



For more than 25 years, the SS Egypt had sailed the long route between Europe and India

THE BANKNOTES THAT SLEPT BENEATH THE SEA

An extraordinary tale of steamship Egypt and the lost banknotes of the princely state of Hyderabad

By REZWAN RAZACK

On a foggy evening in May 1922, somewhere in the grey waters of the Atlantic Ocean, a tragedy unfolded that would echo through maritime and numismatic history for decades. It involved a luxury passenger liner, a cargo of precious metals worth a fortune, and thousands of Indian banknotes that would spend ten long years at the bottom of the sea. When they were finally recovered, these fragile pieces of paper, once destined to circulate in the Princely State of Hyderabad, would emerge as some of the most unusual banknotes ever known. They would come to be remembered simply as the Hyderabad's sea-sunk notes from the SS *Egypt*.



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A Voyage Carrying a Treasure

The *SS Egypt* was no ordinary ship. Built in 1897 by Caird & Company of Greenock, the vessel was a three-decked steamship of nearly 8,000 tonnes. For more than 25 years she had faithfully sailed the long route between Europe and India, carrying passengers, cargo and occasionally the wealth of empires.

Operated by the Peninsular and Oriental Steam Navigation Company better known as P&O, the ship was a familiar sight on the India route.

On May 19, 1922, she left Tilbury Docks in London on yet another voyage to Bombay. On board were 294 crew members

During one recovery operation, a bundle of muddy paper emerged



obvious yet historically remarkable. Packed in carefully sealed containers were 1,65,000 newly printed banknotes commissioned by the Nizam of Hyderabad from the renowned London printers Waterlow & Sons.

These notes: denominated in Osmania Sica Rupees 5, 10 and 100 had a total face value of Rs 51,25,000, a vast amount for the time. They were brand new, freshly printed in London, and were being shipped to Hyderabad so that they could enter circulation. Yet there was one important detail. They had not yet been signed by the Finance Member of the Hyderabad Government. Without that signature, they were technically not valid currency. They were, in effect, beautiful pieces of paper awaiting official endorsement. No one could have imagined that these notes were about to embark on the most extraordinary journey any banknote has ever made.

The Fog That Changed Everything

The *SS Egypt* slipped smoothly down the English Channel and into the Bay of Biscay. For most of the voyage, the sea was calm.

But on the evening of May 20, 1922, as the liner approached the waters near the island of Ushant off the coast of France, a thick fog descended upon the sea. Visibility dropped to barely a few metres. The ship slowed and continued cautiously through the mist, sounding her foghorn every few minutes.

Elsewhere in the fog, another vessel was moving through the same waters. The French cargo ship *SS Seine* had left the port of St. Nazaire earlier that day and was steaming towards Le Havre. Its captain, attempting to avoid the worst of the fog, altered course. Neither ship realised they were heading directly towards each other.

Suddenly, through the wall of fog, the dark bow of the *Seine* loomed out of the mist. There was no time to react. The cargo ship struck the *SS Egypt* violently amidships, tearing a massive hole in her side. Water rushed into the liner. Within moments the ship began to list.

Panic spread across the decks as passengers and crew scrambled for lifeboats. The sea poured through the shattered hull. Within 20 minutes, the once-proud liner rolled onto her side and slipped beneath the waves, sinking to a depth of around 400 ft on the floor of the Atlantic Ocean.

Rescue boats from the *Seine* worked frantically through the fog and darkness. About 250 people were saved, but many others perished in the freezing waters.

The *SS Egypt* was gone. And with her disappeared one of the richest cargoes ever lost at sea.

A Fortune at the Bottom of the Ocean

When news of the disaster spread, the insurance companies were stunned. The liner had

been carrying an immense fortune. But the wreck lay 400 ft below the sea, deeper than any successful salvage operation attempted at the time.

Salvage companies worldwide deliberated whether it was even possible to recover the cargo. The insurers partnered with marine specialists to raise the lost riches from the depths.

The Replacement Notes

The loss of Hyderabad's currency notes at sea had caused considerable concern, and the Nizam's Government acted swiftly to set matters right. They commissioned M/s. Waterlow and Sons in London to print a replacement batch. It was meticulously specified that the replacement stock had to match the original denominations, bear the same date, with identical series of prefixes and serial numbers of the lost notes. Yet, to distinguish them from the unfortunate originals, a unique antique font was chosen—a subtle mark of their extraordinary journey.

When the new notes finally arrived in Hyderabad, they were carefully overprinted with the signature of Sir Akbar Hydari before entering circulation. With this, the saga of the lost shipment was laid to rest.

The Salvage Story

The lost treasure rested untouched for years on the ocean floor. Finally, after eight to nine years, a daring salvage firm organised a bold expedition to recover the lost treasure. The task was undertaken by an Italian marine salvage company known as SORIMA (Societa Ricupero Marittimi), led by the determined Commander Giovanni Quaglia. Their salvage ship was called the *Artiglio*—Italian for “the claw”. It was an appropriate name. The mission would require enormous courage, technical ingenuity and perseverance.

The Hunt for the Wreck

The search for the *SS Egypt* began in earnest in 1929. Using specialised equipment and innovative diving techniques, the salvage team combed the seabed for months. Finally, in 1930, the divers located the wreck lying upright on the ocean floor.

But reaching the treasure would not be easy. The ship lay far below the limits of conventional diving. The divers used a revolutionary underwater observation chamber called the *Torretta Butoscopia*, designed by the Italian diver Alberto Gianni. This device allowed them to explore the wreck at great depths and plan the recovery operation.

Even so, the salvage operation was fraught with danger. Bad weather repeatedly interrupted the work. At one stage, the salvage vessel *Artiglio* itself was destroyed in an explosion while clearing another wreck, tragically killing several members of the crew.

Undeterred, the salvage team

acquired another vessel *Artiglio II* and resumed their mission. **The Bullion Room**

In June 1932, after years of effort, the divers finally succeeded in entering the ship's bullion room. What they saw inside was astonishing. The floor was covered with rows of gold bars and stacks of silver ingots, piled layer upon layer like bricks in a warehouse. Bags containing thousands of gold sovereigns had burst open, scattering coins across the floor. It was a treasure

damp banknotes were spread across every available surface.

Amazingly, the colours and designs slowly returned as the paper dried in the sun. After 10 years, three months and three days at the bottom of the Atlantic Ocean, the banknotes were still recognisable. The remarkable survival of the notes was a testament to the exceptional quality of the paper and printing used by Waterlow & Sons.

The crew believed they had uncovered yet another fortune. But their excitement did not last long. When they examined the notes more closely, they realised something important. None of them carried the required official signature. Without that signature, the notes had no legal monetary value. They were, effectively, worthless.

From Currency to Curiosity

Although the salvaged notes were useless as money, they quickly became fascinating historical relics. Once recovered, many of the salvaged notes were stamped with the seal declaring them as remnants of a sunken treasure:

“This note is of no monetary value. It was recovered in June 1932 by the Italian salvage vessel *Artiglio* from the bullion room of the liner *Egypt*, sunk off Ushant on May 20, 1922, in a depth of 400 ft.”

Some notes were even signed by members of the salvage crew. Others bore the seal of the salvage company SORIMA.

These marks transformed them from ordinary banknotes into unique historical artefacts.

A Numismatic Legend

Today, the banknotes recovered from the *SS Egypt* occupy a special place in the world of numismatics. They represent a remarkable intersection of maritime tragedy, technological innovation and monetary history. Few pieces of paper money can claim such a dramatic past: Printed in London... Lost in a shipwreck in the Atlantic... Recovered a decade later from the depths of the ocean... And transformed into historical curiosities.

For collectors and historians alike, the sea-sunk notes of the *SS Egypt* are not merely banknotes. They are survivors. Silent witnesses to a moment



Osmania Sica Rs. 10 replacement note—antique-style fonts in the serial number



Salvaged note with seal documenting recovery details

trove unlike anything the salvors had imagined.

As the salvage work progressed, boxes of bullion were hauled to the surface. Then something unexpected happened. During one recovery operation, a bundle of muddy paper emerged among the cargo. At first the salvors assumed it was worthless debris. But when the bundle was washed and spread out to dry, the truth emerged. They were banknotes. Hyderabad banknotes.

The Banknotes from the Deep

The salvors carefully rinsed the notes in clean water and laid them across the deck of the ship to dry. Soon the entire deck resembled the sorting room of a giant post office. Thousands of

when history, tragedy and treasure converged beneath the sea. And they remain one of the most extraordinary stories ever told in the history of Indian paper money.

(This fascinating story of banknotes lost during the Nizam's era: from the dramatic tale of the steamship Egypt to Hyderabad's vanished currency is vividly chronicled in Rezwan Razack's book Paper Money of the Princely State of Hyderabad. At his Museum of Indian Paper Money in Bengaluru, each type of historical banknote mentioned in this write-up is carefully preserved and proudly displayed, offering visitors a rare glimpse into India's rich monetary history.)

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