

Press Clippings

Publication	Edition	Date	Page Number	Subject
The Times of India	Mumbai	23/04/2018	02	Mintage World

100 yrs after introduction, ₹2.5 note goes for almost ₹3 lakh in auction

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Mumbai: A unique fractional note of 'Rs 2 annas 8', or rupees two and a half, which was introduced in 1918, was auctioned for Rs 2.95 lakh on Sunday despite a slump in the numismatics market. The base price of the currency, which was used in the Bombay circle of the erstwhile British Raj, was Rs 2.5 lakh. The exchange value of the note was exactly \$1 at the time.

The note is exotic as it was printed in small numbers and its use was short-lived. It was issued as a stopgap arrangement because the British had to overcome a shortage of silver needed to mint coins of lower denominations. "Also, what makes any old note rare is that they are tough to preserve as compared to coins. The risk of wear and tear is more," said Malcolm Todywalla of Todywalla Auctions that conducted the auction.

The British had divided the subcontinent into seven monetary circles. The circles were significant as notes and coins

ONCE THERE WAS 'ADHAI RUPYA'

- > The ₹2 and 8 annas note was released on January 2, 1918
- > 'Adhai rupya' was written on the back of the note in eight Indian languages
- > 1 rupee in British India was divided into 16 annas. So the value of the note was Rs 2 and a half
- > It was printed in England on white, handmade paper. It carried the emblem of King George V and the signature of the then British finance secretary MMS Gubbay



The currency was marked by seven prefix code variations denoting its circle | A (Cawnpore), B (Bombay), C (Calcutta), K (Karachi), L (Lahore), M (Madras) and R (Rangoon)

belonging to a particular circle could be exchanged only within that area. All notes and coins at that time carried a code denoting the circle.

Another fractional note,

from the Kolkata circle, was also on the block at the auction that took place at World Trade Center, Cuffe Parade, but it remained unsold. The note's base price was Rs 8 lakh.

Collectors said the Kolkata circle note remained unsold due to financial constraints among dealers and collectors of old currencies; a similar two-and-a-half-rupee denomination from the same batch was auctioned for Rs 6.4 lakh against a base price of Rs 2.5 lakh in 2015.

"Two and a half years ago, if an auction was held, only 5-10% of the inventory would remain unsold but today, there are no takers for 30-40% of the items. GST, demonetisation and the recent scams are to be blamed," said numismatist Jayesh Gala of mintageworld.com, an online museum-cum-dealer for coins, currency notes and stamps. Also on the block at Sunday's auction were Re 1 Indo-French and Indo-Portuguese notes in circulation in Pondicherry and Goa before Independence. They went for Rs 50,000 and Rs 25,000.

The value of an old coin or currency is determined by its rarity and demand. Collectors are inclined to hold on to rare coins and notes till their prices appreciate.