APPENDIX I

The Loans of Motigir Gosain Under British Guarantees

Motigir Gosain was an indigenous banker who gained ascendancy in the Surapur samathan on account of the loans he gave to the Rajas. It appears that his financial transactions with them had started with Raja Pid Naik III himself but he became important after the accession of Raja Krishtappa as his principal banker owing to the Raja's perpetual pecuniary difficulties engendered by the Nizam's claims. In 1836 he refused to give any more loans unless the previous account was settled. In the subsequent year, however, Capt. Lee, Commanding Officer at Natkal stood guarantee for Raja's repayment to Gosain signing a bond to that effect to enable the Raja to borrow from the Gosain for paying kista to Hyderabad. Motigir died towards the end of 1837. His disciple Mahadeogir and sons Lakshmangir and Oshapatgir thereupon began to quarrel among themselves over division of the Gosain's property. Meanwhile Capt. Ramsay the successor of Capt. Lee signed another bond, similar to the one signed by Lee though the amount was different. Capt. Hampton and Capt. Jackson tried to arrange the accounts between the Raja and the Gosains without success. Unfortunately these transactions were not reported to the Resident fully or adequately. Resident Fraser became aware of them soon after his assumption of office in 1838. To begin with, the Government of India disowned any responsibility for repayment. Moreover, they considered Lee's bond as "not so much an engagement for payment of amount to be advanced by the
Gosain, as a promise that an injunction shall be issued
to secure payment". If such an injunction was secured
the obligation was over. The Resident informed that no
immediate action was necessary as the Gosain's heirs were
not pressing their claims due to disputes among themselves.
The implied British guarantee to them, however, formed a
ground for proposing British management of the samthan
when Capt. Greeley was deputed for a full-scale enquiry.
Greeley computed the amount due to the Gosains at more than
6½ lakhs. The Raja requested its cancellation as the
original creditor was dead. His vakil claimed that
investigation would reveal the whole loan to have been
repaid. But the heirs naturally would not hear of it. They
claimed that Rs. 3,60,653-3-0 was due to them, including
the interest on the principal. The Resident enquired from
the Government of India whether the Raja should be asked
to cede some territory in payment. Greeley proposed that
Milogi should be assigned to Lakshmangir Gosain temporarily
till the debt was realised. The suggestion had emanated
from Lakshmangir himself, but it was not accepted. However,
it was proposed to hold Milogi revenues in deposit for later
distribution. In a later report on the loans Greeley
forwarded the Gosain's claims but agreed that the Raja
could not earlier pay on account of the heirs' disputes
among themselves. Direct evidence of payments made by the
Raja was lacking as several taluqdaras were dead or had
migrated and Surapur daftar records were incomplete in that
respect. He felt that the Gosains would accept a
compromise as they would not have realized anything at
all. When Taylor took over he felt that the Gosains would
agree to receiving Rs. 3 lakhs, and the Resident asked him to get it in writing from them. Though Lakshmangir and Mahadevgir had not yet settled their feud they agreed to this compromise and Resident Fraser sought permission to advance 2½ lakhs from the Residency treasury to be later reimbursed by Surapur.

But when the subject was brought to the notice of the Court of Directors they demanded a full enquiry into the nature of British guarantee, and the actual amounts involved. Capt. (then Maj.) Lee who was in England then had disclaimed what was supposed to be his bond. The Court was shocked at the exorbitant rate of interest, viz. 2% per month which appeared in one document but not in another. At this rate towards the end of 1844 the Gosain's total claims stood at Rs. 3,87,319. Enquiries by Taylor and at the Hyderabad Residency proved certain forgeries in the documents produced by the Gosains. Their accounts and those made up by successive British officers appeared irreconcilable. The Gosains had not credited amounts received by them. Taylor's calculations reduced the amount to Rs. 1,98,629-12-10. But he and the Resident could not agree with each other whether compound or simple interest was to be paid. The Resident preferred an out of court settlement in accordance with the practice in Hyderabad in respect of long-standing debts. The Government of India remarked, "These transactions appear to be involved in such intractable confusion as to render the ascertainment of the exact state of the account by further investigation quite hopeless." They therefore, passed on the buck to Taylor and Fraser leaving it to their discretion. But
since they could not agree with each other the Court of Directors laid down the principle that no interest be allowed on Capt. Lee's bond but 12% per annum on that of Capt. Ramsay till 1840 when the Gosains' feuds started in earnest. Even then the accounts so drawn up were not found entirely satisfactory. Taylor's calculations in 1853 brought down the Gosains' dues under British guarantee to Rs.37,294-14-9. It is not known whether this balance in favour of the Gosains was before or after some moneys had been advanced to them at the end of their feuds which their caste panchayats had been unable to settle for long. The Court of Directors appear to have made their own calculations and ultimately the amount adjudicated boiled down to Rs.30,569. Raja Venkatappa V was unable to pay it nor would the Gosains accept it. The amount continued to be unpaid even when Surapur was under sequestration and the Gosains appear to have refused the considerably reduced settlement till the last. The documents, though detailed at times, do not tell the full story. It itself the subject is minor but the British considered themselves morally bound and it formed additional ground for British intervention and management of the principality. Protracted payment should have been to the Gosains Jains but by their dishonesty and the Court's insistence on thorough investigation they were losers in the end.

Notes and References:

1. FPC, 21 Dec.1842, No.71.
3. FPC, 21 Dec.1840, No.53.
4. FPC, 19 Apr. 1842, No. 101.
5. FPC, 20 Aug. 1852, Nos. 72-4 & K.W.
7. FPC, 21 Dec. 1842, No. 71.
8. FPC, 17 Aug. 1842, No. 151.
9. FPC, 21 Dec. 1842, Nos. 74-5.
10. FPC, 3 May 1843, No. 33.
11. FPC, 21 Dec. 1842, No. 71.
12. FPC, 12 Apr. 1843, Nos. 65-6.
13. FPC, 3 May 1843, No. 31.
14. PLFC, 6 Nov. 1844.
15. Ibid, 2 Jan. 1846; Story, pp. 203-4.
16. FPC, 20 June 1846, Nos. 114-5.
17. Ibid, No. 129.
18. Ibid.