

BRITISH INDIA NOTES

British India notes came into existence after the Paper Currency Act of 1861 was tabled. This Act gave the Government the monopoly to issue notes in India. Presidency Banks had to sign agreements with the Secretary of State for becoming agents for the issue, payment and exchange of promissory notes of the Government, as per the Act of 1861. The concept of 'Currency Circles' was introduced to counter the problem liquidation of these notes over a geographically extensive Indian subcontinent. These issues were circulated as legal tender.

Finally in 1867, the agency agreements with the Presidency Banks were terminated and Mint Masters, the Accountant Generals and the Controller of Currency took over the management of Paper Currency. This gave rise to introductions of different series of British India notes.