for every 1,000 pieces minted at Pondicherry.[21] The value of Arcot rupee minted in Pondicherry was fixed at 100 pagodas for Rs. 320, and 7½ panams for one rupee.

Apart from rupee coins, golden pagodas were also minted at Pondicherry for use in Yanam where silver rupees and 'dabou' coins minted at Machilipatnam were also in circulation. Tiny sea-shells imported from Maldives served as coins in petty transactions. Similarly the rupee coins and *panams* required for Mahe were also minted in Pondicherry.

In a subsequent letter dated 15 October 1739, Dumas reported that the rupees of the Pondicherry mint had gained currency in Bengal without any obstacle. With a view to eliminating some of the practical difficulties encountered by the Pondicherry rupee in other regions of Deccan, Dumas addressed a letter to Nizam-ul-Mulk, the Nizam of Hyderabad, requesting him to issue necessary orders for the unhindered circulation of the Pondicherry rupee in Bengal, Machilipatnam and Yanam. The rise of Nadir Shah and the fall of Delhi had delayed the reply from the Nizam. However, through the effective intervention of De Voulton, a French physician, serving under Imam Saheb, Dumas had obtained a reply alongwith three 'parvanas'. One was intended for the Nawab of Bengal, the second for that of Yanam and the third one for the Faujdar of Machilipatnam.[22]

The original building housing the mint having been found inadequate, a new mint building was constructed in 1738. A sketch drawn up in 1743 and kept in the archives of the Ministry of Marine Affairs shows the facade and the interior arrangements of this building constructed at a cost of 5,520 pagodas. This building was completely razed to the ground by the British in 1761. It was reconstructed after the restoration of peace in 1763. According to another sketch drawn in 1741 and included in Abbé Guyon's **Histoire des Indes Orientales** (1744), the mint was located towards east on the northern end of the present rue Romain Rolland.[23]

During the last British occupation of Pondicherry from 1793 to 1816 the Pondicherry mint did not function except during a short interval between 1802 and 1803. After the restitution of Pondicherry to the French in 1816, it was proposed to re-open the mint more as a matter of prestige than out of any necessity. The Government of Madras and the Pondicherry Administration entered into protracted negotiations. The Government of Madras insisted that coins minted in Pondicherry should be of different specifications as otherwise the French would have to bear the responsiblity for the purity of coins manufactured here. 24 Specimen coins minted in Pondicherry were sent to Madras by the British Consul General on 12 June 1817, and on the same day, A. Millon de Verneuil, Director of the Pondicherry Mint wrote to the Government of Madras to tell that the following coins were being minted in Pondicherry :

1. One rupee coin (a tiny crescent was added to differenciate it from that of Madras).
2. One half rupee.
3. One double *panam.*
4. One single *panam.*
5. One half *panam.*
6. One *douddou* or four *caches.*
7. One half *douddou* or two *caches.*
8. One *cache* (64 of which made one *panam*).

The Director of the Pondicherry Mint further stated that the minting of gold pagodas with a crescent having the same assay and weight as the Madras pagoda (with a star emblem) had been suspended many years before the French Revolution (1789). The mint had since then made only pagodas with the emblem of three Hindu divinities which were primarily meant to meet the requirements of the textile trade in Yanam. He, however, added that the French might undertake the issue of such gold pagodas in the near future. 25

According to a memorandum dated September 1818 the services of the Pondicherry Mint were thrown open to private parties who could bring '*piastres*' and silver articles and receive in return their value in coins minus the prescribed amount of duties. The right of melting, refining and stamping of silver and copper coins were given on contract to natives. These natives also bore the cost of fabrication. The Director of the Mint, however, issued the dies and checked the assay and the weight of the coins. He had under his orders an interpreter, an exchanger of money and four native clerks paid by the Treasury. The Administration also furnished the steel required for the dies as well as the moulds of these coins. The expenditure on these items was, however, very small. Out of every 1,000 minted, the Administration collected Rs. 27 towards various charges as shown below : [26]

		Rupees
(a) To the Treasury (overlord right)	..	10
(b) For Imam Saheb	..	1
(c) For the Brahmin *anicar*	..	$1\frac{1}{4}$
(d) For the contractors and workers of the mint	..	$14\frac{3}{4}$
Total	..	27

In the case of *panams*, out of every 1,000 *panams* 20 were collected by way of charges as follows :

		Panams
a) Treasury rights	..	10
b) For the Brahmin *anicar*	..	$2\frac{1}{2}$
c) For the contractors and workers	..	$7\frac{1}{2}$
Total	..	20

The royalty of Imam Saheb (at the rate of 1 per Rs. 1,000) was paid till 1803. But after the return of the French in 1816, no member of Imam Saheb's family came forward to claim this right as there was no male descendant in the family. The royalty, therefore, passed on to the Treasury. The services of the Brahmin *anicar* (Supervisor) was also subsequently terminated and his functions came to be looked after by an interpreter who served on a fixed and moderate monthly salary. This right also ($1\frac{1}{4}$ per Rs. 1,000) passed on to the Treasury. [27]

The manufacture of *panams* and *douddous* was subjected to restrictions and was even suspended sometimes depending upon circumstances. The manufacture of coins of lesser value, which did not have unrestricted currency as the (Arcot) rupees in British India, and which circulated only in the neighbourhood of Pondicherry, had necessarily to be restricted as their availability in excess of demand reduced their value and affected the interests of private parties as well as revenue officials.

In spite of the efforts made by the British to prevent the circulation of Pondicherry rupees (it went to the extent of melting all those found in Madras), the Pondicherry rupees strictly maintained their assay and weight with the result that it was preferred to the Madras rupee as well as other rupees of India which were of lower metal value. Merchants in Pondicherry, therefore, sent large consignments of the same to Mysore and Hyderabad. From 24 March 1817, i.e. the date of its reopening upto 1830 when minting of coins was temporarily suspended, the Pondicherry Mint supplied the local fiscal system with coins amounting to 1,18,372 francs. [28*]

The Pondicherry Mint was forced to close down in 1830 following a decline in the minting of coins precipitated by the steps taken by the British to paralyse minting operations here. Even as early as 1817 the Madras Government had declared that Pondicherry rupees would not be accepted by British Treasury Officials. Moreover, the Madras Mint offered 219 Madras rupees for 1,000 piastres whereas the Pondicherry Mint could offer only 213½ Pondicherry rupees for the same quantity of piastres. Under these circumstances, the Pondicherry Administration was obliged to reduce gradually the royalty from 12¼ per rupees 1,000 to 4¾ per rupees 1,000 which was hardly sufficient to meet the expenses of the mint leading to its closure.

In the beginning of 1837 the Madras Government also suspended its minting operations following a decision (rescinded later) which abolished the Madras Mint and ordered the conversion of all piastres in Calcutta, thereby causing much hardship to trade. The Pondicherry Administration utilised this opportunity to resume minting of gold and silver coins in Pondicherry with effect from 1 March 1837. [29]

The small denomination coins known as *kasu* were, however, issued in Pondicherry from 1 November 1836. The exchange rate of *kasu* with *panam* could not be fixed because it depended on the value of copper and its supply and demand. Hence the arrêté of 29 November 1836, fixing the exchange rate at 18 *kasus* per *panam* was repealed on 6 March 1839. As *kasus* started accumulating in the coffers of the Treasury, the minting of *kasus* was suspended with effect from 1 January 1840.

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* Zay gives the total figure as 1,23,370 francs which is wrong.

The reopening of the Pondicherry Mint attracted a large quantity of silver in the month of April 1837 when it minted as many as Rs. 1,50,000. In fact the Pondicherry Mint derived a net profit of 1299 francs in the first year. But with the reopening of the Madras Mint soon after, the Pondicherry Mint's operation slowed down leading to its closure on 1 January 1840. [30]

With the suspension of minting operations, British coins became legal tender in Pondicherry. This restrained the circulation of Pondicherry *panams* and restricted the amount of small coins in circulation to the quantity supplied by the British Government. The quantity supplied was found too inadequate to meet the requirements of exchange and retail trade. Coins of smaller denominations were available only on payment of exchange commission for which there were coin exchangers in the town bazaar. With effect from 1 December 1853 both old and new *panams*, double *panams* and half *panams* were declared as legal tender in the French establishments at the rate of 48 *kasus* per double *panam*, 24 *kasus* per *panam* and 12 *kasus* per half *panam*. [31]

Old and new *panams*, their multiples and fractions, bearing the mark of Gaullist cock and 'Lys' flower having become so worn out, resulted in the diminution of their intrinsic value causing much inconvenience in minor day to day transactions. Moreover, these coins in which the workers were paid their wages suffered loss in exchange transactions resulting in large scale complaints from them. Added to this, these coins had no currency at all in British India. They were not accepted, therefore, in transactions involving citizens of French and British India, resulting in hardship and complications. Hence it was ordered by the **arrêté** of 7 June 1871 that the panams, double panams and half panams of Pondicherry bearing the cock and **'Lys'** flower symbol will cease to be legal tender in the French establishments within three months from the date of issue of the **arrêté**. Upto 31 December 1871, these coins were accepted in payment of revenue and tax dues. They could also be exchanged within the same time limit in the Treasury of Pondicherry and the sub-treasuries. At the end of each month, these demonetised coins were checked, counted, and stocked separately in vaults to be converted subsequently into rupee coins in the Madras Mint. [32]

While Indian rupees were legal tender throughout the Territory, the local branch of the **Banque de l'Indochine** also issued paper currencies of the denomination of one rupee, five rupees and fifty rupees under the authority of the French Government. These notes were in circulation only in Pondicherry.

The demand and supply of the silver directly influenced the exchange rate of the rupee. Thus, the exchange rate which remained stable till 1875, started to appreciate from 2.5 francs in 1875 to 2.05 francs in 1885. [33] However, the official exchange rate of the rupee in Pondicherry came to be fixed by the Presidential **décret** of 13 September 1884. With effect from 1 January 1885 the legal rate of exchange in the French possessions in India came to be determined by the commercial rate of exchange in the colony. In the month of November each year, the Governor of Pondicherry issued an **arrêté**, based on the proposal of the Treasurer after taking into account the average of the actual rates of exchange prevalent during the 12 previous months, determining the exchange rate.[34] The Presidential **décret** of 22 September 1890 repealed article 2 of the **décret** of 13 September 1884. At the end of each quarter the Governor was required to fix the legal rate of exchange on the advice of the Treasurer taking into account the actual rates of exchange. This rate of exchange fixed by the Governor was to apply for remittances through the Post Office. Whenever a major alteration in the exchange rate was deemed necessary and urgent, the Governor was authorised under special circumstances without waiting for the statutory time limit to alter the official rate of exchange in the manner indicated above.[35] The budget of the colony till 1895 was drawn up in francs. From 1896 onwards, the figures came to be shown in rupees to simplify operations necessitated by variations in the exchange rate of the rupee.[36]

With merger, the Indian Coinage Act, 1906, the Reserve Bank of India Act, 1934 and the Currency Ordinance of 1940 were extended to the Territory with effect from 1 November 1954. With the extension of these Acts, Indian coins, one rupee notes and bank notes issued by the Reserve Bank of India formally became legal tender in the French establishments. By appropriate notification, the French Indian notes which were then in circulation was also allowed to continue to be legal tender upto 30 April 1955. The public were therefore, called upon to exchange these notes for Indian currency at the Imperial Bank of India, Pondicherry before the expiry of the six-month period. * From then onwards all French currencies ceased to be in circulation.

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* La Gazette de l'Etat, dated 1 November 1954, p. 34 vide Press Communique.