingdoms arose in various regions, issuing region-specific coins with low metallic content and poor artistic design. These dynasties used a variety of designs taken not just from the **Kushana–Gupta** pattern but also from foreign designs in **Western, Eastern, Northern, and Central** India for a long time, until the thirteenth century. South India established a new coin paradigm based on the **Roman gold coins** that came into the region during the first three centuries of the first millennium.

Coins of the Vardhanas

In the late sixth century, the **Varadhanas** of **Taneshwar** and **Kannauj** were responsible for driving the Hun invaders out of India. **Harshavardhana** was the most powerful of their monarchs, with an empire that included practically all of Northern India. The **Vardhanas'** silver coins had the head of the king on one side and the figure of a peacock on the other. The dates on **Harshavardhana's coins** are from a new era, which began most likely in AD 606, the year of his coronation.

Coins of Chalukyas

Pulakesin I established the **Western Chalukyan dynasty** in the sixth century AD, with its capital in Badami, Karnataka. Legends and images of a temple or a lion appeared on one side of the coin. The backside of the card was left blank. The **Eastern Chalukyan dynasty** (7th century AD) coins had a boar symbol in the center, with a distinct punch carved around each letter of the king's name. The opposite side was also left blank.

Coins of Rajputs

The coins of the **Rajput dynasties (11th–12th centuries)** were usually made of gold, copper, or billon (a silver-copper alloy), but silver was extremely rarely used. **Rajput coinage** was divided into two categories. On one side, the king's name was written in Sanskrit, while on the other, a deity was shown. This was the sort of coin used by the Kalachuris, the Chandellas of Bundelkhand, the **Tomars** of Ajmer and Delhi, and the **Rathores of Kannauj**. The other style of silver currency was introduced by the monarchs of **Gandhara or Sindh**, and had a seated bull on one side and a horseman on the other.

Coins of the Pandyan and Chola dynasty

In the early time, the **Pandyan dynasty** struck square-shaped coins with an image of an elephant. Fish became a very important emblem in coins later on. The inscriptions on the gold and silver coins were in Sanskrit, while the inscriptions on the copper coins were in Tamil. The Chola ruler **Raja Raja I's** -coins featured a standing king on one side and a reclining goddess on the other, with inscriptions in Sanskrit. The legend '**Sri Rajendra**' or '**Gangaikonda Chola**' was written on **Rajendra I's coins**, along with tiger and fish motifs. The lion was depicted on the coins of the Pallava dynasty.

Coins of the Vijayanagara Empire

The **Vijayanagara Empire (14th–17th centuries)** produced a great number of gold coins, as well as pure silver and copper coins. Higher denomination pagodas have a figure of a running warrior with a **dagger emblem**. Fractional units of gold **fanams**. Fractional units of silver **taras**. Day-to-day transactions with **copper coins**. Earlier Vijayanagara coins were made in many mints and were known by various names such as Barkur gadyanas, Bhatkal gadyanas, and so on. Inscriptions in Kannada or Sanskrit were found. A double-headed eagle with an elephant in each beak and claw, a bull, an elephant, and other Hindu deities were among the images discovered. **Krishna Deva Raya (1509–1529)** minted a gold varahan coin with a seated Vishnu on one side and a three-line Sanskrit legend Shri Pratap Krishna Raya on the other.

Turkish and Delhi Sultanate Coins

The inscriptions on the coins were in the form of the king's name, title, and the **Hijri calendar date**. Because idolatry was prohibited in Islam, the coins did not feature any images of the issuing king. The mint's name was also inscribed on the coins for the first time. **Gold, silver, copper, and billon coins** were issued by the Sultans of Delhi. Iltutmish introduced **Silver Tanka** and **Copper Jital**. **Alauddin Khilji** altered the original design by removing Khalifa's name and replacing it with self-congratulatory titles. **Muhammad ibn Tughlaq** created **bronze and copper coins**, as well as a **token paper currency** that failed miserably. **Sher Shah Suri (1540–1545)** established two weight standards: one for silver coins of 178 grains and one for copper coins of 330 grains. These were given the names rupee and dam, respectively.

Coins of The Mughals

The **Mohur**, weighing around 170 to 175 grains, was the Mughals' standard gold currency. In his '**Ain-i-Akbari**,' Abul Fazl stated that a **Mohur** was worth nine rupees. There are also half and quarter mohurs. The most famous of all Mughal currencies was the silver rupee, which was an adaptation of **Sher Shah's** coin. **Sher Shah's dam** became the basis for the **Mughal copper currency**, which weighed 320 to 330 grains. Both round and square coins were minted by Akbar. To promote his new religious ideology, '**Din-i-Ilahi**,' he created gold coins known as **Ilahi coins** in 1579. '**God is magnificent, may his honor be glorified**' was written on this coin. An **ilahi** coin was worth **ten rupees** at the time. The largest gold coin was the **Sahansah**. The names of the Persian solar months were engraved on these coins. The story was depicted in the coins by **Jahangir in a couplet**. He engraved his beloved wife **Noorjahan** on some of his coins. His most renowned coins had **Zodiac signs** as images.



A delicate view of the ancient coins of India

HISTORY OF PAPER CURRENCY IN INDIA:

The origin of the word “Rupee” is from the Sanskrit word ‘Rupya’ which means shaped, stamped, impressed, or coin, and also from the Sanskrit word “raupya” which means silver. The rupee which we keep in our pocket has a strange or perplexing past. There was a long history of struggle, exploration, and wealth which can be traced back to ancient India in the 6th Century BC. In the 19th century, the Britishers introduced paper money into the subcontinent. The Paper Currency Act of 1861 gave the Government the monopoly of notes issued throughout the vast expanse of British India.

Fascinating facts about how Indian currency notes have evolved over the ages into the rupee of today. The earliest issuers of coins in the world are the Ancient Indians along with Chinese and Lydians from the Middle East. The first Indian coins were minted in the 6th Century BC by the Mahajanpadas (the Republic Kingdoms of ancient India) known as Puranas, Karshapanas, or Panas. These coins have irregular shapes, and standard weights and are made up of silver with different markings like Saurashtra had a humped bull, Dakshin Panchala had a Swastika and Magadha had several symbols.

During the **British East India Company i.e. 1600**, The Mughal currency remained popular but in 1717 AD, Farrukh Siyar the Mughal Emperor gave permission to the Britishers or the English to coin Mughal money at the Bombay mint. The **British gold coins were termed Carolina, the silver coins as Angelina, the copper coins as cup person, and the tin coins tinny.**

In the **18th Century, the Bank of Hindostan General Bank in Bengal and the Bengal Bank became the first banks in India to issue paper currency i.e. during this time paper money was first issued in British India.**



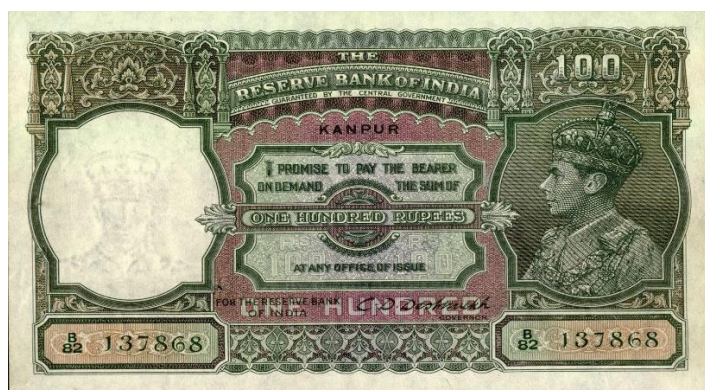
Source: www.acdn.newshunt.com

This is the first note issued by the Bank of Bengal of Two Hundred and Fifty Sicca Rupees note, September 3, 1812.

With the **Coinage Act of 1835**, uniform coinage throughout the country comes. And in 1858, the Mughal empire subsequently ended and the British crown gained control over one hundred princely states and so, the **images on the coins were replaced by portraits of the Monarch of Great Britain Supremacy.**



King **George VI** replaced the native designs on banknotes and coins but after the **revolt of 1857**, he made the Rupee as the official currency of colonial India.



Source: www.thebetterindia.com

In the honor of **Queen Victoria in 1862**, a series of banknotes and coins were issued with the Victoria portrait. Finally, **the Reserve Bank of India was set up in 1935** and empowered to issue Government of India notes. It also printed 10,000-rupee notes and was later demonetized after Independence. And the first paper currency issued by RBI was a 5 rupee note bearing King George VI's portrait, in January 1938.



Source: www.thebetterindia.com

After gaining **Independence in 1947** and in the **1950s** when **India become Republic**, India's modern Rupee reverted back to the design of the signature Rupee coin. **The symbol chosen for the paper currency was the Lion capital at Sarnath** which replaced the George VI series of bank notes. So, the first banknote printed by Independent India was a 1 rupee note. One rupee note was issued on 30 November 1917 under the British Raj. During the first world war, British domination was there. At that time one rupee coin was a silver coin. But because of the war, the condition became worse and one rupee coin of silver was not able to generate. And due to this first time in front of people, one rupee note was issued and the image of George V was inbuilt into the note. Printed in England this one rupee note value was very less as compared to others.



Source: www.google.co.in

The National Emblem of India is derived from the time of the Emperor **Ashoka**. The emblem is a replica of the Lion of Sarnath, near Varanasi in Uttar Pradesh. The national emblem of India was adapted by the Government of India on **26th January 1950**. The National emblem (out of the four lions only three lions are visible and the fourth one is hidden from the view) symbolises *power, courage and confidence*. It rests on a circular abacus. At the centre of the Abacus, there is a Chakra (wheel) which symbolises the Dharma Chakra (Eternal wheel of law). The abacus is girded by four smaller animals, guardians of the four directions: The Lion of the North, The Elephant of the East, The galloping Horse of the South and The Bull of the West, separated by intervening wheels over a bell shaped lotus. The word **Satyameva Jayate** (truth alone triumphs) have been inscribed in Devanagari script. The National emblem of India is the official seal of the President of India and Central and State Governments. The National emblem is used only for official purposes and commands highest respect and loyalty. It is also a symbol of independent India's identity and sovereignty.

In **1969 Reserve Bank of India** issued the Mahatma Gandhi Birth Centenary Commemorative design series on Rs 5 and Rs 10 notes.



And amazing thing is that the vignette of the Sailing Boat or Dhow remained on the reverse of the Ten Rupees for over 40 years.



Source:www.google.co.in

In 1959 a special issue of rupees ten and Rupees One Hundred were issued for the Indian Haj Pilgrims so, that they can exchange it with local currency in Saudi Arabia.



Even in 1917-1918 the Nizam of Hyderabad had given the privilege to print and issue their own currency.



In World War I, due to shortage of metal the princely states of Morvi and Dhrangadhra issued currency notes of limited liability known as **Harvala**.



During **World War II** also because of shortage of metal, 36 Princely States mainly Gujarat, Rajasthan, Sind, Baluchistan and Central provinces issued paper tokens instead of coins.



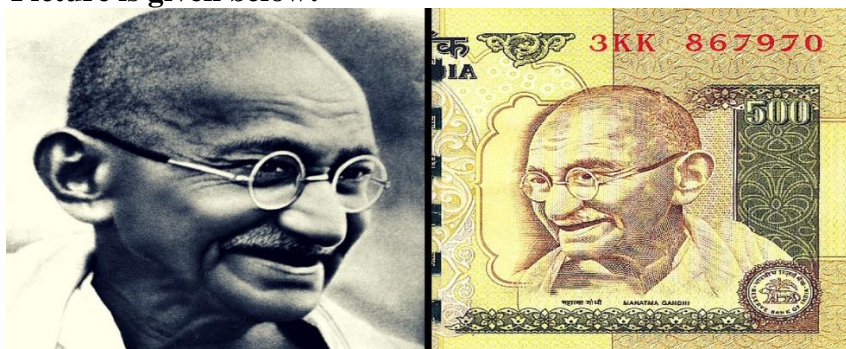
Finally, in 1996 The Mahatma Gandhi series of paper notes were introduced.



Source: www.1.bp.blogspot.com

Always we see the picture of smiling Mahatma Gandhi on our notes which remains the same on currency notes. Some say that the Picture of Mahatma Gandhi is a drawn caricature but this is not true. Actually in reality this

picture was taken by an unknown photographer in 1946 and from there it is cropped and used everywhere. **The Picture is given below:**



Source: www.thebetterindia.com

Devaluation of Indian Rupee: Reasons & History Since 1947



Source: www.thebetterindia.com

In **November 2001**, Rs 5 denomination was issued with Mahatma Gandhi image in front and back side of it shows **farm mechanization process** i.e. the progress through agriculture.



In **June 1996**, Rs 10 was issued with front image of Gandhi and at reverse it represents the **fauna of India** which symbolises the biodiversity.



Earlier in **1981**, Rs 10 consists of the **lion capital our emblem** at front of it and at reverse it represents our **Indian Art of peacock** which is our national bird.



Source: www.banknotes.com

In **August 2001**, Rs 20 was issued with same front image of Gandhi and at reverse was the image of **Palm trees** from the Mount Harriet and Port Blair lighthouse as viewed from Megapode Resort, PortBlair.



Earlier in **1983-84**, Rs 20 banknote was issued which at the reverse of it consists of the **Buddhist wheel**.



Source: www.banknotes.com

Where do the Printing of Security Papers, Notes and Minting take Place in India?

In **March 1997**, Rs 50 was issued consisting of a Mahatma Gandhi image at front of it and at reverse **Indian Parliament**.



In **June 1996**, Rs 100 was issued with a front image of Mahatma Gandhi and at the reverse of it represents the **Himalayan Mountains**.



In **October 1997**, Rs 500 was issued which front image is of Mahatma Gandhi, and the reverse of it was the image that represents the **Dandi March i.e. Salt Satyagraha** which was considered the wider Civil Disobedience Movement launched by Gandhi Ji on **12 March 1930** against the British salt domination in India. Gandhi Ji and his followers will be marched from his Sabarmati Ashram near Ahmedabad to the Dandi, a coastal village in Navsari dist Gujarat, and prepared salt without paying tax to the British Government. In this way, the Salt law was broken by Gandhi on 5th April 1930.



In **November 2000**, Rs 1000 was issued with the front image of Gandhi and the reverse of it represents **the economy of India** which has Grain Harvesting i.e. agricultural sector, oil rig; manufacturing sector, Space Satellite dish; Science & research, Metallurgy; Mines & Minerals and a Girl working on a computer; Inclusive Technology.



Source: www.upload.wikimedia.org

Demonetization and introduction of new notes in India:

1. On November 8, 2016, Prime Minister Narendra Modi announced the demonetization of Rs. 500 and Rs. 1,000 currency notes. Furthermore, the government gave two months to deposit demonetized notes in any bank. The main aim of the scheme was to:
 2. To plug financing into terrorists.
 3. To get back the money achieved by working in the parallel economy which is considered to be corrupt.
 4. To help reduce interest rates in the banking system

5. To help formalize India's informal economy. It will reduce the extent of cash transactions and help in the creation of a less-cash economy.



Source: www.ynotpics.com

Conclusion: In India, money plays a great role not only financially but also it has a great sense of history associated with it. In today's world though money is considered materialistic nevertheless it is more than what we know it for.

BILIOGRAPHY:

1. www.rbi.org.in
2. www.economicdiscussion.net.in
3. www.indiatoday.in
4. The Emergence and Spread of Coins in Ancient India by Deme Raja Reddy.
5. www.indianculture.gov.in