



A REVIEW STUDY ON THE HISTORY OF THE CURRENCY SYSTEM OF THE EAST INDIA COMPANY 1772-1835

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Abstract

An important stage in the administrative and economic development of colonial India is represented by the history of the East India Company's currency system from 1772 to 1835. A more centralised and consistent currency system replaced the Company's dispersed monetary structure during this time, which was typified by the circulation of various regional coins with different weights, metals, and standards. Efforts were undertaken to control mints, standardise currency, and ease revenue collection and business transactions, starting with Warren Hastings' administrative reforms of 1772. Monetary management was further reinforced by later reforms under Lord Cornwallis, Lord Wellesley, and Lord William Bentinck. The Coinage Act of 1835, which established a unified silver rupee as the standard currency across British India, was the result of these developments. The development of the East India Company's monetary policies, the operation of the Bengal, Madras, and Bombay Presidency Mints, the difficulties presented by various currency systems, and the financial effects of monetary standardisation are all examined in this overview study. The historical interpretations of colonial currency innovations and their effects on trade, taxes, governance, and indigenous economies are also reviewed. The paper identifies research gaps regarding regional monetary practices and indigenous responses to colonial monetary policy while highlighting the importance of currency reforms in solidifying British colonial authority through a synthesis of current literature.

Keywords: Coinage, Silver Rupee, Warren Hastings, Presidency Mints, Colonial Economy, Monetary Policy

INTRODUCTION

In the administrative and economic history of colonial India, the East India Company's currency system from 1772 to 1835 plays a significant role. In addition to being a means of commerce, money was also used for fiscal management, political power, and business growth. Coins minted by the Mughal Empire, regional kingdoms, princely states, and municipal authorities circulated concurrently throughout India's very diverse monetary system prior to the consolidation of British rule. Trade, taxation, and financial

administration were significantly hampered by regional differences in weight, metallic content, purity, and exchange value.

The East India Company assumed more responsibility for economic control and revenue collection after acquiring the Diwani rights in Bengal, Bihar, and Orissa in 1765. The Company started major reforms after realising the need for a stable monetary system, starting with Warren Hastings' administrative actions in 1772. These changes were intended to control mint operations, enhance coinage quality, lessen financial confusion, and ease business dealings. Further changes under succeeding Governors-General reinforced monetary management throughout the Company's territory in the late eighteenth and early nineteenth centuries.

A more centralised and standardised monetary system replaced a dispersed regional currency structure between 1772 and 1835. At first, the coinage customs of the Presidency governments of Bengal, Madras, and Bombay were distinct, reflecting the different political and economic circumstances of their various areas. However, the Company was motivated to seek more currency consistency due to growing internal trade, expanding territory control, and the need for administrative efficiency. The Coinage Act of 1835, which established a single monetary system and made the uniform silver rupee the accepted legal tender across British India, was the result of these advances.

The development of the Company's monetary system was intimately associated with more general economic goals, including as trade promotion, effective revenue collection, military spending, and the incorporation of local markets into a colonial economy. The value of precious metals, shifting global monetary patterns, and Britain's increasing sway over Indian financial institutions were all reflected in currency reforms. These changes increased colonial control over India's economic resources and changed customary exchange arrangements, even as they enhanced monetary stability and promoted trade growth.

The literature on the evolution of the East India Company's monetary system between 1772 and 1835 is examined in this review research. It examines the legislative actions, mint operations, administrative reforms, and monetary policies that influenced the colonial monetary system, with a focus on the shift to a single currency. Along with identifying areas that require more historical investigation, the study assesses the economic, political, and social ramifications of these reforms. The review aims to offer a thorough knowledge of the development of the Company's currency system and its enduring influence on India's monetary history by combining the views of historians, economists, numismatists, and archival sources.

REVIEW OF LITERATURE

Barrow Ian (2022). The purpose of this study is to investigate the widespread circulation of the rupee currency that was used by the East India Company throughout the latter half of the eighteenth century and the early nineteenth century. This provides an explanation as to why the rupee became the predominant means of exchange in a significant portion of India and why, despite showing some promise, it was not successful in becoming a global currency. Helenus Scott's *The Adventures of a Rupee* (1782), in which various anecdotes from Asia and Europe are interspersed, serves as the analytical focus of this paper. The purpose of the paper is to explain how the East India Company's expanding military campaigns, trade networks, and land administration led to a rapid circulation of the Company's currency within India and as far afield as Britain and Southern China. The so-called "novel of circulation" authored by Scott is written in the first-person of the rupee's perspective and is written in the first-person. From his minting in northern India to the harem of an Indian Muslim ruler, to the pocket of a sailor sailing to China, and finally to a pawn-broker's shop in London, the narrator takes the reader on a voyage of foreign exchange that spans the entire world. The story depicts both the advantages and disadvantages of the Company's currency, including its increasing prevalence in colonial military, commercial, and revenue networks, as well as its ultimate demotion to regional importance as a result of its status as a colonial currency.

Sartori, Andrew. (2021). According to the argument presented in the article, the commodity "nature" that was attributed to early modern money was an ideological manifestation of China's hegemony over the global monetary system during that period of time. As was the case in China throughout the late Ming and Qing dynasties, the weight and quality of silver appeared to be the basis for the world's currency in the three centuries leading up to the year 1800. This was due to the fact that China was very interested in purchasing silver. We claim that the growth of China's strength is the correct explanation for this phenomena of naturalisation, and that the early modern period is better understood as a period of Chinese worldwide domination. This is because naturalisation emerged during this time period. Over the course of three different domains, we monitor the effects that China's monetary dominance has had. As a starting point, we will be following the concepts of early modern English philosophers and financiers who, by purposefully modelling their money after China's, identified the features of an ideal international currency. According to our second argument, the need for silver in China was a significant factor that played a role in the formation of the character of the British Empire in India. In conclusion, we present evidence that demonstrates how early modern Ottoman officials institutionalised silver as a primary medium of exchange.

Helen Wang (2019). Robert Stuart Poole (1832–1895) began his work with European coins, focusing mostly on those of the Greeks and Romans. He had the goal of producing a remarkable set of coin catalogues for the British Museum. Between the years 1870 and 1893, he served as the Keeper of the Department of Coins and Medals at the UK Museum. The fact that Poole was keen to further Asian numismatics and had a strong affinity with Asia allowed us to take use of his enthusiasm. A total of sixteen British Museum Catalogues of Oriental (also known as Islamic), Indian, and Chinese coins were prepared and published during Poole's tenure as guardian of the Asian currency collections, which expanded by the thousands during his tenure. This paper is dedicated to Nicholas Rhodes (1946–2011), an additional advocate of Asian numismatics. The subjects of this paper include the individuals who collected Indian coins, shared them through informal channels and publications, and subsequently donated, bequeathed, or sold them to national collections in Europe. Additionally, the authors, editors, printers, publishers, and distributors of the Catalogues of Indian Coins are also included by this paper. We are hoping that by identifying these individuals, we will be able to throw light on the Indian money collection that was housed in the British Museum from the 1880s to the 1910s. Additionally, we believe that we will be able to assist both current and future researchers in making sense of these exquisite artefacts.

Wald, E. (2014). It was generally agreed upon by S. M. Edwardes's contemporaries, as stated in his book *Crime in India*, which was published in 1924, that "prostitution had existed in India from time immemorial" and that there was a distinct "caste" of prostitutes. Even up until the Second World War, legislation that applied to the "habitual spreader of venereal diseases"—the brothel prostitute—disregarded the role that male troops had in the transmission of venereal diseases. This was the case even though the brothel prostitute was at the center of the epidemic. The two sets of emotions had become inextricably linked. On the other hand, monogamous partnerships between European men and Indian women were common until the early nineteenth century. Although prostitution was practiced in India at the time, it was not viewed with the same poisonous contempt as it was in subsequent ages. The government began to tolerate, if not actively promote, the short-term liaisons given by prostitutes rather than these more serious relationships. This transition occurred in a manner that was similar to the previous one. Over the course of the following sections, we will investigate the two modifications. In order to satisfy the requirements and alleviate the concerns of individuals such as medical surgeons, evangelical missionaries, army soldiers, and administrators hired by the East India Company, neither of these changes was "natural," but rather they were violently moulded. The upper and lower Assam regions were "liberated" by East India Company troops in the year 1825. These men were engaged in a battle against the Burmese attack on the Bengal frontier in Eastern India. An individual named David Scott,

who was a member of the Bengal Service, was supposed to be in charge of supervising the establishment of civil and revenue administration in these frontier districts. His implementation of a complicated hierarchical system of "native courts" (panchayats) as the primary forum for both civil and criminal cases was a significant step in the right direction. At first look, it appeared as though this was an example of the *mel*, which is an ancient tradition practiced in the Assamese conflict settlement system. Nevertheless, the expert assessor model and the British criminal jury were the primary forces behind the evolution of the system. In 1831, when he passed away, the system was standardised to suit the British court system, just like the rest of Bengal's government. This led to the system being standardised. His experiment, which was reproduced in numerous other regions that had just been seized or ceded, stretching from the territory of Madras to Central India, suggests that this strategy may have been utilised by British administrators in South Asian post-conquest scenarios. His experiment was carried out in addition to numerous other regions.

Garg, Sanjay (2013). The book provides a concise account of the history of Indian currency, beginning with the initial days of Indian colonization. This book presents a comprehensive analysis of the strategies that were implemented by the British East India Company in order to establish a standard currency in India. It also provides specifics about those policies. In this article, the process of currency legislations passed by the East India Company, the circumstances that led to their adoption, and the effects of these laws on the current economic conditions of the country are analyzed. The purpose of this article is to establish a relationship between the stability of the currency and the economic colonization of India by the East India Company. This book examines the interaction between internal and external variables that produced the monetary system of India during the early days of British power. It does so by integrating archival sources with numismatic data in order to shed new light on the role that money played in the colonization of India. In addition to developing a "cause and effect" understanding of the East India Company's currency changes, the overriding objective of the study is to shed light on the how and what of those reforms, which are frequently ignored or dismissed. This book is an essential resource for historians and enthusiasts since it contains all of the pertinent historical information that is included in the appendices. These appendices include a series of 39 Regulations (1793–1833) and two Acts (1835).

Burange, L. & Ranadive, Rucha. (2013). It is a reflection of the dynamic sociocultural environment that has been prevalent in India for centuries that the rupee has undergone a metamorphosis. This setting has been at this for a considerable amount of time. The coinage and paper currency of India have been highly diverse over the course of its history. This is due to the fact that India has been ruled by a diverse range of individuals since ancient times. The reason for this is because India has been ruled by a variety of different people throughout its history. The silver rupee did not become the money that was recognised

as a valid form of payment over the entirety of India until the sixth century B.C., when it passed through the process of becoming the official currency. There was a wide range of inscriptions, shapes, patterns, and designs that were incorporated into the coins. All of these elements were in accordance with the culture of the kingdoms that were responsible for the manufacturing of the coins. They issued a series of coins and notes that were comparable to the currency that they used on the inside of their country when they were under British administration. These coins and notes were released during the time that they were under British authority. The British currency remained to be used in circulation up to the time that India earned her independence, despite the fact that a variety of different types of Indian coins and notes were manufactured. There have also been a number of adjustments made to the system of currency rates that India has put into place. Among these modifications include the starting with a peg, the transition to a sterling system, and the eventual arrival at the controlled floating system that is existing at the present time. In addition, there were a number of different efforts that were proposed in order to rescue the economy from the predicament that it was in at the time. As a result of India's successful management of its external balance, the framework for controlled floating exchange rates, which has been in operation for almost twenty years and has been demonstrated to be successful, has been responsible for those achievements.

Irigoin, Alejandra. (2009). The silver standard, which had been responsible for propelling early modern international trade to heights that had never been seen before, came to an end in the 1820s as a result of the loss of the Spanish American currency monopoly. This event put an end to the silver standard. This article is a comprehensive study of the consequences that the situation has had on the economy of both China and the United States of America. Using demand-side explanations in China and the expanding dominance of North Americans as global silver trade intermediates after the 1780s, the research reveals a connection between the monetary patterns in Spanish America and these reasons. This connection is demonstrated by the fact that the research was conducted. According to the findings of the investigation, this connection exists. It is the purpose of this essay to cast doubt on the theories that have been held for a considerable amount of time on the factors that led to China's economic difficulties throughout the nineteenth century. It is expressly argued in the essay that the idea that silver shortages were brought on by a decrease in South American output or silver outflow from opium imports is not supported by the evidence. It is specifically the veracity of this notion that is called into doubt in the paper. The essay draws a parallel between the actions of North American institutions in controlling domestic monetary implications and the distinctive absence of monopoly monetary power in imperial China. This comparison is made in order to attract attention to the fact that imperial China did not have monopoly

funds. In order to bring attention to the fact that imperial China had monopoly funds, this comparison is being drawn.

Chakrabarti Shubhra (1997). In the seventeenth century, merchants and bankers played a limited role in the imperial system, even in an expansive port city like Surat, because the state was not directly dependent on their financial assistance for its monetary transactions or revenue remittances. The situation, however, changed in the eighteenth century as the provinces gained autonomy, for example, Bengal under Murshid Quli Khan. It was then that a close interdependence developed between the Bengal Nawab and the banking house of the Jagat Seths. The Seths received the Nawab's patronage and enjoyed monopolistic control over the credit and bullion markets. The Nawab relied on their services to remit his annual revenue obligations to the imperial treasury through hundis (bills of exchange) drawn on the house. The English and other Europeans in pre-Plassey Bengal, who suffered from a chronic shortage of capital, also borrowed extensively from this house to finance their investments. Moreover, as the house enjoyed a virtual monopoly of the mint business, the Europeans were forced to sell their bullion and specie to the Seths at a discount. Such was the status of the Jagat Seths in the financial world of Bengal that no local shroff (money changer) could buy bullion directly from the foreigners or determine the percentage of batta (premium) to be charged on the exchange.

R. S. (1877). Just a few years after it had gained territorial holdings in India, the East India Company initiated the practice of coining money. This privilege, which has been viewed as the right and proof of sovereignty in all countries, but especially in the East, has been particularly popular in the East. This is because the East has been an area of exceptional importance. By professing to acknowledge their supremacy while still remaining among the subjects of Great Britain, the company was required to reconcile with the native princes, under whom it held dominion mediately or immediately, for a considerable amount of time. This was the case despite the fact that the company had a certain degree of territorial possession. Nevertheless, the circumstances that surrounded the firm's coinage were just as odd as the circumstances that surrounded the company itself. There was something odd about both of these situations. In order to build local mints, it used the policy of requesting the consent of the monarch. At the same time, it fabricated coins in these mints. This was done in order to establish local mints. Not only were these coins not produced with English inscriptions and designs, but they were also not minted in the general name of the corporation. They were instead struck in imitation of the currency that was already in use in the subcontinent, with inscriptions in Persian or other native languages, and in the name of particular Indian kings or the emperor of Delhi. These inscriptions were a part of the new currency.

CONCLUSION

The East India Company's currency system from 1772 to 1835 represents a pivotal period in the development of India's colonial economy and financial management. During this time, the Company created a more centralised and uniform monetary structure from a dispersed and regionally varied one. The Company implemented measures to control mints, enhance the quality and consistency of coinage, and create a consistent monetary standard throughout its territories, starting with Warren Hastings' administrative reforms and ending with the Coinage Act of 1835.

The analysis of the literature shows that these currency reforms were driven by the larger goal of strengthening British political and administrative control over India in addition to the necessity of facilitating trade and revenue collection. The implementation of a single silver rupee strengthened trade, improved the effectiveness of financial regulation and taxation, and lessened the complexity of dealing with several regional currencies. Simultaneously, the reforms brought the Indian economy closer to the growing British imperial trade network.

The study also shows that while the East India Company's economic policies have been extensively studied, regional differences in monetary practices, the operation of local mints, and the reactions of indigenous bankers, merchants, and rural communities to colonial currency reforms have received comparatively little attention. The comprehension of the Company's monetary policies and their socioeconomic effects can be further enhanced by making greater use of archival records, mint documents, numismatic evidence, and regional case studies.

All things considered, British India's unified monetary system was made possible by the currency reforms carried out between 1772 and 1835. These efforts culminated in the Coinage Act of 1835, which set currency standardisation principles that influenced India's monetary management throughout the colonial era. Therefore, studying the East India Company's currency system is still crucial to comprehending colonial India's economic history, the development of contemporary monetary institutions, and the connection between imperial governance and financial policy.

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