CONCLUSION

The foregoing analysis provides a clear picture of the banking, accounting and trading along with their relationship with the state in the seventeenth-eighteenth century Rajasthan. The integration of the Rajput states in the Mughal Empire provided relative peace and security in this region which helped in the growth of economy. The fiscal policies of Rajput rulers as inherited from the Mughals though adapted to the local conditions led to the growing popularisation of superior food crops and cash crops. More acreage was devoted to the cultivation of cash crops and superior food crops. This expanding economy was manifested in the growing population and increase in the number of villages and qasbas, though in varying degree. The need to provide market for rural surplus raw material to the urban manufacturers and also the need to feed the growing urban population led to an increase in trade and commerce.

During the 17th century the territory controlled by the Rajput rajas consisted of two parts: territory recognised as theirs by right of heredity, called watan jagir and areas granted to them by way of jagir i.e. as salary for mansab they held in the imperial hierarchy. In addition to this, the rajas frequently took numerous tracts on ijara either from the Mughal government or individual grantees. The widespread practice of assigning jagir in lieu of pay under the Mughals made it necessary to determine the revenue of each area before hand. Thus, the Mughal administration maintained the records of jama (assessed revenue) and hasil (revenue actually realised) statistics at the pargana level.
These Mughal administrative and revenue practices were inherited and kept in tact by the Rajput rulers.

The establishment of cash nexus in agrarian economy and mode of revenue payment (both in cash and kind) created conditions favourable to the further growth of mercantile activities. This situation generated factors, which necessitated the involvement of traders and bankers on the one hand and the state on the other, in the process of further growth of economy in Rajasthan.

In the 18th century, with the political disintegration of the Mughal Empire, the local rajas became practically independent in their respective regions. They were keen to promote the commercial activities in their regions, no doubt mainly in their own economic interests. They wanted to balance their state budgets with the growing income of the transitory custom duties. With the collapse of the Mughal jagirdari system, they were eager in searching of new avenues of income in their own areas.

The emerging consensus of opinion with respect to the nature of the eighteenth century regimes is that the political fragmentation of the Mughal empire led to the evolution of successor states that exercised 'a much deeper control over commerce and production than any of the regimes they had displaced'. The consolidation of regional states in the eighteenth century demanding regular cash revenue payments to meet the growing cost of warfare and maintain "a new grandiose form of kingship", led to the growing commercialisation of state power and the formation of 'intermediate social classes' between the state and agrarian society.
The state was engaged in the collection and administration of land revenues and multifarious commercial taxes. Hence, the state had maintained bahis and varied type of account sheets (tozihs) for recording these incomes and related expenditure. All the records were maintained on similar pattern and generally, cash basis of accounting was used. State accounts were prepared by the 'lekhniyas' and potedar. These posts were generally held by the Mahajan and Kayasth families. Tozihs and bahis provided correct, accurate and reliable information which was used by the rulers and revenue officials for planning, control, budgeting and decision-making. Arhsattas and other documents show excess of jama over kharch along with their detailed analysis. Similarly, in Bikaner bahis jama-kharch details were recorded. Generally, there was excess of jama over kharch, but after 1757 AD there was excess of kharch over jama which means deficit budgeting. The state adopted three methods to meet out this situation: increase in income, decrease in expenditure and loans and borrowings. Even these methods failed to meet out the financial crisis of Bikaner state. In Kota also, there was wide gap between the state income and expenditure in 18th century.

The private traders and bankers had also maintained a proper record of their economic transactions in the form of bahis. Cash boxes and red ledgers were the main business apparatus. The business house was supervised by a 'munim' (chief clerk) who was assisted by several 'gumashtas' (sub-clerks), each person charged with maintaining a different ledger and overseeing the operations, which were reported in that ledger. The most important of these
'gumashtas' was the cashier, who had control over the 'rokar bahi' and cash box. The private accounting was based on mahajani or indigenous accounting system. Various accounts were maintained in the form of roznamchas, naqal, khata, lekhapar, raznava, nondh, yaddashti bahi, etc. All transactions were recorded in the roznamcha as and when they happened and transferred to the various relevant accounts. This process was called 'khatoni' (ledger posting). From the various accounts a talpat (trial balance) showing the nam (debit) and jama (credit) balances of various accounts was prepared. The main bahi used for recording all transactions was rokar bahi. The accounting procedure was called 'jama-kharch' (income-expenditure) and each bahi contained business information for many years.

Poddar seths had a widespread business and they had branches and trading centres in various parts of the country. In most firms, daily reports of the cash and credit position of the branch had to be sent to the main office, besides which a stream of telegrams floated back and forth between branches telling of market conditions. Each branch was obliged to prepare a summary statement known as utara (talvatta or trial-balance) of the economic transactions of each year and send it to head office by the beginning of next financial year i.e. before Diwali (Kartik Vadi 15). Hence, the indigenous accounting is an art and science in which business transactions were recorded so as to get useful information without much difficulty at any time.

The bankers and moneylenders exercised a considerable influence over the socio-economic life of the region. Moneylenders formed a highly specialised
commercial group in Rajasthan practising usury, issuing hundis and sometimes acting as brokers. They were also engaged in trade. They generally belonged to the bania community; but their profession was also adopted by other castes. Professional usurers were styled sahs, sarrafs, mahajans and bohras. Sarrafs were mainly engaged in writing and discounting hundis, money changing, insurrection of goods, and, to some extent, accepting deposits. Sahs and bohras were not functioning parallel to sarrafs, although they were also engaged in transmission of funds, issuing hundis, as well as doing money lending and trade. However, their activities were centred mainly in towns while the mahajans in the rural sector. The distinction between the bankers and moneylenders, in fact, could only be marked in the form of their operation at different levels i.e. urban and rural sectors.

Bankers existed in almost all the important trade centres of Rajasthan. Besides there were minor bankers in almost all important towns or villages who lent money to the agriculturists and artisans for the purchase of seed, payment of land revenue or rent, purchase of carts, cattle or land and consumption at the time of natural calamities such as famine, drought, etc. The money was also lent to the commercial borrowers. Generally, all loans were secured and in written terms, whereby all necessary conditions were put into black and white in document or bahi. These conditions were related to the mode of paying interest, whether monthly or yearly; time of payment of the loan, and security, etc. There was also a practice that all these details were to be attested by sureties. However, there are some references of loans on oral agreements called 'arah ki
boli'. The loans were advanced by these moneylenders to the peasants and other dignitaries of villages either against the future harvest or against the mortgage of some assets or property. If the borrower failed to repay the loan, the lender had the right to sell the movable property placed in security. At the time of famine and scarcity, the state occasionally found it difficult to provide tagai loans and managed such loans through mahajans and sahukars.

The widespread dependence of the peasants upon money-lenders for the provision of consumption loan was symptomatic of a chronic deficit in the rural sector which was casually linked to the high level of the revenue demand and the instability of production. Loans were primarily supplied at the commencement of the production cycle to provide seed, to purchase drought animals and to feed the peasant families from one harvest to the next. The records of the Jaipur state indicate that the state was aware that the advance of money and grain at this stage in the production cycle was critical to sustain immediate production but, if unchecked, the terms imposed by the moneylenders could prove deleterious in the long-run. However, it was infeasible for the state to service a vast number of petty borrowers and it recognised that this could be done more effectively by the professional moneylenders. In order to prevent the subordination of its claim to the peasant's produce to that of the moneylenders, the state adopted a two pronged strategy, first, the state attempted to institute limits on the demands that the bohras could enforce on the borrowers such as the stipulation that loans should not be carried forward and thus compounded from one harvest to the other; and second, in situations when the moneylenders refused to provide short-
term loan facilities, the state intervened to offer an alternative source of credit in the form of tagai loans. In times of famines in particular, state loans were critical to recovery and served as a form of social subsidy to prevent large scale desertion by the peasantry.

Due to poor agricultural income, famine, scarcity and war conditions, the bankers were also lending money to the state, rulers and officials. State loans were generally provided for state administration, to repay loans and interest, marriages, to pay tributes to the Marathas and to meet out personal and household expenditure of the ruler's family. Sometimes, the loans were provided in terms 'hath Udhara' (short term emergency loan) to meet out short term contingency. In return, the rulers of Rajasthan offered a certain amount of patronage and protection to the bankers. The borrowings by the Rajput chiefs continued to increase in the later half of the 18th century because of an increased expenditure on army and the recurring Maratha demands for money. By the year 1779 AD the accumulated debt of Kota state stood at Rs.15,98,345. In such a situation the chiefs had little options but to resort to fresh loans each time. The state loans were repaid through the assignment of a part of land revenue and other tax incomes to the bankers. Thus, the bankers combined moneylending and banking with grain trade.

The dependence of the state on traders and bankers increased to an unprecedented heights in the second half of the eighteenth century, as the state because of its growing financial crisis increasingly became dependent on these groups. The frequent famines in this period caused a shortfall in the production.
Along with it the regular Maratha incursions and their repeated demands for tribute and war indemnity and the growing cost of warfare dealt a heavy blow to the finances of the state. Consequently the state's dependence on these groups increased not only for restoration of cultivation and consumption, but also for meeting the Maratha demands. Moreover state's ability to exercise control over the moneylenders also weakened, because of its inability to provide alternative source of credit to the agrarian society. The money-lending class used their privileged position to demand concessions from the state, which the latter invariably had to concede. In order to make funds available to the impoverished peasantry for restoration of agriculture, the state was forced to give up its first claim to agricultural produce to them; and finally resort to the system of revenue farming (ijara).

Though in the first half of the 18th century, these bankers and sahukars participated in the system of revenue farming as providing surety (matzamini) for ijaradars, in the second half of the period the state policy of granting 'ijara' on 'khalisa' lands saw their direct participation. They found it profitable to invest in 'ijara' because of their close knowledge of agricultural conditions and their long-term interest in the revenue.

The bankers had income mainly from interest on loans and hundawan or commission charges on hundis. In Jaipur state, they charged interest ranging from 10 per cent to 25 per cent per annum, in Jodhpur and Udaipur they charged 10 to 36 per cent while in Bikaner it was 8 to 24 per cent per annum. In comparison to agricultural loans, the rate of interest for commercial loans was
less. Rate of interest for commercial loans was ranging between 10.5 per cent to 18 per cent in pargana Merta. For urgent borrowings compound interest (badotra) was charged. Loans secured by ornaments, land or other property carried the lower rate of interest and loans given without security carried much higher rates of interest. In some cases, interest was stated in terms of takas and dams. It was one taka per rupee per month. The rate of interest charged by these bankers often varied from person to person. Further, rate of interest charged for internal transactions within the trading community was much lower than the rate of interest for state loans as more risk was involved in the recovery of state and ruler's loans.

The bankers also provided insurance of transported goods in order to cover the risk in transit. There was a practice in the banking firms, who provided insurance to the concerned party, issued an indemnity letter i.e. a piece of paper written in Rajasthani dialect, 'Tali silly chori jori ke jimmewar hum hain' which means they took entire responsibility of the commodity having been destroyed by fire or water or of its having been lost by stealing or snatched away through physical force. Bima papers of banking firms show that insurance was undertaken as a subsidiary activity along with banking and trade. No firm was solely engaged in insurance business. These firms insured valuable goods like spices, bullion, gold, jewels and cash, etc. There is a provision of kachhi and pakki bima in these firms. In kachhi bima, the rate of insurance was eight annas per cent but in pakki bima, they charged one rupee per cent. In normal times, the banking firms insured at lower rate but in abnormal conditions their rates
increased because of the risk involved. The bankers carried on insurance business by the name of 'jokhim hunda-bhara' which includes both transportation and insurance charges. The indigenous insurance business of Marwaris was not conducted on modern lines, but its mode of operation was certainly simple in respect of the formalities of insurance contract. It was carried on with considerable safety and profit, especially at the time when roads were not safe and there were no modern means of communication and transportation.

The revenue policy of the Rajput clan states, growing production of cash crops and increase in the volume of external and internal trade and growing use of money in all economic transactions generated factors which necessitated the use of hundi in short as well as long distance trade and commercial activities for the transfer of money from different places as well as a short term credit instrument. The indigenous bankers of every town and city were engaged in the business of issuing and discounting hundis. Hundis were used for various personal, social, official and religious purposes such as personal expenses of the rulers and their families, butat kharch (elephant expenditure), dawab kharch (cattle expenditure), darbar kharch (state expenditure), muhim sazi (to equip for battle), temple maintenance, on the occasion of rakhi, for marriage (nauta or invitation money), for feast of Holi, for repayment of loans, for army expenditure, to pay tributes to the Marathas, etc. Similarly, hundis were used for the transfer of land revenues and other incomes from various parganas to the headquarters. There was a practice in the State that the revenue officials first collected revenue from the villages and parganas and deposited it with the local potedar, who was
generally a sahukar. In return, the later wrote the hundis of the revenue amount and handed them over to the officials who forwarded these hundis to hazur (ruler).

Hundi became so much popular in the state of Rajasthan during the seventeenth-eighteenth century that even for the purpose of transferring money over short distance hundis were used. Due to the risk involved in the frequent transportation of gold and silver coins to distant places the hundi system flourished. As it became a routine commercial activity, bankers and sahukars made enormous profit out of their involvement in hundi business. They charged hundawan for issuing hundis far off places. The rate of hundawan varied considerably. It depended largely on demand and supply of money at a particular time. For internal transactions within the trading community, the rate of hundawan was between one anna to two annas per cent. But this rate was higher for rulers and officials. It was ranging from one rupee per cent to nine rupees per cent. It was higher due to the factor that more risk was involved in the recovery of money from rulers and officials. Besides hundawan, there was provision of adhat, dalali, and discount (kasoor rupaya) in hundi business. There was a practice prevalent among the officials to watch and report on the rates of hundawan in their states regularly to the ruler. The hundawan papers of different states inform about hundawan tax, which was imposed by the rulers on the sahukars who issued hundis. The person, who writes hundi also charges commission of one anna per cent to two annas per cent.
In Rajasthan, two types of hundis were used more frequently – nainy (darshani) and muddati hundis. But the sahukars mostly issued and discounted muddati hundis. In case of loss of original hundi, there was also a provision of peth, perpeth and mazharnama or panchayati in the hundi business. Hundis may be written for any amount as per the requirements of the parties concerned and a person could get currency through hundis of his choice such as Aurangshahi or Alamgiri rupees etc.

Although, there are some cases of delay in sending hundis due to delay in the recovery of revenues but the dishonouring of hundis was an event of rare occurrence. If they were not honoured on due dates, the drawees were considered as bankrupt. The encashment procedure of hundis differed from place to place. In certain cases, the holder of the hundi went to receive the money, while at other places the holder was approached to receive payment.

Hundis were also used for raising short term credit payable at another place. Rulers borrowed lacs of rupees every year in the form of hundis to meet out their personal and state expenditure. There was provision of sale and purchase of hundis. Hundis were transferable and might pass through a number of hands before being presented to the drawee for payment. The hundi can be discounted and rediscounted any number of times and may be sent to distant places in the country by means of endorsements at the back, before it is finally collected on due date. Sometimes, one and the same hundi was bought thirty times by thirty persons. As hundis were drawn as short term credit, interest was payable along with hundawan charges. The commission agents were busy in this
business of sale and purchase of hundis. The hundi system continued to be the principal means for transfer of money and facilitated almost all economic transactions.