INTRODUCTION

Traders and bankers form a pivotal group in understanding the commercial and non-commercial functions of the commercial zones. It has been suggested that the North Indian merchants and money lenders were the part of wider groupings of "intermediate classes", which mediated between the state and the agrarian society.¹ The portious economic circumstances of the seventeenth and the first half of the eighteenth centuries, over much of the subcontinent created more coherent and consolidated commercial society. The mercantile groups exercised a considerable influence over the socio-economic life of Rajasthan. In the rural society the most important group who helped the functioning of the rural economy were the bohras and mahajans.

In this context, the emphasis of this research lies in examining the banking and accounting practices of pre-modern Rajasthan. To approach this question, a general overview of the economic structure of medieval Rajasthan is needed. The politico administrative developments such as the assignment of jagirs to the Rajput rulers in lieu of salary, peshkash paid to the Mughals at the time of grant of a jagir, assessment of land revenue and multifarious commercial taxes in monetary terms and advance collection of land revenue and taxes necessitated preparation of records and account keeping. The Mughal politico administrative institutions and economic policy deeply influenced the structure of Rajput polity

¹ Susil Chaudhary, Trade and Commercial Organisation in Bengal (1650-1720 AD), Calcutta, 1975; M.N. Pearson, Coastal Western India, Delhi, 1981; and Merchants and Rulers in Gujarat, Delhi, 1976; D. Tripathi, State and Business in India - A Historical Perspective, Delhi, 1987.
and accelerated the pace of economic development of this region. The Rajput rulers were keen to promote trade and commerce in their regions for increasing state income. Along side the proliferation of a more diversified economy; an overall economic growth set in during the seventeenth century. As the intra-Asian trade expanded and monetization set in, merchants began to play a prominent role. The economy prospered, at least until the mid-eighteenth century and entrepreneurial activities flourished.

Even if we perceive the pre-colonial trade in India as generated by the state collecting revenue, this should not draw away attention from traders and bankers. Their role as mediators between state and the rural society, apart from other multifarious activities was very important. Collection of bulk of revenue in kind necessitated the conversion of grain and other crops into cash; this is where the traders and bankers come in. The markets were run by a process of bargaining by dealers, financiers and rulers. However, not all trade was function purely of the state's revenue demand.

The seventeenth century for most of India has been generally described as a peaceful buoyant era, marked by economic growth and vitality, and Rajasthan was no exception to this. Cultivation steadily expanded both in qualitative as well as quantitative terms and a dispersed pattern of towns attained prominence. There was a substantial number of market-towns such as Jaisalmer, Jaipur, Ajmer, Jodhpur, Bikaner, etc., which gained significance
because of their interconnective trade routes. Apart from junctures with Delhi, Agra and Gujarat, routes to Aurangabad, Kashmir, Sindh and Multan, facilitated overland trade. A broad range of goods were distributed at local trade centres and over long distances. Apart from the trade in luxury, commodity and local products, the internal disparity in climatic conditions and natural resources also fostered the economic activities in this region.

However, after the relative prosperity of the seventeenth century, the eighteenth century is labelled as a period of decline by some historians. The collapse of the Mughal empire is a dominant theme in medieval historiography registering anarchy, chaos and dramatic decline in overall production and trade.

In this context few questions can be raised. Did the reshuffling of the political structure in the eighteenth century led to the disruption of commercial setup and did the regional rulers of the period disrupt trade, by their penchant for squeezing agricultural producers, traders and bankers? How did the traders and bankers operate and maximise their profit in the changing political situations? And most importantly, was this 'insecurity' real or did the state continue to provide protection to the traders and bankers?

For scholars like Irfan Habib, the commercial structure during the Mughals was essentially geared towards provisioning of military retinues, fostering artisan

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3 Ibid., pp.311-21.
production and towards meeting the culturally specific needs of Mughal nobility.\textsuperscript{4} The expansion in trade and urbanization was seen as crucially linked to the economic fortunes of a small ruling elite, whose political eclipse in the eighteenth century, signalled a period of general economic decline.\textsuperscript{5} Thus the relationship between peasants, bankers and state was seen existing within a hierarchy of oppression, in which the role of the state was confined to taxing the traders, bankers and peasants.\textsuperscript{6}

Such an argument regarding the medieval Indian trade and commerce, underlines passivity as the distinct character on the part of the traders and peasants, functioning under an oppressively extractive state structure. This oppression, it seemed, was a legacy that changed hands between the pre-colonial Indian regimes and the British colonial regime. In such a schema, the traders, bankers and the peasants were seen as silent spectators to their own decline.

However, subsequent studies based on the regional archival sources of the eighteenth century states have come to question such formulations. Research on Rajasthan showed the existence of a highly stratified village society with a significant stratum of "rich peasantry" whose economic prosperity derived from concessionary taxation and participation in diverse economic spheres that


\textsuperscript{5} A.D. Gupta, op. cit., pp.407-33.

included the production of superior crops for market, grain trading, money lending and leasing the agricultural equipment.\(^7\) B.R. Grover's investigation of rural commerce of North India also indicated that the rural commercial transactions at the level of qasbas and small towns retained their vitality between the seventeenth and eighteenth centuries.\(^8\)

Satish Chandra has argued that the effects of war on trade and economy has generally been exaggerated. In general the contemporary rulers were not oblivious of the benefits accruing from trade.\(^9\) Continuity was the chief feature of economic life of India, many of the economic institutions of the Mughals continued over bulk of the country in an attenuated form.\(^10\) Decline of the Mughal nobility did not, by and large, imply a reduction in the demands for luxury and superior qualities of goods. On the other hand, a wider dispersal of ruling class might have implied a wider dispersal of such goods.\(^11\) So, in other words, the disintegration of the Mughal Empire, meant diversification of surplus towards other centres and not necessarily a disruption in production and trade.

Recent researches in socio-economic history of the late pre-colonial India, have sought to analyse and integrate the broader processes of economic change

\(^10\) Ibid., p.9.
\(^11\) Ibid., pp.6-7.
and state formation in eighteenth century India. A historiography of different sort has emerged, at the core of which is the argument that the eighteenth century economy was generally far more robust than previously supposed, and partly this was because new state regimes of eighteenth century were directly and 'constructively' involved in the promotion of production. Scholars have noted growing monetization and commercialization of the state power which was a result of consolidation of regional states demanding regular cash revenue payment to meet the growing cost of warfare and maintain a 'new grandiose of kingship'.

They now acknowledge more insistently that the collaboration of intermediary groups between state and agrarian society was necessary to incorporate local areas into regional state system, for fulfilment of personal ambitions among enterprising regional and local leaders. Bankers and traders who had earlier serviced the Mughal revenue system, became politically more visible, and it is argued that the period saw the development of a 'unified merchant class' across the subcontinent.

For Bayly, "distribution rather than the decline of resources took place in the Eighteenth century – principal beneficiaries of which were the merchants, service gentry and landlords." Bayly demonstrates the adaptive role of the merchants in the commercialization of kingship, in which a market developed for the perquisites of kingship and local lordship. So for him, it was not that the state...
had weakened, rather the merchants, financiers along with the landlords had exercised influence over the state, and trade, markets and money were components of authority, throughout the eighteenth century.\textsuperscript{15}

Frank Perlin\textsuperscript{16} also argues that by the mid eighteenth century, all transactions and rights to resources began to be expressed in monetary terms. The new states that emerged in this period used the same "library of categories, terms and techniques" which were flexible enough to adapt to the local conditions. Such a localization of power, authority and wealth stimulated the growth of "rurban" economies which linked the local exchanges incorporating the bulk of the rural inhabitants with 'wider economies'.

Further, Sanjay Subrahmanym along with Bayly has named these eighteenth century 'commercial-feudal' elites a 'portfolio capitalists'. They say that these large scale entrepreneurs utilised not only their own capital, but also that of other small-scale operators, serving as conduits for indirect investment.\textsuperscript{17} Their political and economic role was also related to more general issue of social mobility in the pre-colonial India. One important aspect of their activities was the tendency to seek control of local trade through the foundation of 'qasbas' and 'ganjs', which became the meeting ground of rural commerce and system of

\textsuperscript{15} C.A. Bayly, \textit{Indian Society and Making of British Empire}, op. cit., p.25.


\textsuperscript{17} Sanjay Subrahmanym and C.A. Bayly, 'Portfolio Capitalists and the Political Economy of Early Modern India' in S. Subrahmanym, ed., \textit{Merchants, Markets and State in Early Modern India}, 1990, pp.242-65.
exchange in the urban areas, which enormously increased the importance of business families.\textsuperscript{18}

Thus, the above hypothesis vehemently refutes the idea of a universally stagnating and declining economy and instead suggests the case of a buoyant economy, in a period, which followed the disintegration of the Mughal empire. It provides very useful insights in the general processes of change in the eighteenth century, particularly, in the changing nature of state power and its relationship with economy and various factors associated with the economy.

The association of Rajput rulers with the Mughals benefitted the business community of this region as they were involved with the Rajput rajas, in their administrative functions,\textsuperscript{19} especially in the sphere of revenue administration.\textsuperscript{20} The collection of revenue and their transfer were generally done by these groups. Along with the Rajput army, these bankers as army-purveyors or 'modi' reached different parts of India such as Bengal, Bihar, Orissa, since the time of Akbar and Shahjehan. These 'modis' and 'poddars', besides serving the army also engaged themselves in conducting private trade. Some of them settled there permanently, participated in the local trade and money lending and soon established their credibility in commercial enterprise and emerged as leading bankers. For example, the founder of the house of 'Jagat Seths', Hira Nand Sahu came to Bihar in the seventeenth century as a banker and army purveyor of Raja Man

\textsuperscript{18} Ibid., p.259.
\textsuperscript{20} S.P. Gupta, \textit{The Agrarian System of Eastern Rajasthan (1650-1750)}, Delhi, 1986, p.141.
Singh of Amber and belonged to the 'Oswals', a mercantile and moneylending caste.21

The weakening of the Mughal empire, especially after the death of Aurangzeb led to the development of the practice of granting 'ijara' of large tracts to the local powerful zamindars. Under such circumstances, powerful Rajput Chieftains like Sawai Raja Jai Singh secured for themselves a number of parganas in the vicinity of their 'watan' on 'ijara' or in jagir. In 1707 AD, before Sawai Jai Singh joined Bidar Bakhat near Ujjain, he sent his agent with the request of promotion and grant of jagirs. He was conferred upon with the title of 'Mirza' and given mansab of 7000/7000 and the jagir of pargana of Chatsu, Mauzabad, Dausa and the parganas which were in the jagir of late Mirza Raja Jai Singh.22 He was also made the governor of Suba Malwa and was granted 80 lakhs dams as inam. From Farrukhsiyar's time, the number of parganas under his possession which he secured as tankwah, inam and on ijara increased considerably. Thus amidst weakening Mughal Empire, he acquired full authority and complete political autonomy throughout the whole of territory under his control. After Sawai Jai Singh, Maharaja Ishwari Singh obtained an agreement of the Mughal Court in 1748 AD that all the territories, which had been in the possession of Jaipur state, would continue to be under his control in future.23

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The bankers, with their capital, played a crucial role in helping the Rajput rulers in securing the desired jagirs and parganas on 'ijara' from the Mughal authorities. Our sources inform us about frequent requests from their representatives in the Mughal court to the Maharaja to send money, to obtain mansab, jagirs and ijara. For instance, an arzdasht was sent to Maharaja Sawai Jai Singh by Pancholi Jiwan Das, requesting him to send money to obtain mansab. The merchants also stood surety for 'ijaras' secured by the rulers.

The Jaipur state acquired its position as a major state of Rajputana in the first half of the eighteenth century, as a cumulative result of the position enjoyed by its rulers in the service of the Mughal emperors and the jagirs secured by them, from the weakening Mughal authorities. As J. Sarkar says, "the house of Amber had risen in the course of a century and a half to the front rank by the most brilliant and valued service to the Mughal Empire in far apart fields, thanks to the signal capacity for war and diplomacy, displayed by four generations of its chieftains – Bhagwan Das and Man Singh under Akbar, Mirja Raja Jai Singh under Shahjehan and Aurangzeb and Sawai Jai Singh under the later Mughals." This expansion was not primarily due to any military exploits, but was mainly attributed to the transfer of various parganas by the Mughal Emperors in the course of time, which the Jaipur rulers absorbed into their hereditary states, as the Mughal control gradually weakened and finally ceased in this area.

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The political developments in the principal Rajput states, involved two parallel processes – the extension of local authority and control over a wide territory and centralization of administration within the expanding 'raj'. Until about the end of the seventeenth and early eighteenth centuries, the resources and power of the rajas were directed towards the displacement of erstwhile zamindars. The Kachhawas enlarged their zamindars in Ajmer-Ranthambor sarkars by ousting Tomars and Chauhans. Mirza Raja Jai Singh subassigned the jagir to his soldiers and retainers. Subsequently, when the 'rajas' jagir was transferred, the subassignees stayed on as ijaradars and in the late 17th century, claimed to be bhoomias or zamindars of the region. A similar process of expansion by usurping the older zamindari rights of non-Kachhwahas continued in the eighteenth century. But this practice changed. The rajas now began to acquire the zamindari of the parganas, contiguous to their 'watan' themselves. This is corroborated by the increasing number of resistances to such an extension of authority by the raja. The resistance of the zamidars appears to have been motivated equally by the need to defend their rights from being usurped by the Jaipur rulers, as the desire to extend, create or acquire new zamindari rights in a period of intensified local conflicts.

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29 Ibid., p.305.
The acquisition of control over the new territories was accompanied by breaking up of local lineage territories and their increasing bureaucratization. Older relationship based on kinship and shared access to resources were transformed into those based on loyalty and service. Following the Mughal system, the kinsmen were assigned revenue of tracts that were conditional on service.\(^{30}\) These assignments were made through annually renewable 'sanads' legitimising access to the revenue of the assigned tract on specific condition of service, thereby replacing any prior claim to land, based on hereditary rights. Like the Mughals, the Rajput rulers did not adhere to clan exclusiveness in assigning jagirs, though a majority of them were Kachhwaha Rajputs belonging to the ruling clan, who held jagirs usually in the areas where they formed the dominant social group.\(^{31}\) But if they were recalcitrant, the member of other sub-clans might be assigned the jagirs.\(^{32}\) The impetus towards the bureaucratization of tenures by the powerful Rajput rulers went as far as to convert the thikanedars or semi autonomous chieftains into jagirdars.\(^{33}\) Although, actual obligations of the thikanedars may not have changed much, but this must have enhanced the potential authority of the raja at the cost of ancestral rights of the clan leaders. On the other hand, new thikanedari rights were also created in the 18th century through grant made by the raja.\(^{34}\)


Another aspect of the 18th century Rajput states was the problem, concerning with the presence of more than one claimants to the throne. Though, this was not a new problem but under the Mughals it remained subdued, because the Mughal Emperors, had retained the right to give 'tika' (authority to rule) to the Rajput rulers. However in the wake of waning control of the Mughals, this problem once again came to forefront, which in the long run saw the intervention of Marathas in the internal politics of the Rajput states. This is particularly true in the period following the death of Sawai Jai Singh (in 1743 AD).

The weakness of the Rajput states opened the way for the entry of Marathas, just as it had earlier enabled the Mughals to dominate the area. In the period of weakening Mughal control in the early 18th century, the different constituents of the Rajput states were involved in the mutual rivalry. The nobles were in the open revolt and were intriguing against ruling powers.35 There were also a number of claimants to the throne. Not surprisingly, quite often the Maratha's aids had to be purchased at extravagant prices. As a result they fell into huge arrears, which placed the states in severe financial crisis and provoked frequent raids by the Marathas. The Rajput rulers paid huge sums of money to the Marathas, in order to buy peace and availed the services of bankers to raise money for tributes to the Marathas.

The frequent Maratha raids reduced the Rajput states to utter dissolution and dissipated the state's treasury. Exposed to the continual attacks from

35 J. Sarkar, Fall of the Mughal Empire, op. cit., pp.235-6.
outside and subject to rivalries within the Rajput rulers, there was progressive
decay and wretchedness. There were efforts on the part of the state to cope with
the problems – the amils were instructed to make efforts of rehabilitation of as
many villages as possible, through the initiatives of jagirdars and bohras. There
was also significant expansion in the system of revenue farming (ijara) in this
period, and even the 'khalisa' lands were put on 'ijara' which attracted a large
number of mahajans and sahukars. These moneyed sections played a crucial
role in agrarian restoration, financing the war and helping the state out in meeting
the Maratha demands.

During the 17th and 18th centuries, the revenue and administrative
structure of Rajput states was based on the Mughal pattern. The bhumias of
Rajasthan were for all practical purposes identical with zamindars of the Empire;
the pattayats resembled the jagirdars, with the chieftain or ruler duplicating, in a
local form, the Emperor. They held parganas in various capacities as an
autonomous chieftain, an imperial mansabdar, and ijaradar. The area held in
'jagir' and 'ijara' far exceeded the area held in 'watan'. Thus in the large territory
under their jurisdiction they were required to collect the revenue as per the rules
and regulations of the Mughals. Even in the 'watan' jagirs, where they were
allowed autonomy, the administration was modelled on the Mughal pattern.

The present understanding about the eighteenth century Rajput
principalities of Rajasthan is that they were neither, the successor states, nor a
political manifestation of the movements challenging the imperial framework like
the Marathas, the Sikhs and the Jats. They were a distinct category, which had
although gained considerable autonomy but never formally declared independence from the Mughal rule. They were left to fend for themselves in the wake of receding Mughal control and the Maratha onslaught towards north.\textsuperscript{36} Studies of Eastern Rajasthan have shown that first half of the 18\textsuperscript{th} century witnessed economic growth but the Maratha depredations combined with recurring famines placed the economy on a downward trend in the later half.\textsuperscript{37} An important and related question in this context is how the financial pressures created by the ever increasing Maratha demand were met. Another important development during the period was the close contacts between the state and the various merchant groups operating in the region. The revenue from scores of villages was assigned to the merchant moneylenders. They were also involved with revenue farming in a big way as a mode of repayment of the outstanding loans. It is necessary to examine the dynamics of these ties between the two in its proper historical context. Imposition of new taxes and contingency levies by the state, to meet the enhanced fiscal needs and its impact on small peasant agriculture as well as the incentives given to traders and bankers to invest in agriculture leading to a visible expansion of non-peasant sector of agriculture are important developments which considerably altered the pattern of investment on the part of the traders and bankers.

Over the years a vast literature on history of medieval Rajasthan has been written from different perspectives. Detailed micro-level studies on the social and

\textsuperscript{36} S. Chandra, \textit{The 18\textsuperscript{th} Century in India: Its Economy and the Role of Marathas, the Jats, the Sikhs and the Afghans}, op. cit.
economic structures of the Mughal period have gained momentum in the recent past. Scholars working on these lines have thrown considerable light on the various aspects of society and economy of the Rajput states of Rajasthan. But indigenous accounting and record keeping is one of the issues in the economic history of Rajasthan which remained untouched till now. The issue becomes more significant in the context of the taxation system, highly monetized economy and developed trade and commerce and banking institutions in Rajasthan. James Tod, the pre-eminent historian of Rajasthan records 128 merchant castes with members in Rajasthan. Since significant groups of traders and industrialists came from the Shekhawati region of the neighbouring states of Jaipur and Bikaner and other areas of Rajasthan, there has been a tendency to join all these Rajasthani emigrants under the rubric of Marwaris. In colloquial usage, outside of Rajasthan, Marwari is used to refer to emigrant businessmen from the vicinity of Rajasthan. The bankers got special treatment from the rulers from early middle ages, they were given portfolios in the civil and revenue administration. G.D. Sharma while tracing the rise of Marwaris to a capitalist class, has especially emphasised that the practice of usury and banking was

39 James Tod, Annals and Antiquities of Rajasthan, Delhi, 1978, I, pp.120-21, 200-1; and II, pp.166-69.
quite common in the native states of Rajasthan.\textsuperscript{41} While usury was practiced by all classes of bankers in both rural and urban areas, the operation of banking was mainly an urban phenomenon. It was through the practice of employing accumulated capital in moneylending that the growth of capital started – a favourable situation created due to the state revenue policy and increase in the growth of cash nexus. The mansabdari system of the Mughals offered the Rajput rulers an opportunity to enhance their power and resources outside the clan structure. The integration of Rajput states into the Mughal Empire provided lot of opportunities to the traders and bankers of Rajasthan, which they successfully used to further their interests. They became the dependable financiers and army purveyors (modis) of the Rajput princes and accompanied them in their campaigns in different parts of the subcontinent. The mahajans and sahukars in their capacity as financiers, besides advancing loans to the peasants, also gave loans and advances to the rulers and parganas officials and looked after the payment of indigenous bills of exchange (hundis). As for the direct investment of merchant capital in ijara during the 18\textsuperscript{th} century, G.D. Sharma sees it as profitable investment and says that 'ijara' was not a symptom of decline in trade rather both ijara system and trade were complimentary to each other. Dilbagh Singh\textsuperscript{42} has discussed the role of mahajans in the rural economy of Eastern Rajasthan. Money lending and usury were widely prevalent in this region. The peasants as well as rural dignitaries were heavily depended upon the


\textsuperscript{42} Dilbagh Singh, 'Rural Indebtedness', op. cit., pp.83-89.
monetary support of the mahajans. The peasants borrowed money for agricultural requirements and consumption in periods of natural calamities. Money lending was intrinsic to the system of agricultural production irrespective of the rate of interest which ranged between 10% to 25%. The loans were secured with future crops or some other assets. At the time of famine and scarcity, the state occasionally found it difficult to provide tagai loans and managed such loans through the sahukars and mahajans. Thus, the mahajans and sahukars had become an important source for the supply of liquid capital that was required to sustain the rural economy.

B.L. Bhadani\(^{43}\) has also discussed the way moneylenders conducted their business in Marwar during the 17\(^{th}\)-18\(^{th}\) centuries. Money lenders formed a highly specialised commercial group in Marwar practising usury, issuing hundis and sometimes acting as brokers. They were also engaged in trade. The bankers advanced loans to the Marwar rulers against revenue proceeds of the khalisa villages. G.N. Sharma\(^{44}\) says that the need of disposal of agricultural surplus, financing industries, luxury trade, and exchange of articles from rural to urban centres and vice-versa stimulated the growth of a middlemen such as bohras, seths, sarrafs, baniyas, etc. The bankers of Rajasthan were involved in multifarious activities such as money-changing, money-lending, etc. They lent money to agriculturists, artisans and princes, who were in financial difficulties due to war or other reasons. In return, the Rajput rulers provided various types of

\[^{43}\] B.L. Bhadani, 'Money Lending and Exchange in 17\(^{th}\)-18\(^{th}\) Century Marwar', PIHC. 1977, pp.266-70.
incentives and concessions to the bankers. B.L. Gupta in his study of trade and commerce in the eighteenth century has also discussed relationship between state and merchants. He stated that the state provided various facilities to promote trade and commerce and exempted traders and bankers from the payment of various taxes. This favoured status granted to the sahukars was a result of the dependence of Rajput states on these moneyed groups; the dependence increased many fold as the Maratha's demands increased in the second half of the century. The focus of Girija Shankar Sharma's study is mainly on the business class of Bikaner and their lives and activity both within and beyond that princely state during the nineteenth and twentieth centuries. Moreover, he has offered a brief survey of the conditions prevalent during 17th and 18th centuries and he finds that the great 'sahukars' were often deeply involved in state craft and finance – a seventeenth century ruler had to mortgage 92 villages to various merchants as security for loans and one of his successor is found pawning ornaments in order to raise money to pay off the Maratha Potentates, Mahadji Sindhia, etc.

Contrary to the belief that the period following the disintegration of the Mughal empire was led by chaos in all spheres, including the trade, commerce and the overall economy, our region presents the case of continuity and growth in business and close cooperation between the state, traders and bankers. The state provided active patronage and protection to the business class which led to

the diversification of their trading networks. Frequent famines, intermittent wars between different political rivals and the resultant financial problems in the 18th century, made the traders and bankers indispensable, considering the state's overdependence on them for war financing, paying tributes to Marathas, for continuance of cultivation and to provide relief to the raiyat during famines. Overall, the requirements of the time led to the further strengthening of this state-business class 'nexus', in which the state's policies were disposed towards generation of more profits for the traders and bankers.

The peace and order established by the Mughals in most parts of the subcontinent, uniformity in state regulations within the empire, royal patronage to certain craft industries, existence of royal karkhanas (workshops) in the imperial capitals and maintenance of a large salaried class comprising soldiers, retainers and others led to the growth of a well organised and consolidated market economy. The process was aided by the expansion of urban centres resulting from the monetization of the economy. Their revenue system had a favourable impact over transactions in the business world. Among the beneficiaries of their revenue systems were mahajans and sahukars who were engaged in commercial pursuits. A sizeable portion of land revenue demand was left within the regional sector, boosting market activities at local and regional levels.

In this background certain pertinent questions that need to be elaborately picked up for examination in case of 17th-18th centuries are the conditions in which the traders and bankers operated their business, their functioning and their relationship with the state. Another important related question is how the state
and the private business houses recorded and maintained their accounts in pre-modern Rajasthan. Revenue records have been used only to study the land revenue system and the system of commercial taxation. These questions become more important considering the fact that our region during the seventeenth century and in the first half of the eighteenth century was one of relative political stability and expanding economy, but in the later half of the eighteenth century it witnessed frequent famines and repeated Maratha raids, which dealt a heavy blow to the economy. So questions that need to be addressed are: how did the traders and bankers respond to these changing situations? How the state depended on the services of merchants and bankers? The study will be analysing the role of traders, bankers and money lenders in rural-urban areas and state finance and the impact of changing socio-political environment on the business class. As, how far did the instability in the later half of 18th century create favourable situations for the traders and bankers?

This thesis has been organised into five chapters. The first chapter tries to establish a link between the geography and kind of economy it generated. A discussion on the geographical context leads to an analysis of the logics of economic activities that these realities predicted. The critical limits to the expansion of agricultural production in the 17th-18th century Rajasthan were the availability of water and shortage of labour. However, the favourable geographical location of Rajasthan played a significant role in the expansion of trade in this region. The state played a vital role in the management and distribution of resources and production was closely linked to the state policies...
which served to attract and retain labour, encourage investment and promote trade. The rulers provided various types of incentives and concessions to the traders and bankers and they were also keen to see that traders and bankers should settle permanently in their states. So this chapter examines the geographical features, the business lines adopted in pre-modern Rajasthan along with the various sources of state income. Impact of Mughal practices on land revenue administration is also discussed.

The second chapter tries to analyse the accounting and record keeping practices adopted for maintaining state revenue records. The state was engaged in the collection of land revenues, multifarious commercial taxes, redistribution of revenue resources in order to maintain the apparatus of the administration which necessitated the maintenance, and operation of accounts and financial correspondence on a fairly wide scale. The rulers had to maintain bahis (account books) and varied type of account sheets. Moreover, there used to take place a regular correspondence to facilitate the working of the revenue and commercial activities. Various heads of income and expenditure are analysed on the basis of jama-kharch details of the state. Besides, private accounting system followed by big business houses of Rajasthan is discussed. The bankers and traders were engaged in various commercial activities. Their economic transactions were properly recorded and detailed accounting was maintained on day-to-day basis. A case study of the Poddar and Merta banker family will be undertaken in this context. 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
cash and credit position of the branch had to be sent to the main office, besides which a stream of letters floated back and forth between branches telling of market conditions. Each branch was obliged to prepare a summary statement known as utara or talvatta (trial-balance) of the economic transactions of each year and send it to the head office. Hence, an attempt has been made to study the indigenous accounting and record-keeping system with particular emphasis on nature and type of accounting system, accuracy and reliability of accounting data, auditing system, accounting cycle and procedure, currency used for recording economic transactions, and writing style of accounts.

The third chapter examines the banking and money-lending system, traces the social background of banking community, and also the nature of their diversified activities. Money lenders and bankers formed a highly specialised commercial group in Rajasthan practising usury, issuing hundis and sometimes acting as brokers. They were also engaged in trade. The traders, artisans and other sections of the society heavily depended upon the monetary support of the bankers for their personal and business requirements. Hence, role of bankers in trade and business will be analyzed to highlight such aspects as terms and conditions of loan (loan agreement), interest payable, security and purposes of loans and borrowings. Moreover, the bankers were also financiers to the Rajput rulers and the state which were in financial difficulties due to war or other reasons. Role of bankers in state finance and revenue farming (ijara) will be studied in this context.
The rural credit system will be discussed in the next chapter. In the 17th-18th century Rajasthan mahajans and bohras were indispensable in the rural society. The peasants and other sections of the society heavily depended upon the monetary support of sahukars and mahajans for continuance of cultivation and consumption during famines. Rural credit system will be analysed in respect of the principal sources of finance for agricultural requirements, interest and ghiwai charges for such loans, assets mortgaged and role of state in the regulation of rural credit, etc.

The last chapter tries to analyse and examine the hundi system – both as a method for safe transfer of money and as a short term credit instrument. The revenue policy of the Rajput clan states, growing production of cash crops and increase in the volume of external and internal trade and the growing use of money in all economic transactions generated the factors which necessitated the use of hundi in short as well as long distance trade and commercial activities and the transfer of money from different places including the state revenue. During the period of political crisis and natural calamities of course, the state bore heavy financial burden. Huge loans had to be raised to pay tributes to the Marathas in the form of hundis. There was a widespread practice in Rajput states that whenever any inter-state payment was necessary, it was made through hundis. Generally, bankers of every town and city were engaged in the business of issuing and discounting hundis. Thus, the hundi system of pre-modern Rajasthan will be analysed with specific reference to nature, writing style, purposes, etc.
The proposed study is primarily based on the original records preserved at the Rajasthan State Archives, Bikaner. The archival material relating to business history and accounting cover a long period commencing from mid 17th century and continuing till the early 20th century. These records roughly commence from the year 1664 AD, though a few documents date back to the period 1648 AD onwards. There are large gaps in the documents, connected series being available only from 1709 AD onwards. The abundance of documentation on taxation for a variety of eighteenth century regimes in itself is indicative of fundamental dimension of state formation in this period.

Documents preserved in the state archives are found in the form of tozih, daowarki, nathi and bahi. State revenue records were maintained in the form of sheets of papers put together called tozih in Jaipur state. But in Jodhpur, Bikaner, Udaipur and Jaisalmer states these records were kept in the form of bahis. These records contain information on various aspects of the economic, commercial and administrative history of Rajasthan during the seventeenth and eighteenth centuries. Many states resorted to the promotion of trade and commerce to enhance state revenue as the agricultural income was not significant. Revenue records and other documents provide information about the various sources of income (jama) such as agricultural and non-agricultural taxes. They inform us about the nature of land revenue and taxes imposed on the sale and purchase of goods and the duties levied on the transition of goods from one region to another. In addition, archival records are providing information on state and personal expenditure of the rulers. They also inform us about the
commercial practices prevalent during the seventeenth and eighteenth centuries. On the subject of rural commercial life, they deal with money lending and the rural credit system such as sources of credit, rate of interest, purposes of loans, security for agricultural loans and role of state in regulating rural credit system. Along with this they throw light on business transactions within and outside the state, trade routes and business centres, various commodities involved in business transactions, transfer of capital, means of transport adopted by the traders, banking and use of hundis etc. Further, these records also show the accounting system adopted for recording the various economic transactions along with the details of currency used.

In addition to the range of quantitative information that the revenue records provide, the logic of their organization gives us an indication of the operational factors of the agrarian production, revenue system and business activities. However, the sheer volume of documentation and the fact that it is so scattered necessitates some form of selection that aims to focus on relevant aspects of the proposed study within defined geographical limits. With regard to quality and accessibility, the documents range from the virtually uncatalogued but extremely informative collections of 'chithis' or letters, to the systematically arranged series of annual revenue records.

The largest collection of revenue records available relates to the erstwhile Jaipur state. The most important official revenue record of Jaipur is the annual account of income and expenditure of a pargana known as arhsatta. The annual statement termed the arhsatta mujmil was compiled from a variety of notations,
some of which such as roznamchas or roznamas were daily running accounts. From the various documents of fiscal records, the arhsattas are the most informative and well catalogued. The arhsattas are not available for the entire period continuously and the gaps are considerable. An arhsatta is defined by Wilson as "an estimate, guess, a rough calculation, a monthly treasury account of receipts and disbursements made up from the daily entries.\textsuperscript{47} We may take it that arhsattas are ledgers of receipts and disbursements, generally maintained on a parganawise basis and providing all revenue information to the diwan's office regarding the assessment of revenue (muqrara jama), the baqaya, realizations under various heads, sanctioned expenditure, baqi etc. The information contained in the arhsattas is supported by numerous other documents such as yaddashti, nirakh bazar, nirakh jamabandhi, barat, roznamchas, karar, etc.

Details of day-to-day transactions were maintained in the daily accounts or roznamchas maintained by pargana treasurer. The roznamcha records consists of five type of notations: (i) daily receipts and expenditure incurred from the pargana treasury and the cash balance (roznamcha potedar); (ii) the rate of discount on bills of exchange or hundis (roznamcha hundawani); (iii) bazar prices of foodgrains, articles of mass consumption such as coarse cloth, "ghi" and "gur" and the exchange rate for gold, silver and copper coins (roznamcha nirakh bazar), (iv) an account of the contracted sale of the state's revenue collection in grain (roznamcha satti) on which was recorded the names of the purchaser, the

\textsuperscript{47} H.H. Wilson, \textit{A Glossary of Judicial and Revenue Terms}, London, 1855, p.32.
day of the contract, the price agreed and the quantity of grain sold to each buyer; (v) fines imposed for thefts, misdemeanours, fraud and other offences (roznamcha farohi). Separate daily accounts were also maintained for non-agricultural income such as the roznamcha chabutra kotwali. These roznamchas were the daily records of taxes realised on the transit, sale and purchase of commodities at the chabutra kotwali or custom house and police station in the qasba. The detailed income statement is followed by an account of administrative expenses and charitable donations and the final balance.

The finer detail contained in the records such as the roznamchas is lost in the summary statements compiled monthly, the goswaras, or seasonally and annually such as the jamabandi and the arhsatta. The latter two records appear to have been routinely compiled on a six monthly basis. The arhsatta recorded the actual revenue collected. It contains summations of revenue obtained from agricultural as well as non-agricultural sources or sawai jamabandi revenue, while the jamabandi documents record only agricultural revenue.

For Jaipur state, besides fiscal records, official reports and correspondence which included the arzdashts, Amber records, parwanas, vakil reports, khatoot-ahalkaran and chithis are used in the study. The arzdashts provide information of a more general nature relating to events of importance at district or regional level brought to the attention of raja and his instructions in response. They were mainly written by 'amils', 'fauzdars' and other officials of Kachhwaha rulers, posted in different parganas. Wilson defines arzdashts as a
written petition or memorial. These provide us useful information about trade, trade routes, taxes, government policy towards trade and business, hundi system, money lending and banking and security arrangements made by the rulers for the safe journey of traders, etc.

A more varied picture emerges from sources like Amber records and chithis. They contain information on the state policy towards promoting rural and urban centres, the local 'mandis' and 'katlas', and the activities of business and banking community. Interesting information is also provided by these documents regarding the organization of traders and bankers.

Amber records are available in the form of news letters or parwanas. Though pages in many of the documents are missing, yet it is possible to get valuable information from them. These documents contain a lot of information on the position and activities of the business community, and also provide information on the disputes between the traders and the state officials, and also the harassment of traders by various landed elements.

Khatoot ahalkaran and vakil reports are also providing useful information for study on various business aspects such as use of hundis by the state for money transfer and as a short term credit instrument. Similarly, vakil reports are written by the vakil to the rulers and informs about state activities (darbar) such as role of sahukars and bankers in the state activities, security for loans, hundis, etc.

\[48\] Ibid., p.34.
By far the most numerous and informative source documents are the 'chithis', which record the correspondence between diwan, chief revenue and administrative officials of the state and the subordinate officials at the pargana level, particularly the 'amils'. Each 'chithi' contains the substance of complaint, request or report received by diwan's office from various officials, which is followed by diwan's instructions on the matter. 'Chithis' as primary source of information are valuable in the details and varieties of information they provide, including the organization of trade, commercial practices and the position and role of mercantile community. The official response to the complaints contained in the diwan's reply are a reflection upon the aims and policies of the state.

Although, 'Amber records' and 'chithis' as a primary source are invaluable in details and variety of their information, they also suffer from certain inadequacies. Most of the information contained in these documents is primarily agrarian in nature, related to land revenue rights, position of zamindars, jagirdars, etc. Therefore we have to go through a number of 'chithis' before we come across 'chithis' dealing with our concern. Again, the official nature of the documents also poses certain problems, but due to unavailability of any kind of private records these documents are by and large the major source of information. Moreover, the state was not directly involved in insurance business and information is also not available on this aspect in the archival documents.

In Bikaner and Jodhpur, revenue records were maintained in the form of bahis. The Bikaner bahis are ascribed to the 16th century but they have yet to be deciphered and analysed. The Bikaner bahis are divided into fourteen main
heads, namely – hasil bahis, zakat bahis, sawa bahis, kamthana bahis, kagad bahis, khata bahis, lekha bahis, jama-kharch bahis, vivah bahis, patta bahis, parwana bahis, haboob bahis, chitha-va-kooch mukam ri bahi, zamin re kagado-re-bahis.

Jama kharch, lekha and sawa bahis which record the income and expenditure of the state under various heads are particularly useful for the study to understand the indigenous accounting system. These bahis show that land revenue and zakat were the main source of income of the state. Information regarding state expenditure such as punya arth, mahindar, rozindar, imarati kharch, sayar kharch, byaj, hundawani, etc. is also provided in these bahis. Finally, these bahis show excess of jama over kharch or vice-versa and the methods adopted to meet out the financial crisis. These bahis also provide information about trade, trade routes, commercial taxes, land revenue system and the names of the people of different communities engaged into trade. 

Hundiyan-re-vigat-ri bahi which gives information about the hundi system prevalent in Rajasthan such as types of hundis, duration of muddati hundi, rates of hundawan, traders engaged in hundi business, some important places for which hundis are written, etc., is used for the study.

Jodhpur bahis, generally start from the early 18th century. Phalodi-re-jama-kharch ri bahi, Phalodi bahi, Jalore-ri-jama bahi, Hath bahi, Jodhpur daftar hazuri, Pargana Merta re Kachahari re Mahindar ri bahi are particularly used in the study. Most of these bahis provided jama-kharch details along with information on trade, trade routes, means of transport, hundi system, money
lending, names of prominent traders and bankers of Marwar, state policy towards traders and bankers, etc. These bahis are particularly useful to understand the indigenous accounting system.

The Kota records are arranged bhandarwise. Each bhandar has several bastas. In every basta, there are a number of bahis, such as zakat bahis, jamabandi bahis, Bohron-ki-lekha bahis, Tan-kharch bahis, etc. These bahis are also used for the study.

Besides archival records, the records of old business houses which were compiled by businessmen during their business transactions found in the form of bahi, rukka, chithi, and hundi etc. provide useful information about indigenous banking, accounting, trading and insurance practices followed in pre-modern Rajasthan. One of the important trader, banker and businessman of Rajasthan was the Poddar house. Business records of this house cover a long period starting from 1792 AD and continuing till the 19th century. Another prominent business family was the Merta money lending house. Business records of this family are available at Bhartiya Vidya Mandir Sodh Pratishthan, Bikaner for the 17th-18th centuries. The Poddar house was active in the field of trade, commerce, banking and insurance dealings. The record must have about a thousand big or small bahis in the Mudia script. The number of letters and papers related to business activities is around one lakh. Raznava bahi, nondh bahi, and lekhapar bahi are particularly useful in the study to understand the recording and accounting system. These bahis are providing information on
banking, hundi, insurance, hunda-bhara, trade and commerce along with the relationship between rulers and the business class.

These bahis are sometimes difficult of access and suffer both from the inherent weaknesses of the mudia script in which they are written and from the frailties of human handwriting and changing book-keeping conventions. Perhaps for these reasons little historical work has been based on private 'bahi' sources. Unfortunately, this neglect of 'bahi' sources represents the rejection of a most valuable historical source. Because of their quasi-sacramental character many traditional Indian firms have preserved their bahis, often covering the experience of as much as two centuries of business activity.

Apart from the above documents, Nainsi's Marwar ri vigat has been used for the study because it provides information on trade and commerce in the different qasbas of Marwar.