



ANCIENT INDIA: BANKING AND CURRENCY

Social Science

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ABSTRACT

The ancient history of India after Proto-historic period was dominated by the religious scriptures and epics as well. Though the banking system and currency are showcased in the epics yet no trace has still been found by the Archaeological Survey of India. However it's so happened that the beginning of ruling dynasties in the historic period both the systems captured a phenomenal necessity for the administration and society in due course. It is remarkable to assess that in the third and second millennium B.C. banking and currency captured a major key stone in each part of Harappan Civilization shaped as seals and emulates. Banking plays an important role in the modern economic activities. Even an ordinary lay man has a link with a bank either as a depositor or a borrower of money. The different agencies, by their extractive dealing with the farms, the mines and the forests, or manufacturing converting raw materials into finished products, or transport carrying men and material from one place to another are all directly concerned with banking and look to it for credit and other facilities. In ancient India about two and a half millennium ago we find banking in its rudimentary state. Institutional banking was non-existent, individuals looked after it. It was just indigenous banking of today under the following heads:-Loanable Funds, Lending of Money, Receiving of deposits. The use of currency by the people anywhere at any time suggests the existence of a government. The maintenance of law and order is the prime requisite for the state transmittance of currency from one place to another. The canonical text mention the use of coins made of gold, silver and copper.

KEYWORDS

Archaeological Survey of India (ASI), Harappan Civilization (HC), Loanable Funds (LF), Lending of Money (LM), Receiving of deposits (RD)

BANKING

1. Loanable Funds : The rich and wealthy persons (Sresthis and Vanayis) carrying on business amasses huge wealth which they use for three main purposes. The first purpose was to hoar a position of the wealth to be used in time of need. The second was to use the money in business as capital and multiply it. It also include lending of money in interest. The third purpose was to use the wealth for fulfilling the personal wants comprising necessities, comforts and luxuries. The *Upasakaddasaga Sutram* mentions ten *Gathapaties* who were bestowed with rich fortunes and had a huge wealth which they use for triple purpose of hoarding, investing and spending.

2. Lending of Money : Money lending was considered as an honest business. The *Vanikas* gave money to the people on loan and it was given in the presence of a witness or a surety. Though there were prescribed limits to the interest chargeable by the lender but generally interest was heavy and sometimes it was a high as to make the principal double. The State ordinarily did not interfere in matters concerning money lending. This must have caused untold misery to the borrowers who were at the mercy of rapacious usurers charging very high rates of interests. Sometimes the debtors unable to repay the debts were made to work as slaves (*Anaya*). There is mention of *Sarthavahas* of *Rayagiha (Rajagir)* who lent money with a view to double their principal amount.

3. Receiving of Deposits: - Receiving and deposits is an important function of banking. A banker is one who besides lending money, receives, deposits. In ancient days people reposed confidence in Sresthis, Vanikas and Sarthavahas and deposited their money with them for safe custody. The money thus deposited was called '*Nikkhevaga*'. They got their money on demand of course in some cases the depositors had to return home with a wry face when the bankers refused to recognise him as a depositor and there was no specialisation in banking business. The idea behind lending was two fold- first, to get interest and secondly to develop the economic activities. The main intention was to multiply their capital by charging high rate of interest. However it is proved beyond doubt that banking constituted one of the economic activities in ancient days and it did help in carrying on economic activities.

CURRENCY

1. Issue of Coins: - The State has power and responsibility of manufacturing and issuing coins. However there are evidences to show that some of the Srenis (guilds) also minted and issued coins. These Srenis took active interest in developing trade and commerce. Coins found at Taxila bear the word '*Nigama*' which proves that the Srenis issued coins. With the growth of trade and commerce and growing circulation of coins, the state was tempted to issue coins and thus both the King and the Srenis undertook this work.

2. Method of Manufacturing Coins: -The manufacturing of coins in ancient day was done by two different methods, first the mode of fabrication was to beat out a piece of metal into a flat plate of certain thickness and then cut into a separate equal sized pieces. Different symbols were than stamped on the surface of the metal, they were called the punched marked coins. Second method of manufacturing was to shape the metal in moulds, there coins were called the cast coins.

3. Punchmarked Coins: - These coins were the earliest coins of India. It is difficult to say precisely how old were these coins but they were certainly current in the time of Lord Mahāvira i.e. in the 6th century B.C. Sir A. Cunningham has no difficulty in thinking that they might mount as high as 1000 B.C. These coins bear different symbols on the obverse side such as the bull, a tree, a cow, a square tank, a snake, a peacock, an elephant, a lotus, a female figure, the moon, the sun etc. The different symbols were probably the private marks of ancient coin fabricators. Several hoards of these coins have been found at different places in India i.e. Taxila, Mathura, Kausambi, Rajagrah etc. The coins found in hoards are largely in silver which indicate their larger use in those times. Gold coins might also have been issued like silver and copper ones.



<https://indianexpress.com/article/parenting/learning/coins-of-ancient-india-5646759/>

4. Cast Coins: - These coins were also manufactured in gold, silver and copper and contained different symbols like the Punchmarked coins. A large number of copper cast coins of ancient India have been found at different places vis Ayodhya, Ujjain, Eran, Banaras etc.

TYPES OF COINS

Gold Coins:-Suvanna or Dinara was the gold coin commonly used in eastern India. Among the gold coins 'Suvanna' or 'Dinara' have been mentioned. The word 'Hirannasuvanna' also occurs during ancient time. The term 'Hiranna' denoted money in general but when associated with Suvanna i.e. Hiranna Suvanna it meant gold coins. Another coin known as 'Kevadika' has been mentioned which was possibly of gold and was in circulation in Eastern India. The Jaina texts have made no distinction

between the value of Suvanna and Dinara and as such they may be treated at par. On the basis of evidence of the Kusana and Gupta coins also, a Suvarna had a value equal to that of Roman gold coin. Dinarious and its weighed 123 grains. According to others the Suvarna weighed 16 masa (80 rattis) which is equivalent to 144 grains.



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Silver Coins: - Among the silver coins 'Ruvagas' (Rupakas) have been generally mentioned in the texts. It seems that it was the most generally mentioned in the texts of ancient India. Different regions have different ruvagas of different values with different names. For example the ruvagas of Diva Island was called 'Diviccaga or Sabharaga that of Uttarapatha of Pataliputra, Padaliputtaga or Kasumapuraga of Dakkhinapatha, Dakkhinapahaga and of Kancipuri 'Nelao' or 'Nilaka'.

The relative value of different ruvaga (silver coins) of the regions can be ascertained from the following table:

- 2 Sabharaga or Diviccaga = 1 Uttarapahaga
- 2 Uttarapahaga = 1 Padaliputtaga
- And
- 2 Dakkhinapahaga = 1 Kancipuri Nelaka
- 2 Kancipuri Nelaka = 1 Ruvaga of Kusumanagara (Padaliputtaga)

Thus it appears that the Pataliputra ruvaga was of the highest value among the silver coins in as much as one Padaliputtaga (coin) was equivalent to two ruvagas of Uttarapatha and to 4 Diviccaga. Similarly one Kusumanagara (Pataliputra) coin equalled 2 Nelakas (Kanchipuri) or 4 ruvagas of Dakkhinapatha. Another silver coin mentioned is 'Dramma' which according to commentary on Bhat Kalpa Sutram, was prevalent in Bhinamala in Jodhpur district.

Copper Coins: -Copper (Tamma) coins of the time mentioned in the texts are 'Kahavana' and 'Kagini'. Copper coins seem to be prevalent in large number at that time. The ancient copper coins found today are mostly cast coins. The Punchmarked copper coins seemed to disappear gradually and are rare. The copper karsapana weighed 80 rattis i.e. 144 grains. It was prevalent in Rajagarha at the time of king Bimbisara. Another copper coins mentioned is kagini (Kakini) It was a coin of small denomination. Kautilya mentions kakini as a copper coin equal to ¼ of a copper karsapana. According to commentary of Bhat Kalpa Sutram it was a copper coin used in Dakkhinapatha (South).

Other Coins: -Besides gold, silver and copper coins we find the prevalence of 'Kavaddage' (cowries or shells) at that time. They possessed small value and as such were used for small payments. This term was also used to denote money in general. The Nisitha Curni mentions a leather coin issued by King Vammalata which was in use in Bhinamala in Jodhpur district.

Counterfeit Coins:-References in the texts reveal that counterfeit coins were also manufactured and circulated by unauthorised persons. The texts mention about false ruvagas. Gold smiths could easily detect these coins. Though some unscrupulous persons tried to manufacture and circulate false coins in those days it seems that people could detect the counterfeit coins and as such these coins were not in general circulation.

CONCLUSION

The Indian currency rupee was named after the coin of silver, rupiya, first given by the "Emperor Sher Shah Suri" in the sixteenth century and proceeded later by the "Mughal Empire". The obligation regarding coinage goes under the Coinage Act, 1906 which is altered every now and then. The structuring and stamping of coins in different divisions is likewise the obligation of the Government of India. After autonomy mint, of the Government of India stamped coins engraved with Indian, verifiable and strict figures. Administration of the country kept giving the ₹ 1 note, while the RBI gave different. All pre-autonomy banknotes were authoritatively demonetised with impact from "April 28th 1957". "During the 1970s", ₹ 20 and ₹ 50 notes were presented; divisions higher than ₹ 100 were demonetised in the year 1978. In the year 1987, the ₹ 500 note was presented, trailed by the ₹ 1,000 note in 2000 while ₹ 1 and ₹ 2 notes were ended in 1995. The Mahatma Gandhi Series of banknotes is given by the Reserve Bank of India as lawful delicate. The arrangement is so named in light of the fact that the front of each note includes a representation of Gandhi ji. Since its presentation in the year 1996, this banknote section of ₹ 200, ₹ 100 and ₹ 50 have additionally been presented in the new Gandhi ji New Series proposed to supplant all banknotes of the past Mahatma Gandhi Series. On June 13th 2017, RBI presented new ₹ 50 notes, however the old ones keep being lawful delicate. The structure is like the present notes in the "Gandhi ji New Series" aside from they will accompany an inset 'A'. Arthashastra, composed by Chanakya, head administrator to the first Maurya ruler Chandragupta Maurya (340–290 BC), makes reference to silver coins as rūpyarūpa, and different sorts of coins including "gold coins called Suvarnarūpa, copper coins called Tāmrarūpa and lead coins called Sīsarūpa likewise referenced. Rūpa intends to frame, model, Rūpyarūpa, fashioned silver, rūpa structure. However in the 14th century A.D a new curve in minting and marketing of coins appeared during the regime of Sultan Mohammad-bin-Tuglaq (1325-51 A.D.) This ruler got copper, bronze, leather and iron coins manufactured as stated by the contemporary Persian historians.

RECOMMENDATION

1. When viewed the necessity a banking and currency system, the abolition and minimization of barter system finds an important place in this aspect.
2. The banking and currency system were devised for the sake of security and portability purposes.
3. The temples were chosen to act as the sacred banks which gave a sacred feeling for the system.
4. Though the currency system made the economic system available to all yet its money lending system witnessed its negative impacts on the society like seizing the secured property, heightening the rate of interest and human sell converting into slavery.
5. Banking currency system benched meritoriously the glory of ruling dynasties, expansion of empire, economic growth, prosperity and relations with other states.

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