Chapter-V

Business Communities
### CHAPTER V

**BUSINESS COMMUNITIES**

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Contents</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1</td>
<td>Introduction</td>
</tr>
<tr>
<td>5.2</td>
<td>Parsi Community</td>
</tr>
<tr>
<td>5.3</td>
<td>Sindhi Community</td>
</tr>
<tr>
<td>5.4</td>
<td>Bohari Community</td>
</tr>
<tr>
<td>5.5</td>
<td>Marwari Community</td>
</tr>
<tr>
<td>5.6</td>
<td>Gujarati Community</td>
</tr>
<tr>
<td>5.7</td>
<td>Maharashtrian Community</td>
</tr>
<tr>
<td>5.8</td>
<td>Conclusion</td>
</tr>
</tbody>
</table>
CHAPTER V

BUSINESS COMMUNITIES

"India has entrepreneurial communities and not entrepreneurial class"

Dr. D. R. Gadgil*

5.1 Introduction:
The role of entrepreneur is important for economic development, the entrepreneurs from business communities have contributed significantly in Indian economic development. Parsi, Sindhi, Bohari, Marwari, Gujarati are found to be the most successful business communities. These communities originated from different parts of our country but have settled all over India. They took the advantage of congenial environment prevailing in Maharashtra and have proved successful entrepreneurs. This chapter includes the historical study of each of the communities.

The term “business community” denotes a group of businessmen who, in addition to their common occupational affiliation, share certain socio-cultural features inherited from birth.

5.2 Parsi Community:
The Parsi constitutes one of the most progressive communities of the country. This community, settled in the sub-continent for about 1200 to 1300 years, has made an astonishing contribution particularly in the field of commerce and industry. The term ‘Parsi’ refers to the original residents of Iran and their descendants professing the Zoroastrian religion and living in Iran, India and elsewhere.

The ancestors of the Parsi community of Iran migrated to India in order to preserve their religion and their community. The Parsis first landed at Div in A.D. 766 and then at Sanjan in A.D. 785 on the shores of Gujarat.

The Parsis constituted overwhelmingly an agriculture community before 1650. They remained so till the end of the 18th century, despite their increasing migration in trickles to the urban areas. By 1850 more than half the Parsi community had become urbanized, long in advance of their westernization in other respects; by 1881 it was 70 per cent urban. The urbanization process involved not only place mobility, but also mobility from manual to non-manual occupations, from primary to secondary and tertiary economic sectors and in particular, from agriculture and artisan crafts to trade and industries.

The Surat-Burhanpur caravan route passed throughVyara in Navsari district where the Parsi settlements were mostly concentrated. Parsi artisans and petty traders left their villages not only for the city of Surat, but also for the smaller ports and market centres like Cambay, Broach, Daman, Diu, Navsari, Gandevi and Bulsar. European travelers of the times took note of their conspicuous connection with a superior cattle breed, the newly introduced tobacco cultivation, the textiles manufactures, shipbuilding, liquor brewing and transportation by boats and ox-drawn carts to waiting ships.

The years 1850 to 1918 saw not only a general expansion of trade and modern industries, but also a process of concentration of capital and control and a simultaneous growth of corporations and managing agency houses. In all these, the Parsis played a significant role together with members of other trading communities.
A majority of the migrant Parsis in Bombay worked initially as weavers, carpenters and artisans of other sorts, and a much lesser number as traders and contractors, catering to the needs of the various departments of the Company's Government. The relative importance of artisan crafts and trade as source of capital accumulation in the hands of the Parsis is, therefore, worth examining. Parsi weavers' pecuniary condition was no better in Bombay than it had been in Gujarat. Tied to advances and poorly paid, they neither had a capacity to save nor had any initiative left for innovations. It is, therefore, no surprise that, later during the first half of the 19th century, they gradually left the raft for other occupations.

Their religious work ethic, their special minority position, their lack of caste prejudice, their production-oriented peasant-artisan background and, above all, their acceptability to British patrons as stable collaborators – one or several such factors have been highlighted by sociologists and economic historians of diverse schools in their attempts at explaining the Parsi success. In this teaching "man is encouraged to lead an active, industrialist, honest and above all a happy and charitable life. The religious philosophy Zarathustra preached three virtues – Humata, Hukhta, Huvarashta (Good Thoughts, Good Words, Good Deeds).

Together with other Gujarati trading communities, the Parsis shared the advantages of belonging to the economically most advanced region of India. In contrast to another advanced region, Bengal, they also shared in common the advantages arising from the fact that the belated British imperial expansion in western India allowed for large-scale survivals of Pre-British administrative structures.

Today the community is seized seemingly with a sense of rootlessness, despite its basic Gujarati-linguistic identity. The Parsis
took more than their due part in India's nation-building activities once. Nonetheless, they failed to integrate their community fully with the emergent nation at large. Their disproportionately large presence on all-India platforms of the Congress movement until about 1906 could have been envied by the Khojas, the Bohoras or even the Marwari Banias. They migrated to the west from time to time in considerable numbers, yet significant numbers remained to conserve a distinct Parsi community in India.

The Parsis, who are "highly Britonized," have grown into the richest group of entrepreneurs in India, chiefly through their participation in the opium and yarn trade with China when the East India Company came into existence in the early nineteenth century. They were able to control the business activities of Bombay by the middle part of the nineteenth century. This, in turn, provided them with a basis for developing into the leading industrial combine in India.

The first textile mill in Bombay, the Bombay Spinning and Weaving Co., began its production as early as 1845 under the direction of K. N. Davar, an entrepreneur of the Parsi Community. Nowrosjee Wadia, who was an engineer by profession and who turned to management; J.N. Tata whose genius was first exhibited in establishing Empress Mill in 1886 and Swadesh Mill in 1887 and who succeeded in establishing the Tata Iron and Steel Co., in 1907.

It was the Petit family which led the Parsi group to the front of the industrial revolution as a business community. The Petit families were then the wealthiest merchants in India. The Petit textile mill, which began its production in 1860, was generally considered the symbol of Bombay and the Parsi group.
The period from 1870 witnessed the decline of this type of entrepreneurs and the rise of industrial capitalists, interested in undertaking investments in industry. Among the Parsi groups, the Wadia family and the Tata family are noted for their long traditions. The factory owned by Wadia was generally known as the most excellent factory in India. The history of the Indian cotton industry shows that Wadia was the man who laid the foundation for the cotton combine of Bombay. S. J. Dadabhoy, a pioneer in India’s shipping circle, was another noted personality of the Parsi group. Among the different members of the Parsi group in the nineteenth century, Dadabhoy was one of the most ambitious entrepreneurs who took whatever chances available to develop new business.

The prosperity of the Parsi group can mainly be attributed to the business spirit, the desire for technological innovation, the spirit of adaptability, high literacy rate, entrepreneurial skills and the foresight of the individual entrepreneur connected with the group. The remarkable business activities of these entrepreneurs became a reality by virtue of the business spirit of the individual entrepreneurs, strongly supported by the solidarity of the families concerned and the spirit of mutual assistance prevailing in the Parsi community.

Thus, the reason why the Parsi community came to play a leading role in the economic, social, and ideological aspects of the Indian society is due to the fact that it was able to provide capable men to the business circle and to the government offices, due to its wealth and high standard of education. Unlike other communities, the Parsi community strengthened its position by means of its close contact with the British ruler and its policy of confining its social intercourse to the members of the community. This also explains why the Parsis were called capitalists who had accumulated their wealth by acting as agencies.
This is a distinct ethnic and religious community, which has succeeded in keeping its identity distinct in spite of having settled in India for over a thousand years. Under the British, Parsis had the inestimable advantages of not having been connected with any of the older regimes and not having been fettered by any of the numerous taboos and prohibitions associated with members of Hindu communities. The Parsis are heavily concentrated in Bombay City.

The Parsis have a background, which is in marked contrast to that of the Hindu business communities. In pre-British times they had little share in banking or finance. Their entry into trade also chiefly followed on their association with the British. On the other hand, they were engaged, to a considerable extent, in both agriculture and artisan industry. It is noteworthy that their first entry into modern industry – shipbuilding in Bombay City at the beginning of the 19th century – stemmed out of their initial employment as master carpenters in the shipyards by the British. These differing traditions and backgrounds are important because they continue largely to mould the attitude and behaviour of members of the various communities in the conduct of modern industry and trade.

Parsis acquired new opportunities as a result of the consolidation of British power in India. They were ideal middlemen. They were ideal middlemen. They were free from caste prejudices and neutral as between the Hindus and Muslims. They had business traditions; they learnt English and took to dealing in articles needed for life of the European Pattern. They were in a good position to enter the cotton textile industry because they were already yarn and cloth merchants concerned with supplying the Chinese and African markets. “In fact, most of the early mills were built by these merchants.”
The Parsi live in a matrilineal family and the nuclear type is the most common. Their family is headed by the husband or by the senior-most male member. Inter-personal relations are properly maintained and reciprocated among the members. There observe high literacy rate among Parsi women. Parsi woman enjoys equal status to that of man. They participate in ritual, social and religious functions equally with men. They earn and contribute to the family income. There is a tendency on the part of both husband and wife to go out for work. Women enjoy political rights and privileges more or less co-extensive with those of men.

The first phase in case of Parsi community shows that the activities were restricted to trading. The second phase saw its centralization in Bombay as well as spread and diversification of its investments. During the third phase, this trading capital was transformed largely into industrial capital and was increasingly deepened. Thereafter, signs of exhaustion and from the 1930s also a relative decline was visible in the role of the Parsi bourgeois.

5.2.1 **Parsi Community in Pune:**

After a war in 1817, with the objective of trade and business Parsis came to Pune. The pioneer traders were Karshetji and Vikkaji. Mr Bothawala had started Pvt. Postal Services in Pune. Similarly Pastanji Saurabji had invited permission from British Government for their postal service in Pune, Solapur and Nashik. Later on Mr. Pastanji became monopolist in Liquor business. Mr. Padamji Pastanji had given preference towards the ethics and hence closed down their liquor business of his father. He had started the Ray Paper Mill at Mundhwa, Pune. In the same campus a Cotton Mill was started by him. Amongst Parsi Community Dr. Saurabji Modi was the first who had started his clinic in 1893. Dr. Naushir Hormasji Antia was nominated as Director of
Kondhwa Leprosy Hospital. He worked as surgeon at Janghir Nursing Home. Dr. Banu Koyaji was one of the renowned doctors who had contributed a lot for his medical services.

At present the entrepreneurs from Parsi community of Pune are dealing in confectionery food industry and LIC business. Along with this they are active in other trades. Inspite of this it is observed that their contribution is reducing day by day. Due to liquor prohibition in the year 1947 there occurred a change in the attitude of the Parsi entrepreneurs. It is so because in the past Parsis were the leading entrepreneurs in liquor business. Adaptability towards changing environment, capability to undertake risk and strong determination are the distinctive qualities of this community.

5.3 Sindhi Community:
The Sindhi, as the name indicates were residents of Sind in Pakistan. The migrant Sindhi children who came to Poona as a result of partition, however, recall being called as nirwaasis meaning ‘the homeless’ or the refugees, which offended them immensely. Now, after decades, they are comfortable and well established. Honest and upright is the term used for the Sindhis in the ancient records of Chinese travelers to India centuries ago. The community has a few titles such as Sadhu (Sadhu Vaswani), Maharaj or Acharya (e.g. Archarya Kripalani) bestowed upon the select few whom they hold in high esteem. Pandit is a term used to address a person well versed in religion and in the same way all Brahmins performing the puja are referred to as Maharaj.

The refugees in search of vocation, moved from place to place and the process of re-migration continual for years. The bulk of the population as apparent from the Census Reports of 1951, settled down in Bombay, Saurashtra, Kutch, Rajasthan, Ajmer, Delhi, the old states of Madhya Bharat and Madhya Pradesh and the rest of the population
was scattered over the remaining parts of India. A large number of Sindhi have rehabilitated themselves. "There is widespread testimony that the Sind refugees in general are very hard-working people. Whatever may happen to them they do not become beggars". The trading castes in Sind were the Lohana, Bhatiya, Khatri, Sahta and the Chhapru, the first being the principal caste and forming the general body of Sind Hindus.

A more important community of merchants than the petty shop keepers in Sind were the dealers in grain, cotton and oil seeds. The firms dealing in these commodities (Kothis) were found flourishing in Karachi, Sukkur, and other important towns of Sind, the Punjab, and important grain centres of India. The ownership of a trading firm of this kind commanded the highest social status among the Lohana Bhaiband. Karachi being an important port, most of the Kothis were established there with various organizations of traders, brokers and commission agents. The class of traders naturally could prosper in the port towns of Bombay and Kandla or in the big cities like Ahmedabad, Raipur, Nagpur and Delhi where they have set up the agencies of import and export or deal in wholesale in cloth or in grain speculation.

Another class of merchants known as "Sindh Workis," the leading community of Lohana traders, came to be characterized as such after the British conquest of Sind and rose to high position from the stage of hawkers. On subjugation of Sind by the British in 1843. Hyderabad formed the capital of Sind and was famous as a centre of native arts and crafts. Besides the weaving of Lungis and the printing of Calico, the special arts for which Sind was famous, were embroidery in silk and gold and silver thread, inlaid gold and silver-ware, lacquer ware and glazed pottery. The local hawkers carried these products of art to European quarters for sale where it came to be known as "Sind work." With heavy demand and enormous profits, the hawkers carried the
works of art to different parts of India wherever they found European settlements. They found a profitable business in Bombay where the Sindhi capitalists engaged hawkers for sale of "Sind works" of art. The first Sind work merchants to move outside India were Messrs Pohumal and Vasiamal, the former went to Egypt and the latter to Strait Settlements. They established their concerns there and the demand for Sindhi partners, managers, clerks and servants induced many people to go abroad. Huge profits and prosperity enjoyed by them attracted many a merchant from Hyderabad, Shikarpur and other places to venture in various parts of the globe. By far the most important settlement of Sindhis is Ulhasnagar. Situated at a distance of 34 miles from Bombay, it covers the old five military camps of Kalyan, and is designed within an area of three thousand acres to accommodate 2,00,000 people.

Another feature in the social transformation is urbanization of the rural part of the Sindhi population and intermingling of the various regional types. By entering into active social relations with each other, by formation of common panchayats, associations and co-operatives and by continuous social contacts in the common colonies and occupational neighbourhoods, the various groups may tend to weaken regional prejudices and differences in dress, dialect, accent and feeling. The effect of urbanization on the rural immigrants are visible in their cultural modifications like the discarding of rural fashions of dress and ornaments, disappearance of purdah, promotion of education and the pattern of living characteristic of urban life. In large cities where members of the same regional groups have concentrated in large numbers they have adhered to the traditional patterns by forming panchayats and communities with the same regional background which they possessed in Sind: but with the invasion of the forces new regional and cultural environment and closer interaction coupled with weakening of the traditional mores, the level of cultural
integration between the different groups may rise with consequential fading away of the regional groups.

By being gradually drawn into new economic fields and by adoption of regional language, they slowly but surely modified their existing patterns and the values attached to their social systems. Evidently those who have had settled down in Maharashtra were assimilated Maharashtrian ways of life and behaviour. By adoption of Marathi, they were brought closer to the people and as their cultural heritage increases and the people become stabilized under new physical environments with characteristic resources and ills, “the natural conditions will become more meaningful to them.” Thus a new cultural group was emerged in the Sindhi structure with distinct regional variety.

Their social transformation has shown tendencies towards urbanization, cosmopolitanism, rapid educational progress and growing independence of the woman. In urban life, people are more impersonal and maintain a degree of social distance and their ideas are more liberal. In an urban setting of their culture therefore, there will not be much pressure on them for structural modification and they will be able to maintain social cohesion. The unity in this diversity of regional types can be achieved by maintaining close organic relations between the various groups through constant social interaction.

By settling down as a trading community within the Maharashtrian society, they can seek cultural resettlement in their structure relatively with lesser pressure for readjustment within its own structure. Their problem of survival is closely linked up with their character. By determination, endurance and passive courage, the Sindhis have survived the onslaughts of cultural invasions through the ages and so long they preserve these traits of character, their survival is assured.
The trading castes in Sind were the Lohana, Bhatia, Khatri, Sahiti (Sayati) from Nawabshah and Thanishah and the Chappru. The first, the principal caste which formed the general body of the Sind Hindus were either cloth merchants, grocers, hotel-keepers, bankers, provision merchants or dealers in sundry goods. Some were also dealers in grains and owners of such grain trading centres and commanded the highest social status among the Lohana Bhaibands.

A modern educated urban woman enjoys equal status with the men in the family. She may or may not contribute to the family income. A woman’s role in the religious sphere – in holding satsangs, bhajans etc., - is recognized. A Hyderabadi woman seems to be more advanced than her Sukkur or Shikarpuri counterpart. The latter generally do not play any economic role. The decision making powers of the women on the home front are well recognized. The males, as usual, remain on the higher rung, as compared to the females in the family.

5.3.1 **Sindhi Community in Pune:**

In Pune there is a special colony by the name of Saraswati Colony where only Sindhi Brahmans live. The role of Sindhi Community is inseparable in Pune’s cosmopolitan population. The approximate population of Sindhi Community is 40 thousand. Separation of India had an adverse impact on Sindhi community due to which they left Sind at the cost of their wealth. The educational city attracted them to settle down. They have selected Aggrawal Colony, Padmji Park, Padmji compound and Quarter Gate for their residence. Apart from Pimpri Camp area Pashan, Aundh are the other areas known as Sindhi Colonies. Sindhi People hate begging. Hardwork, adaptability, self respect, determination are the important qualities behind their successful business. The success story of Betai is worth mentioning. They entered in cloth business in 1948. Initially they sold cloth material
by door to door. They had purchased shop in 1949. Hard work and marketing skill made them reputed cloth businessman.

They had started Cloth Shops, Grocery Shops in Pimpri, while women from this community help the family by their household business. The Modern Book Stall of Mr. Jivatram Shahani is a well known shop. At present manufacturing and trading of cotton is the major area captured by Sindhi Community. Today entrepreneurs from Sindhi community have captured more than 80% of electrical and electronic goods market. Mr Chabria of Finolex has established large scale business of cables, photograph is another business line of Sindhi, R. K. Studio of Mr. Jethmalani is the famous one. Today Fashion’s and Silk Fashions are most popular shops on Laxmi Road. The owner of 15 shops on Laxmi Road Mr. Shevani is another well-known successful entrepreneur. Honesty, good business relations with customer, good communication skills is the secret behind their success. Sindhi entrepreneurs had contributed in Industrial Growth of Pune city. Advani Orlicon Ltd., Finolex Industrial Gas of Parswani, Harnik food Industry, Liberty press is the varied examples.

5.4 Bohari Community:
The Boharies are scattered in Gujarat, Madhya Pradesh, Rajasthan, Maharashtra and some parts of West Bengal (Calcutta) and are also found in the southern parts of India, Yemen, Africa, America and European countries. However the majority of the Dawoodi Bohari are concentrated in India only. They live in extended as well as in nuclear families. In their family, the junior members respect and obey the elders while elders love the junior members of the family. Avoidance of relationship is observed by daughter-in-law with the elders in the family.
It should be noted that by 1920 there were over 400 cotton textile mills in India, mostly in the West where these Muslim trading groups were based. Adamjee of Calcutta, a Memon, built one of the first Indian owned jute mills and one of the most efficient ones, but no other Muslim followed in his footsteps. Some small silk mills are in the hands of these Muslim trading groups, as are at least two major vegetable oil mills, some small paper mills in Gujarat and some have shown interest in shipping.

The reasons for the lack of industrialists from these Muslim commercial groups are numerous. Dr. D. R. Gadgil finds that the lack of their own banking institutions was crucial. The first Muslim bank, on the other hand, was the Bohras’ Bombay Mercantile Cooperative Bank (established in the early 1930’s, its assets are now 43 million rupees) and the first Muslim owned commercial bank, The Habib Bank, was established in the early 1940’s. S. Levin, a Soviet scholar, suggests that the established banking houses conspired to prevent Muslims from establishing banks of their own:

All the attempts of Muslim entrepreneurs to establish their own big joint stock banks (e.g. in Bombay and Lahore) were met by active opposition on the part of Hindu banks and the religio-caste organizations of the Hindu bourgeoisie, and until the beginning of the movement for the formation of Pakistan they ultimately ended in failure.

But while it is clear enough that the Muslim role in banking as a specialized activity was small, Muslims did have traditional credit networks of their own. It is also possible that the very innovation of the Muslim communities in trade deflected them from industrial pursuits. They developed an admirable trade network stretching from Malaya to Cape-town, and were especially prominent in Africa and South India.
The Muslims confined their interest limited to glass industry, leather and silk, in which they had priority. The Muslim trading communities also lagged behind their Hindu brethren in taking advantage of higher education, as did the Muslim community as a whole. This may have delayed their acquaintance with the potentials of industry.

The low status of Muslim traders in the Muslim social world may have handicapped them in gathering capital and securing customers for their industry. A series of Muslim trading and industrial companies were formed with Habib financial support, the directors of several of which were leading figures in the Muslim League.

Those groups who, though in trade, did not become industrialists, like the Bengalis and the Gujarati Muslim traders seem to have been handicapped by an inadequate credit network, diverted by other than industrial opportunities, or to be in lines of trade which did not easily lead to manufacturing. Accidents of commercial and financial history, the effects of partition and the relative size of the community all seemed to have determined a community's relative success.

The status women in their society is not remarkable but their position is to some extent better than in other sections of the Muslim community. Business is the traditional as well as modern profession of this community but the participation of women in it is nil. Women are not permitted to participate in financial and economic matters. The role of women in social functions is restricted to within the community itself. The women can visit the mosque, can attend social functions and can go shopping alone. This position is slightly better in comparison to other sections of the Muslim community. Still, the women are relatively less privileged than their male counterparts in this community.
5.4.1 **Bohari Community in Pune:**

Muslims Boharies came to Pune long back when Pune was known as "Kasba Pune". Historically speaking the contribution of Bohari community is of vital importance in development of Pune city. The Gujarati meaning of the word Bohara is trade. Trading is the main business of Boharies. Raviwar Peth was the place which they preferred for them. They are mainly engaged in trading of building materials, embroidered silk cloth and imported material from Europe and China. In 19th century they were famous for silk and cotton. In 1880 the Boharies came from Nasik and were settled down in Gunj Peth and Guruwar Peth. 2/3 share of silk weaving business was owned by Boharies. Another progressive business in 19th century was of paper. It was mainly owned by Boharies. The area is famous as "Kagadipura", which is the part of "Kasba Peth".

It was observed that Boharies were settled in Pune city on large scale particularly in Raviwar, Kasba, Mangalwar, Bhavani, Nana & Gunj Peth. 25% of the families from Ghorapady and Gultekadi area were of Boharies. Firoz Poonawala is one of the successful entrepreneurs. He is the initiator / pioneer of "Zero Bank Interest Enterprise" concept. Pirpasha Inamdar from construction line is another Bohari Entrepreneur. History of Bohari community has hardly an example of successful woman entrepreneur.

5.5 **Marwari Community:**

Marwar is technically the old state of Jodhpur in Rajasthan, but since significant groups of traders and industrialists come from the neighbouring states of Jaipur and Bikaner, there has been some tendency to join them all under the rubric of Marwari. While any one from the region of Marwar may be called a Marwari, its colloquial use
refers to traders only. In Calcutta, almost any North Indian Bania calls himself a Marwari.

The term Marwari usually includes Jain and Hindu Bania communities originating in parts of the geographic area called Rajaputana or Rajasthan. The Rajaputana region is mostly arid and has never been able to support a flourishing agriculture or a large population. It does not also lie on important international or internal trade routes. The economic activities for which Marwari communities are noted thus take place almost entirely outside the home region of these communities. Though they are found specially concentrated in certain regions. The Marwaries are more generally spread over the whole country than any other group of business communities. Another important fact regarding these communities is the part played by them as rural moneylenders in many regions of India. Members of other groups of business communities are usually not found as village moneylenders outside their home region. Also, in most parts of India whenever there is an important alien element in rural money lending this is usually that of the Marwaries. Some decades ago the chief centre of Marwari activity in modern business was Calcutta. Since 1914 their share in modern business in Northern, Central and Western India has rapidly increased and they have recently made considerable headway even in Bombay City.

For centuries the Marwaries had dominated much of the long-range trade and high finance of Northern India, especially that of Bihar, Bengal, and Eastern U.P. As compared with other communities Marwaries entered late into industry. Marwari Banias are behind other elite classes in the field of education. They are more conservative socially.
Marwaris are well-known as successful entrepreneurs from the last 150 years. No doubt they have met various entrepreneurial challenges. Following factors are held responsible for their success. Firstly, they moved to Calcutta or other place outside of Marwar and found themselves some niche there. This they did at an accelerated rate during 1860 to 1900. Then they played leading commercial roles as exporters, importers, stockbrokers or speculators. This pre-eminence seems to have been achieved by the beginning of the First World War. Then they entered into manufacturing industry, by First World War. Many Marwari industrial groups entered into industry after Second World War and finally they adopted themselves to the new role as industrial entrepreneurs.

5.5.1 Entry Into New Commercial Line:

There were Marwaris in all new lines of trade. They were especially active in the jute, cotton, grain and import trades. Possessing commercial networks, with relatives and corresponding firms all over India, they naturally became agents of British houses in the port cities. They would have their up-country correspondents buy raw produce for resale to the British port firms and sell imported goods that could be bought from them. The introduction of railways and telegraph connections also facilitated the sorts of long-range migrations which Marwaries then undertook. Families could visit their home villages in Rajasthan and met at intervals; communications could be maintained with brothers as far a field as Rangoon and Bombay.

Dr. D. R. Gadgil suggests that the superior strength of the Marwaries in banking was crucial. The Bengal National Chamber of Commerce in a complaint to a commission of enquiry indicated that the Marwaries who were a major part of Calcutta’s “Indigenous” banking system, favored their caste-fellows and did not put their money in bank stocks where it could “serve the general trading interests.”
The Birla's group is the largest industrial group in India. In the 1920's and 1930's some Marwari houses vigorously entered the sugar mill development of those decades in U.P. and Bihar. Birla built three giant mills and Dalmia one. The Seksaria's and Morarka's already prominent in Bombay textiles and the Khaitan's of Calcutta were involved in some others. Marwaries, especially the Dalmia's moved into the growing cement industry. In other lines the first Marwari enterprises were started.

5.5.2 Sources of Finance:
Internal funds raised on personal and family security, have enabled the Marwaries to go into industry. The general capital market was not used extensively in financing early Marwari industrial enterprises. Most of the industries were started as closely held private companies. A very few firms were floated in the normal manner, with a prospectus and general subscription of capital. Even then, apparently, shares were largely sold within the community.

Marwari firms are generally quite profitable and the money for expansion now comes largely from internal sources. Many of the firms get some of their working capital from the banks and some of their venture capital from the government and from semi-governmental investment corporations, which have been founded to aid the private sector. In the short space of time between the Revolution of 1858 and the end of the First World War a small group of Marwaries in Calcutta numbering fewer than 15,000 had entered the trade of the port, gradually gained pre-eminence in that port's trade, and launched some of the first major Indian owned firms in manufacture in Eastern India. They were assisted by their superior commercial organization as a commercial community though purely circumstantial factors and the
revolution of their indigenous Bengali competition played no small part in their success.

The Marwari community was able to strengthen its position in the economic society of India during the second period. In fact, it was not until the beginning of the twentieth century that the various groups of the Marwaris took step to join the other groups in the industrial development of the country. Notwithstanding the fact that the Marwari groups did possess a highly speculative character as financiers, they were already connected in the various industries in eastern India by the end of the period. The participation of the various Marwari groups in the industrial development of the country had made it possible for the Marwari community to come into control of the business activities in Calcutta.

The Marwari women do not have rights over their parental property as per tradition. They attend all the household work like cooking, taking care of children etc. nowadays they are encouraged to take up education and employment. They participate in all the social and religious functions of the family and the community. They have no significant role in political matters and matters of social control. Similarly, they do not control the family business and expenditure which are looked after totally by the menfolk of the family. By and large Marwari are very traditional.

5.6 Gujarati Community:

The term Gujarathi covers all Hindu and Jain communities, which originate in Gujarat, Kathiawar of Cutch. They consist mostly of Hindus and Jain banias from Gujarat and Kathiawar and of small but important communities like Lohanas and Bhatias from Cutch. They, however, include an interesting element of members of other Hindu caste like Brahmins and Patidars. The coast of Gujarat and Kathiawar has
always had considerable trade with foreign countries. Gujarat cities were known for many handicraft industries and Gujarat has, perhaps, been always one of the most highly urbanized regions in India. Agriculturally also Gujarat is one of the richest and comparatively one of the least overpopulated regions of India. There has been ample scope for the activities of Gujaratis in their home regions; and to a large extent these activities have been concentrated in these regions, in Bombay City and in the neighboring region of Maharashtra included in Bombay State. With growth in their scales of business many Gujaratis firms, especially from Bombay City, have directed their attention to other parts of India also. However, as compared to the Marwaris the spread of Gujaratis in range of economic activity and in area covered is limited.

The Gujaratis are a linguistic-cultural group living in Bombay, Thane, Nashik and Jalgaon in Maharashtra who have migrated from various parts of Gujarat over the last 100 years or more, mainly to get jobs and for trade and commerce. In fact, there is no Gujarati community such as. Under this linguistic group there are a large number of caste groups like Brahman, Rajput, Bania, Darji, Lohana, Bhatia, Kumbhar, Harijan etc. But after their migration to Maharashtra and to other towns and cities, irrespective of their caste identity they have been branded as one community i.e. the Gujarati by the local people.

Gujarati is their mother tongue. They also speak in Marathi and Hindi with the local people. The Gujarati prefer joint families, but in urban areas, joint families are segregated into small nuclear families owing to many complex situations.

The Gujarat and Saurashtra trading communities, Hindu and Muslim, apart from trading in their own regions, participated very actively in all maritime trade, both to the west with the Persian Gulf, Arabia and
Africa and to the south and southeast along the coast of India to Malaya, Indonesia, etc. They were important in the trade with Malabar and before the advent of the Europeans had played a very important part in the trade with Southeast Asia. Though the Gujarat communities do not appear to have been important in trading on the Coromandel coast, they have figured prominently in the trade in relation to raw cotton, raw silk and cotton and silk piece goods of Bengal and Bihar.

About three decades ago, Dr. D. R. Gadgil observed that "India developed a number of business communities rather than a business class". There is evidence to suggest that certain degree of occupational mobility had already taken place in the major urban centres of Gujarat when the trading operations of the major European companies with India began. Prospects of material gain generated by flourishing opportunities for inland as well as foreign commerce had created what one may call a business culture. Referring to this aspect of Gujarat life, Abbe Dubois, a French scholar and traveler, wrote in the early years of the 19th century that trade was never a taboo in Gujarat, and in fact Gujarat Brahmans were "excellent men of business".

Ahmedabad was the centre of guild life in Gujarat. These guilds were often named as Mahajans in case of merchants and traders and Panchs in case of artisans. These Mahajans or Panchs were corporate bodies or self-administering institutions, which existed in Gujarat since ancient times. Though they had no legal standing, both the state and the society recognized them as an integral part of the system.

The city Ahmedabad was founded in 1411 by Sultan Ahmed Shah and was made capital of Gujarat. In due course it developed into a major city. It was not merely the administrative headquarter of the state but also a centre of trade, commerce and industry. As a result a
large section of its population consisted of merchants and artisans organized into identifiable communities. The guilds regulated the occupational and social life of these communities. They had horizontal as well as vertical character i.e. the guilds pertaining to a single social group and those, which belonged to different social and economic stratifications. In addition to their role in the business and social life, they performed many of the functions of modern government and municipality. The Gujarati community forms a prosperous commercial upper class, but they do not adopt the western way of life as Hindi or Punjabi communities.

In the upper caste people, the status of women is considered equal to men. But among the lower caste Gujarati, they are often looked down by the males, though in all cases the women perform a lot of household and other outside activities including agricultural operations, involvement in earnings, family maintenance and management, taking crucial decisions etc.

5.6.1 Marwari & Gujarati in Pune:

There is no historical evidence about the entry of Jain Gujarati & Marwaries in Pune as such, but it was stated that they came to Pune during 1740-50. Further it is stated that all over India Gujarati and Marwari people settled down, but their percentage is more in Western region. Mumbai and Pune are the two important centres. Main business of Gujarati and Marwari is trading and lending. Initially there existed only two classes in Pune, one was of rich money lenders and traders and the other was employed labourers in their shops. Right from the beginning these entrepreneurs were engaged in Grocery, Gold and Cloth business.

Natural growth and development in business resulted transformation of traders to industrialist amongst the Jain Gujarati and Marwari.
Preparedness to work hard, easy availability of capital, migration and adaptability, foresightfulness lead them as successful entrepreneurs. Due to congenial environment in Pune there create awareness about education. This was another reason why they settled down in Pune.

Bajaj Tempo and other industries of Firodia Group are well known industries. Indian clothing, Pravin Masale are examples of successful entrepreneurs. Some of the business in Pune is having the radiation of 100 to 125 years. Ready-mades and cotton business has the monopoly of Gujaratis and Marwaris. Navalmal Firodia, H. K. Firodia, P.C. Parmar, R.H. Chordia, Jaywant Shah, Shantilal C. Shah, B. N. Shah are the renowned personalities who proved themselves as successful entrepreneurs in Pune. It is observed that these are innovative and hence successful entrepreneurs.

5.7 Maharashtrian Community:

Before its colonization, Maharashtra was part of a great rocky forest inhabited by the black people called the Nagas. Marathi language took shape some time between the 5th and the 10th century A.D. and a separate cultural region of Maharashtra was formed by about the 12th century A.D. Till the 17th century, with the doubtful exception of the Yadava times (13th century), this region was successively under the domination of the Andhra, Kannadiga and Muslim rulers.

In Maharashtra, however, though it was ruled by the Karnataka rulers, neither Jainism nor the Lingayat sect became popular. Probably, due to the lack of suitable social conditions and the necessary minimum level of trading activities among the native populace, none of the two religions of the traders of Karnataka took roots in Maharashtra. Yadavas were the first Marathi rulers. However, the Marathi people even during the Yadava era were probably of a low social status and of a low trading culture. The prominent deities of Maharashtra at that
time were – Vithoba, Khandoba, Vyankoba, Renuka – were all Kannada in origin. The state ministers, army leaders, men of letters and learned pundits were Kannadigas.

The Yadava rule in Maharashtra proved to be comparatively a short-lived one. In 1294, during the reign of their great and last king Ramdev when Marathi culture had really started acquiring its distinctive features, the country was invaded suddenly by the Muslims. That must have changed the situation totally to the detriment of the Marathas. What little trading activities the Maratha Vanis might perhaps have commenced under the favourable atmosphere of the royal patronage of the Yadava rule must have come to an end, setting in a period of stagnation. The Muslim rule in Maharashtra continued for three and a half centuries (C. 1300-1650 A.D.) and it dominated the entire social, economic and political life of Maharashtra. Under the Deccani Brahmans, such important trading centres in Maharashtra as Cheul, Dabhol, Junnar, Daulatabad and Paithan became the leading Muslim trading centres. Towards the close of the fifteenth century the Konkan sea-coast including Nagothane and Cheul went under the rule of the Gujarati Muslim King Mahmud Begda. And in 1509, the Portuguese took over Cheul and other coastal trading centres from Gujarat.

The Gujaraties and other traders were in a position to take adequate advantage of the penetration of European trading capital and activities on the coastal areas of western India. The Marathas, on the other hand, remained indifferent to these changes. In their own coastal region of Konkan, they did not in any way dominate the trade. They had very little business dealings with the Europeans. Therefore it seems that they remained irresponsible to the great changes in the pattern of coastal trade brought about by European intervention. A more fundamental change was, therefore, needed to stir them up to develop interest in business activities.
It was under these conditions that Shivaji (1630-1680) founded the independent sovereign Maratha state, which also paved the way for the emergence of a new Maratha nation. With its establishment, and by earlier efforts towards that end, even the ordinary riff-raff of Maharashtra became galvanized and the centuries old situation in Maharashtra took an entirely revolutionarily turn.

By 1650 large parts of the Deccan had come under the control of the Marathas. By 1660s the entire Konkan coast was taken over. In 1664 Surat and later Hubli were attacked and the spoils of Gujarat and Karnataka were carried off. The capital of the new independent state was established at Raygad in Konkan (1674). A number of forts on the sea-coast were built and fleets were fitted out in intimidation of foreign sea powers. This political revolution in its course, and also afterwards, opened up opportunities to the Marathi people to pursue different specialized callings, including those of business. It also proved to be a social movement, which not only did away with the traditional monopolies of outside ruling and trading classes but threw open several opportunities to different sections of the society.

The warlike nature of the 'breakthrough' in the business history of Maharashtra also circumscribed the business activities of the indigenous business class. With the extension of the Maratha power the scope for money-lending and business opportunities were to increase further.

5.7.1 Traditional Business Elements:

Business elements certainly existed both in the villages and towns of Maharashtra. They were of two categories: one which operated within the framework of semi-legal hereditary occupational institutions, such as the balutedari, or village service; and the other pursued a calling
under freer conditions. Poor as he was, the balutedar was not expected to follow any occupation other than the one assigned to him by the village in accordance with his caste. Sonar (goldsmith) was one of the twelve balutedars, but he was expected only to test the coin and prepare gold and silver ornaments. A poor artisan, he could not enter into any business transactions. Bhat (Brahman priest), Mulla (Muslim priest) and Gurav (temple ministrant) were non-artisan members of the village balutedari system but received as village servants the smallest share of crop from the village cultivators. Thus, neither the village goldsmith who worked with coins, gold and silver, not the village priest, who had a good social status, but no economic standing was in any position to pursue a business calling.

The village trader or trader-cum-moneylender worked outside the village balutedari system. But he worked under many social cum legal constraints. For example, the village community as a whole, and the village panchayat in particular, which was dominated by the agriculturist Kunbi population, would not allow the shopkeeper or moneylender to attach the defaulting peasant’s property. Except in a few fertile areas, most of the Kunbi peasantry in Maharashtra were poor. There were no specialized exportable commercial crops in the region, like poppy, indigo, tobacco, etc.

In towns too, everywhere in Maharashtra, a number of artisans and businessmen worked as vatan holders with their occupational duties and privileges, often hereditary in nature, laid down in specific terms. But in towns there were also artisans who worked on daily wages or contract wages, as well as traders and moneylenders who worked under lesser constraints.

A well-known historian of Maharashtra Late Mr. V. K. Rajwade was of the view that during the times of the Yadavas there did exist indigenous
business elements like 'Sheths and Mahajans' in Maharashtra. However, according to him, their trading activities were later taken over by the Vanis from Gujarat and Marwar. According to him, Gujarati and Marwari businessmen migrated to Maharashtra during the Muslim rule, and, as a result, the Marathi Sheths and Mahajans fell back upon agriculture for their livelihood. Among the different castes in Maharashtra, it appears that Brahmans enjoyed a wider choice of occupations. Being at the top of the caste hierarchy they enjoyed a privilege for greater occupational mobility than members of other castes.

Dr. D. R. Gadgil has pointed out, there was indeed no emergence of a specialized business caste or community in Maharashtra. But then the business class of the 18th century Maharashtra consisted of many castes and communities, and the Brahmans were in the forefront. Among the Brahmans who took to business there was no separate caste formation due to great variety and mobility in occupations followed by members of the same family among them. This was also true in the case of members of other castes.

Probably due to ecological and historical reasons, commerce was not a strong tradition of the Marathi people. Therefore, the Marathi business class which emerged as a sizeable entity with all apparent vigour in the 18th century proved to be only a transient phenomenon. It suddenly lost its vigour and became insipid at the beginning of the 19th century when the principal supporting political base was removed by the introduction of the British rule. A large number of the moneylenders even became insolvents after the British took over, mainly because they were not in a position to recover their loans advanced to earlier army leaders.
It is in the 20th century, and especially after the opportunities by the Second World War, that a totally new Marathi business class has emerged again on the scene. Its members belong to different castes and communities. It is relatively very small with a few prominent business houses like those of Kirloskars, Garwares, Chaugules, Dahanukars, Dempos, Gogates and some others. They have entered into a variety of industries like machines, electricals, nylons, shipping, mining, etc. "Co-operative entrepreneurship is a new category which came into existence in villages with strong political support. Co-operative sugar factories are the outcome result of collective entrepreneurship".

The contribution of social reformers like Jyotibha Phule, Marashi Karve, Dr. Babasaheb Ambedkar, Lokmanya Tilak is worth mentioning. Their thoughts, teachings and freedom movement develop awareness among Maharashtrians in general and Maharashtrian women in particular. Juotiba Phule, Savatribai Phule and Marashi Karvi were the leaders of women's educations. Due to the efforts of social reformers the status of Maharashtrian women is much better. Maharashtrian women are more educated and career minded. They are conscious about their self-identity and their rights.

Maharashtra is distributed into 30 district and 302 talukas, like most other states in India, Maharashtra has been formed on the linguistic basis and is largely inhabited by Marathi-speaking people, proud of their culture, language and heritage. Bombay, now Mumbai the metropolitan city and capital of Maharashtra, is a miniature India, inhabited by a number of linguistic, cultural and religious groups all living together.
The well-known industrialist of Maharashtra Mr. B. G. Shirke has analyzed following reasons in his autobiography named “The Crusade”, while explaining why Maharashtrians are lagging behind in trade and commerce.

1. No risk-taking attitude. They want 9 to 5 job, which offers security and safety.
2. Very bad of public relations, hence very poor in marketing.
3. Unnecessary uncompressing nature, too much individualism.
4. No industrial discipline and commercial culture.
5. Caste system and social value system.
6. More importance to degree (bookish knowledge) than practical training.
7. Crab mentality i.e. they pull down each other, they don’t help each other.

The similar views have been expressed by late Mr. S. L. Kirloskar in many interviews.

It can be observed that in 1939, in top 50 entrepreneurs of India the name of Maharashtrian entrepreneur could not appear. The business house of Kirloskar was ranked 23rd in the list of top 50 business houses in 1969. The rank of Kirloskar came down to 26 in the list of top 50 business houses 1997 and the House of Kalyani was ranked 31st whereas in the list of top 50 business houses of 2003-2004 not a single name of Maharashtrian business house is appeared. This statistical data has supported the fact that Maharashtrians are lagging behind in trade and commerce. (appendix III)
5.8 Conclusion:

Parsi, Sindhi, Bohari, Marwari, Gujarathi are known as successful entrepreneurial communities. The spirit of adaptability, preparedness to undertake risk, determination, hard work, helping nature, good public relations and entrepreneurial skills are the distinctive qualities of the entrepreneurs from these communities. Whereas Maharashtrians lack entrepreneurial skills.