Chapter-III

INDIGENOUS BANKING AND INSURANCE SYSTEM

India has been a very origin of banking and credit from very early times. From times immemorial the banker has been an indispensable pillar of Indian society. There is plenty of evidence to show that even prior to the advent of occidental ideas, India was not a stranger to the conception of banking. 'Loans and usury were well understood in those days, and Rishis (worldly men in those days and not hermits or anchorities) occasionally lament their state of indebtedness with the simplicity of primitive times'.1 Reference is often made to debt contracted at dicing. Banking dealt with giving loans on payment of interest since ancient times. Money lending was a recognised form of acquiring wealth according to Manu and was mostly confined to the Vaishyas. During the Ramayana and Mahabharat era banking, which was a side business during Vedic period, had become a full fledged business.2

The transition from money lending to banking must have occurred before Manu. He has devoted a special section to the subject of deposits and pledges, where he says that 'a sensible man should deposit money with a person of good family, of good conduct, well acquainted with the law, veracious, having many

relatives wealthy and honourable (arya). He further gives us rules, which
governed the policy of loans and rates of interest.

In this chapter an attempt has been made to discuss the prevailing
banking and money lending practices, persons involved, nature of their
transactions and activities like insurance system. Our evidence comes mainly
from certain documents collected in the Rajasthan State Archives, Bikaner and in
the private collections of house of Mahajans, Poddar and Brahman family of
Merta. This family was engaged in money lending of all types as well as in trade.

The term 'indigenous' banking applies to the operations of the 'indigenous
bankers'. These bankers were not required to register themselves as such
under any law of the realm. There is, therefore, no legal definition of the term
'indigenous banker' available. Nor does the census contain any information. The
problem is complicated because in India many persons who were called 'bankers
do nothing beyond lending out their own personal or family funds at interest. Are
these moneylenders entitled to be classified as 'bankers'? If not, how should the
one be distinguished from the other. L.C. Jain, in his study, has defined the term
banker as "any individual or private firm which, in addition to making loans either
receives deposits or deals in hundis, or both, each of which functions clearly
belongs to the province of banking, while the term 'moneylender' means any

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thesis available at Library, Indian Council of Historical Research, Delhi.
individual or private firm which makes loans, but usually does not receive deposits or deal in hundis.⁵

The extent to which banking had developed in Mughal times must be judged in the context of the wide use of money in Mughal India. The 'cash nexus' was well established, the land revenue, which accounted for much the larger part of the peasant's surplus produce, being usually collected in cash.⁶ For instance, the total assessed revenue (jama) according to Ain-I-Akbari (1595-6) was about 90 million rupees; but with the fall in price of silver and the acquisition of the Deccan Kingdoms, the total revenue collected (hasil) rose to 240 million rupees near the close of the 17th century.⁷ The collection of land revenue in cash meant that even the villages were drawn into the orbit of money economy. We should not, therefore, be surprised when we read in Tavernier that 'in India a village must be very small indeed, if it has not a money-changer, called shroff, who acts as banker to make remittances of money and issue letters of exchange.'⁸ The sarrafs of the Mughal India were engaged in testing and changing money, issuing and discounting hundis and insurance of goods, etc.⁹ There is no doubt that some kind of deposit banking did exist in Mughal India. It seems to have been quite a common practice to entrust money to the sarrafs for safe-keeping and

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⁵ Ibid., p.3.
⁶ Moreland, Agrarian System of the Moslem India, Delhi, 1968, pp.11, 37-38.
interest. Sujan Rai gives it as an instance of "the honesty of the people of this country" that "even when a stranger and unfamiliar person deposits hundreds of thousands in cash, for safe keeping, with the sarrafs in the absence of any witness, those righteous ones repay it on demand without any invasion or delay." Even government officials could not resist the temptation of depositing the revenue collections not in the treasury but with the sarrafs at interest and thus earning a profit for themselves. Deposits seem to have been put with the sarrafs for short terms only. The sarrafs employed the money received in deposits in lending at higher rates of interest, the difference between the two rates being "their gains". The sarrafs, however, enjoyed no caste-monopoly over money lending, which was carried on by various classes of persons in different forms. Merchants advanced loans to cultivators and artisans to be repaid in the form of produce or manufactured material.

The structure and functions of merchant's and usurer's capital were determined by the scale and character of the social division of labour, the interconnection between the individual spheres of production and consumption, the methods of extracting and redistributing the surplus-product and the specific features of the processes of reproduction. In medieval India, commerce and usury were largely concentrated in the hands of members of occupational castes and communities and were their traditional business activity. In the aggregate,

11 Ibid., pp.18-20.
12 L.C. Jain, Indigenous Banking, op. cit., p.28.
13 V.I. Pavlov, Historical Premises for India's Transition to Capitalism, Moscow, 1979, p.83.
merchant's and usurer's capital constituted a complete functional system through which commodity and money values moved in the socially required directions. Accordingly, in the internal functional connections of merchant's and usurer's capital there prevailed: vertical ties (from the petty usurer-trader to the merchant banker) within the limits of the district, and horizontal ties between roughly equal partners within the macro-regions and between them.\textsuperscript{14}

The role of the trading and money-lending castes in the collection of taxes, the financing of rulers, as army suppliers, in commerce and also their personal business abilities helped many of their members to rise to high posts in the government, and particularly in the tax administration. Thus, members of the Marwari castes held high posts in the princely states of Rajputana; the ancestors of the biggest Marwari capitalist Gopaldas Mohta, many times headed the administrative apparatus of Bikaner and were granted jagir and various privileges for their military and administrative services.\textsuperscript{15}

The bankers were involved in multifarious activities. There were minor bankers and moneylenders in almost all important towns and big villages who lent money to the agriculturists and artisans for the purpose of seed, payment of land revenue or rent, purchase of carts or cattle and purchase of land.\textsuperscript{16} At the time of famine and scarcity, the state occasionally found it difficult to provide tagai (agricultural) loans and managed such loans through sahukars and

\begin{footnotes}
\item \textsuperscript{14} Ibid., pp.83-84.
\item \textsuperscript{15} Ibid., pp.84-85.
\item \textsuperscript{16} Dilbagh Singh, 'Rural Indebtedness in Eastern Rajasthan', \textit{RHC}, No.7, 1974, p.82.
\end{footnotes}
The village moneylender had his flourishing business and exercised great influence on the rural life. The bankers lent money to the princes, who were in financial difficulties due to war or other reasons – especially in the latter half of the 18th century. For instance, Maharaja Karan Singh of Bikaner had to mortgage 92 villages to Gujarati bohrs as security for loans in seventeenth century and in 1769 AD ruler of Kota, mortgaged 133 ornaments with Sah Dhan Chand (sahukar) for a loan of Rs.204,480 arranged to pay off Mahadji Sindhia.

The banking concerns of some of the seths had branches in the important towns of Rajasthan and several other parts of the country. These banking houses used their own medium of exchange, commonly termed hundis or bills of exchange. These bankers had income mainly from interest on loans and hundawan or commission charges on hundis. The rate of interest charged by these bankers often varied from person to person. In most cases, it ranged between 10 to 30 per cent or one taka per rupee per month. A moneylender in pargana Merta charged interest between 10 per cent to 36 per cent per annum. For urgent borrowings compound interest was charged. Loans secured by

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17 Ibid., p.85.
21 Merta Bahi, VS. 1750/AD 1693, BVSP, Bikaner.
23 Merta Bahi, VS. 1750/AD 1693, BVSP, Bikaner.
ornaments, land and other property carried the lower rate of interest and loans advanced without security carried much higher rates of interest.

An analysis of the structure or organisation of a mechanism is necessary for the proper understanding of its working but in the case of the Indian indigenous banking system such an analysis is not an easy matter. For the system was not organised and one part cannot be seen as properly connected with another.

At the lowest rung of the ladder, we have the village moneylender, who lent money to the needy inhabitants of the village and also advanced grain and seeds to the cultivators. These moneylenders were of two kinds. First, there were the rich landed magnates who dominated the village society and made loans in cash or kind to their less fortunate brethren. Secondly, there were the professional moneylenders termed mahajan and bohra whose prime business was to deal in loans. They combine money-lending with some other business. Among these were included the traders in cattle, who deserve special mention on account of their importance in selling cattle on credit to the cultivators. Both kinds of village moneylenders rely on their own capital. Neither as a rule, used negotiable instruments, such as hundis or bills.

Next in the scale came the town moneylenders. These also may be divided into two classes. Firstly, the small moneylenders, whose business was confined to the local town and neighbouring suburbs. Secondly, there were the

24 Chithi to the Amil, Pargana Chatsu, dated Paush Vadi 6, VS. 1785/AD 1727, JR, RSAB.
moneylenders, whose firms often bear the names of their ancestors and ad their branches or agents in various other towns in the country. These e most difficult to classify, because the scope of their activities varies r, ranging from that of a moneylender pure and simple to that of a banker. of them were purely moneylenders on a large scale.26 Others occasionally hundis on their branch offices, but were mainly engaged in money- 3.27 Yet others were clearly bankers, in as much as they deal in hundis, th they did not perform the other main function of a banker, the receiving osits at interest.26 B.R. Grover's investigation of rural commerce in north also indicated that rural commercial transactions at the level of the small or qasbas retained their vitality between the seventeenth and eighteenth es.29

This brings us to the final class of bankers. Their offices and branches spread all over the country in important centres where they had their s and gumashtas, or agents who looked after their business. They were hly paid, but their integrity and efficiency were remarkable and proverbial.

Chithi from Vidyadhar to Diwan Kirparam, pargana Jaipur, dated Asoj Vadi 9, VS. 1733, Dausa, Narayana etc. JR, RSAB.

Chithi, Pargana Gaji ka Thana, dated Asoj Sudi 5, VS. 1804/AD 1747, JR, RSAB. Vohra nwar was authorised to do trade and commerce. He was also authorised to issue hundis irbar and as per promise, payment was given to him.

Ibid.

They submitted periodical returns and reports of their doings to their head offices and received from them occasional instructions.\textsuperscript{30}

Generally, the bankers and moneylenders, worked on an individual basis, each working independently of one another. Sometimes the members of a joint family clubbed together into a private partnership organisation, such as the Brahman family business of Merta. The town moneylenders and bankers were also private individuals, working on their own account, though in many towns there were private partnership firms managed by the senior partners. Every firm was distinct and separate from the other such as the Poddar family firms.\textsuperscript{31}

As regards the interconnection between the village moneylenders and the town moneylenders and bankers, there was no definite link, but the point of contract arises in the following manner. Some town moneylenders advanced money to the professional moneylenders of the village for financing agricultural operations, on the customary understanding that the later will sell the produce to the former.\textsuperscript{32} Further, the sahs and mahajans also worked for bankers. As per practice, an urban financier used to ask his rural counterpart to collect money for the bills he had drawn on the traders in the village for goods sent from urban centres to rural areas. It seems the amount collected by rural financier remained


\textsuperscript{31} Govind Aggarwal, 'Churu ka Potedar Abhilekh Sangrah', \textit{Maru-Shri}, 1980, pp.6-10. Before VS. 1896-97, Mirjamal and his nephew Harbhagat Rai were doing business on partnership basis. After that Harbhagat started his business separately. Further the Poddar family had various firms working independently such as shop of Managramji Mirjamali in Calcutta, Mirjamal Magniram in Amritsar, Jindaram Mirjamali in Bombay, etc.

with him. Against this deposit the urban financier later on issued hundi for making payment to the rural trader for goods sent from the rural tracts to the urban centres. In a similar way the payment of hundi was also made by the mahajan at village level.33

A comparison of an indigenous banking system with a modern banking system reveals that there are many differences between the two systems. In the first place, not all the indigenous bankers receive deposits and such deposits as were received formed a very small proportion of the bankers resources. Modern banks, on the other hand, generally depend upon deposits as the main part of their working capital. Secondly, while both the indigenous banker and a modern bank allow withdrawals against deposits, withdrawals in the case of the former were usually in cash and in the case of the later by cheques. Yet another point of difference between the business of pre-colonial indigenous moneylenders and bankers and that of a modern bank lies in the fact that the former unlike the later, were not, as a rule, exclusively devoted to the business of 'money-lending' or 'banking'. The great majority of indigenous bankers and moneylenders combine with it various other business. In this connection, it may be of interest to note that the combination of banking with other business has also been a feature of early modern banking.

An examination of the Indian indigenous and European banking system reveals that in the medieval and early modern European contexts, banking was

33 G.D. Sharma, 'Indigenous Banking and the State in the Eastern Rajasthan during the Seventeenth Century', PIHC, 1979, pp.435.
hardly a new invention. There had been banks and bankers in antiquity. There had been Jewish moneylenders in Islam who were using credit instruments such as the bills of exchange by the tenth or eleventh centuries, well before their appearance in the west. In the Christian countries of the Mediterranean, the first bankers were the exchange dealers. In medieval Europe banks arose out of the services that merchant companies and other firms performed for each other where the vital partner was the 'active' firm, which asked for credit, thus obliging the other 'sleeping' partner to invest money. Before the foundation of Bank of England in 1694, public banks only handled deposits and transfers, not loans and advances nor share portfolios.

Irfan Habib has compared the Indian money-changing system to that of the west. The forms are perhaps different: one has the impression of an entirely private network between one place and another, without any application to public agencies such as fairs or stock exchanges. But the same problems were resolved by similar means; bills of exchange (hundis), currency exchange, payment in cash, credit, maritime insurance (bima).

Although no detailed information is available at one place regarding the pursuit or profession by a section of the community, but we are in a favourable position to build up with the help of stray references from our records that bankers of the pre-modern Rajasthan had multifarious activities. The chief

functions of the bankers were money-lending, exchange of coins, dealing in hundis, insuring goods and to some extent accepting deposits. Besides all those functions, they were also engaged in trade.

The persons who carried on the banking professions were known as sah, sahukar, sarraf, bohra and mahajan. The documents dealing with their activities offer enough information to characterise their profession. Sarrafs were mainly engaged in writing and discounting hundis, money-changing, insurance and to some extent, accepting deposits.\(^{37}\) Sahs 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.\(^{38}\) However, their activities were centred mainly in towns while the mahajans operated in rural sector.\(^{39}\) The distinction between the banker and moneylenders, in fact, could be marked in the form of their operations at two different levels i.e. urban and rural sectors.\(^{40}\)

The bohras and mahajans who lived in all the towns or villages besides providing agricultural loans also used to advance some loans to petty traders and artisans. In Marwar, Brahman family of pargana Merta was engaged in lending money to the agriculturists, petty traders and artisans.\(^{41}\) For instance, a loan of Rs.10 was provided to Narhar Govind Patwa (an artisan) for 4 months at the rate

\(^{37}\) Ibid.
\(^{39}\) D. Singh, 'Rural Indebtedness in Eastern Rajasthan', op. cit., pp.81-86.
\(^{40}\) The description on the indigenous bankers given in the Banking Enquiry Committee, Vol.IV (1929-30), provides some better understanding on the functional aspects of bankers.
\(^{41}\) Merta Bahi, VS. 1750/AD 1693 and VS. 1790/AD 1733, BVSP, Bikaner.
of 18 per cent interest per annum.\textsuperscript{42} Similarly, a loan of Rs.5 to Bak Aggarwal (a trader) for four months at the rate of 12 per cent interest per annum against a security of ornaments of Rs.6.75.\textsuperscript{43} In the literary sources of the 16\textsuperscript{th}-17\textsuperscript{th} centuries, we find the names of Sahasmal of Dungarpur, Villha of Mandor, Nagji of Bardoli, Kumud Chand of Badmer and Goverdhan Das of Shergarh who were engaged in the money lending business in the above towns.\textsuperscript{44} Jaipur records also reveal that the state jagirdars, other rural dignitaries and peasants were heavily dependent on the sahukars and mahajans for their monetary requirements.\textsuperscript{45} The loans were advanced by these moneylenders to the peasants and superior sections of villages either against the future harvest or against the mortgage of movable or immovable property.\textsuperscript{46}

Sarrafs or shahs formed another element in the business community, but these seem to have functioned more in the towns. Their role in the rural sector was not direct and appears to have been negligible in Eastern Rajasthan. They largely engaged themselves in discounting hundis, money changing and insurance of goods. Through them the credit system flourished in Rajasthan and they established a near complete monopoly in the higher levels of indigenous

\textsuperscript{42} Ibid., transaction dated Sawan Vadi 14, VS. 1750/AD 1793.
\textsuperscript{43} Ibid., transaction dated Bhadwa Sudi 9, VS. 1750/AD 1693.
\textsuperscript{44} Shanti Nath Charita, VS. 1591, MS No.111, Nagjinugita, VS. 1670; Kumud Chandnugita, VS. 1734; Rasamala, VS. 1749, MS No.1522, Amber Records, RSAB.
\textsuperscript{45} Khatoot Ahalkaran of Jaipur, dated chaitra vadi 3, VS. 1740, No.31; Chithi to the Amils, Pargana Chatsu, dated Baisakh Sudi 3, VS. 1820/AD 1763, JR, RSAB.
\textsuperscript{46} Merta Bahi, VS. 1750/AD 1693, BVSP, Bikaner.
finance and trade. It was this class which is also popularly known as Marwaris in western Rajasthan. 47

Available records mention that the state levied a professional tax upon mahajans, this being a cess on their profits. 48 A rate of 8 per cent upon the interest charged by mahajans, was realised in pargana Pokaran. 49 In return the rulers of Marwar offered certain amount of patronage and protection to the mahajans. Maharaja Sur Singh and Jaswant Singh both invited the Sahs residing in different provinces to come and settle down in Marwar and take part in trade. 50 Maharaja Jaswant Singh instructed his officials to expedite the recovery of loans. 51 The bankers were also felicitated by the title of 'Jagat Seths', Seth Mirjamal Poddar was felicitated with various honours at many times by the Bikaner rulers. 52 The ruler provided various incentives and concessions to the Poddar family. 53 The bankers were also helped by the state in the recovery of their loans. In one reference the amil was instructed by the state to help the gumashta of Chaudhary Kushal Singh, the banker in recovering the loans made by Kushal Singh to the traders of pargana Khori. 54

47 B.L. Bhadani, Peasants, Artisans and Entrepreneurs, Delhi, 1999, pp.338-55.
49 Ibid., Vigat II, p.326.
50 B.L. Bhadani, 'Moneylending and Exchange in 17th-18th Century Marwar', op. cit., p.266.
51 Ibid., p.267.
52 Govind Aggarwal, Potedar Sangrah ke Farsi Kagjat, op. cit., pp.7-44.
53 Ibid., pp.24-25.
54 Chithi to the Amil, Pargana Khori, dated Magh Vadi 8, VS. 1789/AD 1732, JR, RSAB.
The bankers and moneylenders served as financiers to the traders and merchants, i.e. commercial borrowers who by and large belonged to the bania community. The rate of interest charged from such borrowers was less as compared to the rate of interest on loans to the state, rulers and officials due to the risk factor. In the Merta bahi, the rate of interest paid by such borrowers was as low as 9 per cent per annum.\textsuperscript{55} In Churu, the Poddars and Purohits were advancing loans among themselves at the rate of 4.5 per cent per annum.\textsuperscript{56} Generally, the rate of interest on secured loans of this kind ranged between 10.5 per cent to 18 per cent per annum.\textsuperscript{57} The rate of interest often varied according to the caste of the debtors. The rate of interest charged from Brahmans and Rajputs, for example, seems generally to have been higher than that charged from baniyas. Probably banias were regarded as more reliable debtors.\textsuperscript{58} Sadhara Narhar Govind (Patwa)\textsuperscript{59} borrowed Rs.10 on Sawan Vadi 14, VS. 1750 at 18.0 per cent per annum (unsecured). He was an artisan.\textsuperscript{60} Similarly, a brahman borrowed Rs.342 and 8 annas at 18 per cent per annum in 1737 AD on surety of two persons. Along with the surety, he mortgaged all his goods.\textsuperscript{61} Further, Sivdas Aggarwal, a trader borrowed Rs.19 on security of ornaments of

\textsuperscript{55} Merta Bahi, VS. 1750/AD 1693, BVSP, Bikaner.
\textsuperscript{56} Govind Aggarwal, \textit{Potedar Sangrah ke Farsi Kagajat}, op. cit., p.5. In Poddar collection, there are references between 3% to 36% rate of interest, \textit{Manu-Shri}, No.23, Yr.9, 1980, Churu, p.16.
\textsuperscript{57} Merta Bahi, VS.1750/AD 1693, VS. 1790/AD 1733, BVSP, Bikaner.
\textsuperscript{58} Ibid., VS. 1750/AD 1693.
\textsuperscript{59} Patwa means one who entwines ornaments with silk, cotton or gold thread.
\textsuperscript{60} Merta Bahi, Sawan Vadi 14, VS. 1750/AD 1693, BVSP, Bikaner.
\textsuperscript{61} Ibid., VS. 1790/AD 1733.
Rs.22.50 for four months at the rate of 10.5 per cent interest per annum. Rates of interest for commercial loans are given in table number III.I.

The Palliwals of Jaisalmer were also wealthy bankers and the local merchants secured loans from them. In Bikaner also Messrs Heera Chand Moti Ram Rathi and Raja Ram Chandok who were traders borrowed from Messrs Heera Chand Manak Chand, sahukars of Bikaner.

In Eastern Rajasthan, there are references of loans taken by the traders. A chithi mentions that Sahsmal Mahajan resident of qasba Bhangarh reported that he was conducting trade in partnership with Harkishan Mahajan resident of the same qasba. He informed that he had taken a loan from the bohra and there was some problem in settling the account.

On the basis of information available in the documents, it can be said that people preferred to borrow money from bankers of their caste. This was due to their trust and faith on each other. But, there are also references of loans granted by bankers without consideration of caste affiliation. In one reference, Swaroop Chauthi Rahu Vasu (Pushkaran Brahman) lent money to Bihari Jagjivani Surana in 1738 AD and Kandoi Chature to Sawai Khatri in 1758 AD.

62 Ibid., Jestha Sudi 9, VS. 1750/AD 1693.
64 Kagado ri Bahi dated Magh Sudi 15, VS. 1838/AD 1781, No.5, BR, RSAB.
65 Chithi to the Amil, pargana Gazi ka Thana dated Paush Sudi 2, VS. 1798/AD 1741, HS, JR, RSAB.
66 Sawa Bahi, Mandi Sadar, B.No.1, VS.1792-96/AD 1735-39, BR, RSAB.
67 Ibid., No.8, VS. 1815/AD 1758.
Ladies were also engaged in money lending and banking. For instance, sister of Muhate Unroop, Somkunwar lent an amount of Rs.145.50 on khat to Doli Ramkishan. He was declared insolvent, his house was sold in 1738 AD and money was returned to Unroop's sister.\textsuperscript{68} In another reference bohra Kesodas Daulatram and Anope Khatri purchased a house by taking a loan of Rs.11 from the wife of bohra Bankidas.\textsuperscript{69} Similarly, ladies borrowed money from bankers such as Rangari Banu borrowed money from Daulatram on security of a house.\textsuperscript{70} Hence, ladies were also engaged in banking business.

Various persons had borrowed money as per their requirements at different times. Generally, the amount borrowed was not in multiples of 5's and 10's. It means people borrowed money as per their requirements. Generally, money borrowed by individual persons was small. For instance, there are references of less than Rs.100 in Merta Bahi of VS. 1750\textsuperscript{71} and there is only one reference of Rs.345.\textsuperscript{72} Further, the loans were generally borrowed by agriculturists, artisans and small entrepreneurs. As a result, they borrowed petty amounts such as Mali Gohid Bhagwan borrowed 0.50 paise on Asoj Vadi 3, VS. 1751.\textsuperscript{73} Similarly, Shivram Ramesur borrowed Re.1 from Merta house in Asadh, VS. 1751.\textsuperscript{74} Sivdas Aggarwal, a trader borrowed Rs.19 for four months at 10.5

\textsuperscript{68} Ibid., No.1, VS. 1792-96/AD 1735-39.
\textsuperscript{69} Ibid., No.8, VS. 1815-16/AD 1758-59, p.42.
\textsuperscript{70} Ibid., No.4, VS. 1807-10/AD 1750-53, pp.6-7.
\textsuperscript{71} Merta Bahi, VS. 1750, BVSP, Bikaner.
\textsuperscript{72} Ibid.
\textsuperscript{73} Ibid. dated Asoj Vadi 3, VS. 1751/AD 1694.
\textsuperscript{74} Ibid. dated Asadh, VS. 1751/AD 1694.
per cent rate of interest against security of Rs.22.50 from the Brahman moneylender in Merta for his personal and trade requirements.\textsuperscript{75}

Generally, the loans were in written terms and the loan agreement was known as hundi, chithi, khat, etc.\textsuperscript{76} It mentions the amount of loan, rate of interest, date of repayment and duration of loan, and details of goods, assets and ornaments mortgaged.\textsuperscript{77} The loan agreement was signed by the borrower and details were recorded by the moneylender in his bahi. There are also references of loans granted on the basis of oral agreements such as the Merta bahi mentions a loan of Rs.4 on 'arah ki boli' means an oral agreement.\textsuperscript{78} Further, an analysis of various bahis shows that generally secured loans were granted and details of security are given in the loan agreement. For instance, security worth of Rs.28.50 was given for a loan of Rs.20.\textsuperscript{79}

An analysis of the Merta bahi shows that interest was mentioned in rupees, takas and dams. For instance, the Merta Brahman moneylender lent Rs.4 to Mehta Murlidhar, a baniya. The loan was repayable after 18 days and

\textsuperscript{75} Ibid. dated Jestha Sudi 9, VS. 1750/AD 1693.

\textsuperscript{76} Khat bahi, Chithi bahi and Kagad bahi, VS. 1820-80/AD 1763-1823, BR, RSAB bear again and again.

\textsuperscript{77} of a loan agreement recorded in the Merta Bahi, VS. 1750 is given below: 1750 varse miti Sawan Vadi, 14 subh dine dhanak nam Mishr Jagjivan ka Vyas udharani ka nam Narhar Gobind ka va Bhagirath Rajaram ka Patwa sut ujamategir huta rupaya 10) akhre das pura le thik mas 4 ranti byaj bandhta mas eik thok date ko 1-25 paisa teen bandhtha...."

Signature of borrower.

\textsuperscript{78} vi, VS. 1750/AD 1694, p.19.

\textsuperscript{79} vi, dated Mighsar Vadi 6, VS. 1751. It mentions the security details as: "bei gehano milo jis ko byoro champakali one sona ki, than 20 pan janmani rupaya 14) kochh ponchya ki jori eik sona ki, than 14 mal janmani rupaya 9) ko chh, dhori eik, supa ki chalari than 21 mal jan mani rupaya 5.5)...."
interest was payable at the rate of 4 takas daily for 18 days, i.e. 72 takas. It was an oral loan agreement.\textsuperscript{80} Similarly, an amount of Re.1 was borrowed by Shivram Ramesur on which interest was payable at the rate of 25 dams per month.\textsuperscript{81}

Pawning system was also a common practice for raising money among these bankers. There are references which state that besides silver and gold ornaments, some of the borrowers even mortgaged their sons to the bankers.\textsuperscript{82} There seemed also a practice of 'bhogalia'. In this practice, the deed specified that the borrower mortgaged himself with the creditor up to the payment of the loan amount.\textsuperscript{83} Sometimes, the moneylender recorded a condition in the mortgaged deed called 'aiwalo'. This meant that if the borrower failed to repay the loan within the stipulated period, the lender had the right to sell the movable property placed in security. For instance, in Merta bahi Rs.345 were lent in 1737 on aiwalo, he mortgaged opium, cloth and hundi.\textsuperscript{84} This loan was returned in hundi terms. Hence, loans can be repaid either in cash or through hundis.\textsuperscript{85} Further, in this regard it is mentioned that the moneylender cannot be forced to purchase the mortgaged things at their actual cost.\textsuperscript{86} Again, it is reported that the

\textsuperscript{80} Merta Bahi, Maha Vadi 3, VS. 1750/AD 1693, BVSP, Bikaner.
\textsuperscript{81} Ibid., Asadh VS. 1751/AD 1694.
\textsuperscript{82} Govind Aggarwal, \textit{Churu Mandal ka Sodhpuran Itihas}, Ajmer, 1974, p.456. There is a reference that Khushala Gujar mortgaged even his son (Heera) in Rs.80 to the banker (Baney Chand Hira Lal). A deed of Churu dated Sawan Sudi 1, VS. 1934/AD 1877, Poddar Collection, Churu.
\textsuperscript{83} Govind Aggarwal, \textit{Churu Mandal ka Sodhpuran Itihas}, op. cit., p.460.
\textsuperscript{84} Merta Bahi, VS. 1790/AD 1733, BVSP, Bikaner.
\textsuperscript{85} Merta Bahi dated Sawan Vadi 9, VS. 1750/AD 1693, BVSP, Bikaner.
\textsuperscript{86} Vakil Report (Persian) dated 11 May 1703, No.647, HS, JR, RSAB.
mone"}y lender is unwilling to purchase the mortgaged things and insists to have his money back with interest.\textsuperscript{87}

In Poddar collection, there is a reference that a loan was secured with shop. It is mentioned clearly in the loan agreement that if it is not returned within the specified time then the money lender had the right to sell the shop and recover the loan.\textsuperscript{88} In another reference, an amount of Rs.101 (Kaldar sikka) was given as loan by Potedar Mirjamalji Harbhagat at 30 per cent rate of interest per annum.\textsuperscript{89} The loan was granted on the personal security of his family members and others who assured his physical reappearance before the money lender.

The money lenders and bankers were also the biggest merchants trading in grain, cloth and precious metals and speculating in these commodities. They purchase grain, oilseeds etc. at the time of harvest and store them till the prices rise, so as to get a margin of profit. To save the corn from rotting or being eaten by worms, it is often kept in khattis (granaries). For instance, in pargana Merta cotton was purchased by the Brahman money lender in partnership with Kanji (other partner). As per partnership agreement the profit was divided equally between the two partners though the capital was invested by the money lender himself. But the money lender invested his money in the partnership on the

\textsuperscript{87} Vakil Report (Persian) dated 31\textsuperscript{st} May 1703 AD, No.660, HS, JR, RSAB.

\textsuperscript{88} Letter No.121 dated Kati Sudi 9, VS. 1901/AD 1814, Poddar collection, Churu. Letter written by Muhta Bhaniram to Shivjiram Surajmal of Ratangesh. The loan was given by Mirjama Harbhagat to potedar Thakursi on the mortgage of a shop situated in Ramgarh.

\textsuperscript{89} Letter No.67 dated Asadh Vadi 7, VS. 1890/AD 1833, Poddar collection, Churu.
condition that he would charge interest at the rate of 9 per cent per annum, in addition to the profit.\textsuperscript{90} In the villages, a moneylender was also a petty shopkeeper, a purchaser of rural products or an agent of firms in the neighbouring towns. Very often he was the local zamindar, owning land and cultivating on his own account.\textsuperscript{91} The allied businesses were, more often than not, primary, and the business of money lending occupies a secondary position. The bankers qua bankers were not many in India as compared to bankers-cum-traders.\textsuperscript{92} The combination of allied businesses with banking was found all over the Rajasthan, but the nature of such businesses varied from state to state.

In Mughal India the bankers performed the function of money-changers. For money changing, as indicated by Tavernier was one of the principal functions of the bankers.\textsuperscript{93} Each state issued its own currency and there were scores of coins with different names, weights and standard of fineness. Further, the Mughal currency was tri-metallic and the need often arose of changing the coins of one metal into those of another, i.e. gold muhrs into rupees and rupees into dams. The values of these coins in terms of each other fluctuated constantly in accordance with the changes in bullion prices. Many of the bankers became money-changers to tell the relative value of these coins and to change foreign ones for native currency. The coins of one state were accepted for the coins of

\textsuperscript{90} Merta Bahi, VS. 1790/AD 1634, BVSP, Bikaner.
\textsuperscript{91} Chithi to the Amil, pargana Gaji ka Thana dated Asarh Sudi 3, VS. 1799/AD 1742, JR, RSAB.
\textsuperscript{93} Irfan Habib, 'Banking in Mughal India', op. cit.,pp.3-8.
another with some discount. The rate of discount varied from coin to coin according to the weight and the metallic content. The bankers who were engaged in the profession of money-exchange were called sarrafs. They readily exchanged coins and earned sizeable profits. The premium charged on bullion coinage and exchange of outside coinage ranged from 1½ per cent to 2 per cent. This business was so lucrative that certain banking firms dealt exclusively in money-exchange. In Sanad-Parwana bahi we find mention of Jethmal sarraf who carried on the business of exchanging money in Didwana.94 Similarly in Kota records, there is mention of a sarraf of qasba Jahazpur.95 These money-changers became moneylenders and in course of time they were fledgling bankers. Referring to those of Udaipur, Man Kavi and Bhagya Sunder, it was mentioned that they changed money and purchased and sold bullion.96

The dual function of accepting deposits and lending money is regarded as the essence of the modern banking system. It is true that in the indigenous banking system it was not of much account.97 But even a sarraf who drew a hundi to facilitate remittance might be said to have accepted a deposit, and similarly when he discounted a hundi, he really lent money. From this it should have been but one step further to engage in deposit banking pure and simple.98

94 Sanad Parwana Bahi, No.14, VS. 1831/AD 1774, Jodhpur Records, RSAB.
95 Zakat Bahi, pargana Jahazpur, VS. 1814/AD 1757, Bhandar No.4, Basta No.2, Kota Records, RSAB.
There is no doubt that some kind of deposit banking did exist in pre-modern Rajasthan. For instance, it is mentioned in an official letter that the state (sarkar) had to pay Rs.1,000 to Bhikhari Das Natani. Further, it is stated that this money was to be paid from pargana revenue and excess revenue realised had to be kept with the sahukars as 'amanat' (for safe custody).

**State Loans**

During the Mughal period, the banking community of Rajasthan became dependable financiers and army purveyors to their Rajput princes. The Rigveda and Mahabharat also mentioned that the rulers borrowed money from the public as per their requirements. Due to poor agricultural income, famines, scarcity, war, etc. the state bore heavy financial burden and huge loans had to be raised to pay tribes to the Marathas in the late 18th century. In this situation, bankers served as financiers to the state, rulers and jagirdars. They were lending to the Rajput chiefs by way of patras for hath-kharch (personal expenditure money in fixed installments to the chief and members of his family); rozina kharch (money required for meeting the daily expenses of chief's household) and sanadi-kharch (ordered expenditure) etc. in the state of Kota.

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99 Chithi dated Vaisakh Vadi 4, VS. 1780/AD 1723, HS, JR, RSAB.
100 When Jaswant Singh of Jodhpur had to go to Kabul under Aurangzeb's orders, cash for one entire year was arranged by the Seths of Riya; Shiv Singh Choyal, 'Marwar ke Dhai Ghar', *Maru Bhartu*, 1961.
101 Rigveda, Mandal 8, Sukt 47, Manter 17, Loan system is quite old in India. This is mentioned in the Rigveda as: "यद्यथा बललीयां यद्य पुजुर यद पुजुर अर्जयं समन्तप्यानिसि"; Mahabharat also mentioned that the Raja (ruler) borrowed money from the public, as and when required, Shanti 87/29-30.
administration, repayment of loans and interest, marriages (means expenditure on the members of the royal family), for getting hundis issued, to pay tributes to the Marathas etc. were also the purposes of state loans. The bankers got special treatment from the rulers as the latter were always in need of money – a need which increased during the later half of the 18th century. Nandwana bohra in the year 1766 AD advanced Rs.110,000 and Seth Kushal Chand in the year 1806 AD advanced Rs.50,000 to the state of Jodhpur. Similarly Seth Hirachand in the year 1809 AD and Singhvi Lala Jagji in 1811 AD advanced Rs.125,000 and Rs.2,012 respectively to the Maharaja of Jodhpur. Seth Daya Ram Roopchand provided a loan of Rs.100,000 to Jodhpur darbar (state) for a period of two and a half months to clear the debt of Tukoji Holkar.

During the period of political instability, of course, the state bore heavy financial burden. Huge loans had to be raised to pay tributes to Marathas in the later half of the eighteenth century. In this situation the state availed the services

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102 Sawa Bahi, Mandi Sadar, No.22, VS 1837-38/AD 1780-81, p.106; No.4/1, p.32, BR, RSAB.
103 Ibid., No.4, VS. 1807-10/AD 1750-53, p.144; No.20, p.23, BR, RSAB.
104 Ibid., No.4, p.102; No.17, VS. 1829-30, p.64, BR, RSAB.
105 Ibid., No.4, p.118, BR, RSAB.
107 Arzi Bahi, No.4, p.286, VS. 1823/AD 1766, Jodhpur Records, RSAB.
108 Ibid., No.5, letter of VS. 1862/AD 1805, p.96, Jodhpur Records, RSAB.
109 Poona Residency Correspondence, Vol.XIV, letter No.27.
110 Jama-kharch File No.43, Letter No.43, VS. 1867/AD 1810, Jodhpur Records, RSAB.
111 Khas-Rukka-Parwana Bahi, No.1, dated Chaitra Vadi 13, VS. 1847/AD 1780, Jodhpur Records, RSAB.
of bankers for getting loans to pay tributes due by the state.\textsuperscript{112} In the year 1819 AD Kumbhat Gulabdas paid Rs.25,000 for the army expenses of the Marathas for which he charged high rate of interest on the sum advanced.\textsuperscript{113} Similarly, Seth Hirachand paid Rs.125,000 monthly to the officers of Mukhtar ud-daulah.\textsuperscript{114}

In Bikaner also sahukars and bohrs provided loans to the state. In Sri Mandi Sadar sahukars provided a loan of Rs.13,221 in 1748-59 AD through ten loan transactions.\textsuperscript{115} The state loan increased to Rs.39,175 in 1754-55 AD\textsuperscript{116} through two transactions only and in 1783-84 AD the state borrowed Rs.14 only.\textsuperscript{117} Again, the loan increased to Rs.25,770 in 1787-88 AD.\textsuperscript{118} Bohras were also lending money to the state. In Bikaner, bohra kabir Gunawat (1735 AD) and bohra Gangaram (1738 AD) were engaged in banking activities.\textsuperscript{119} In 1701, bohra Achalji Arjan Vijayram lent Rs.12,274 to the state on the security of ornaments.\textsuperscript{120} In Lekha bahi there are many references of loans on khats. State borrowed Rs.401 from bohra Bhopat, Rs.242 from bohra Tulchhe, and Rs.751 from bohra Parakh on khats in 1707 AD. In the same year loans of Rs.203 were repaid to 'Jagidas Sandal', Isardas Chorawat and Bhopat. Bohra Vijayram Gujrati also lent money on khats of Rs.1,001 and Rs.1,052 to the state. Further,
bohra Tulchha provided a loan of Rs.542 on two khats. An amount of Rs.2,300 was borrowed on khats from Sri Mohta Saheb on which interest of Rs.94 was paid in 1726 AD. In Khalsa bahi also there is mention of state loan from mahajans in 1743 AD.

The bankers also lent money to the state on the mortgage of various ornaments. For instance, the state of Bikaner borrowed Rs.24,500 and Rs.15,000 against ornaments in the karkhana in 1754 AD and 1757 AD respectively. A loan of Rs.1,570 was raised on diamonds in 1748 AD. In 1755 AD also a loan of Rs.24,307 was borrowed by the state on the mortgage of ornaments of 'Sri Karkhana' in Sri Mandi Sadar. In the same year money was borrowed to repay the loan and get back the security. Besides the sahukars, the state also borrowed money from the chaudhary of the village. In Kagad bahi there is a reference of loan for Rs.700 on the mortgage of ornaments. In another bahi there is a reference that 'etro gahono karkhane ro Sri Bikaner mahe adonno chh teri vigat' which means that the ornaments mentioned in the bahi were mortgaged.

121 Jama-kharch Va Lekha Bahi, No.222, VS. 1764/AD 1707, BR, RSAB.
122 Jagat re jama-kharch ri Bahi, No.78, VS. 1783/AD 1726, BR, RSAB.
123 Hasil Bahi, Bahi Khalse ri, No.62, VS. 1800-01/AD 1743-44, BR, RSAB.
124 Sawa Bahi, Mandi Sadar, No.5, VS. 1811/AD 1754, p.112; No.7, VS. 1814/AD 1757, p.112; No.4, VS. 1805/AD 1748, p.38, BR, RSAB.
125 Ibid., No.6, VS. 1812-13/AD 1755-56, RSAB.
126 Kagad Bahi, No.5, VS. 1838/AD 1778, BR, RSAB.
127 Ibid., No.4, VS. 1831/AD 1774, BR, RSAB.
128 Lekha Bahi, No.201, VS. 1758/AD 1701, BR, RSAB.
Poddar family records also provide information about state loans. Seth Mirjamal and Ajodhya Prasad of Delhi advanced a loan of Rs.90,350 and 2½ annas to Bikaner darbar in partnership. Further Bikaner state borrowed Rs.126,000 [Rs.350 per day x 360 days] from potedar Mirjamal Harbhagat and assigned income of certain territories to Mirjamal. It is given that the income received from these territories was deposited daily to the Poddars and interest was charged at one rupee per cent per month on reducing balance basis. The Bikaner Maharaja borrowed Rs.2,000 from Mirjamal Poddar on Chait Vadi 5, VS. 1885. Hakim Motichand of Churu borrowed Rs.3,402 from Potedar Harbhagat at Rs.2 per cent per month by assigning income of villages under his jurisdiction. Another reference is that Maharaja Surat Singh of Bikaner borrowed Rs.400,001 (Suratsahi) from Mirjamal and Harlal in partnership. A khat (written agreement or letter) for this loan was written on Bhadva Vadi 2, VS. 1884 which mentioned the rate of interest for Rs.256,000 borrowed in lump sum as Rs.2 per cent per month including hundawan and adhat. The balance amount of Rs.144,000 was borrowed during 12 months [Rs.400 per day x 360 days] and the rate of interest was Re.1 per cent per month for the loan repaid through Mandi income and Rs.2

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130 Ibid., pp.26-27. There was interests of many types such as simple interest, cumulative interest, reducing rate of interest, etc. Dr. Vasudevsaran had written about increases of six types - काल गुृद्धि, काफ़ीतिक गुृद्धि, चक्रवृद्धि, कालिफ गुृद्धि, शिखर गुृद्धि (अधिकांश गुृद्धि) और अधिमोह गुृद्धि - पा- का- प्रकारात्म, pp.272-73.
131 Khas Rukka dated Bhadva Sudi 6, VS. 1884/AD 1827, Poddar collection, Churu. Issued under the signature of Diwan Muhta Rao Abhai Singh to Potedar Mirjamal contains the details of the revenue assignment made to Mirjamal against the credit taken by the Bikaner ruler in VS. 1884. Quoted in Maru-Shri, January-June 1980, Churu, pp.16-17.
per cent per month for the loan repaid from income of other territories. Guarantee for the above loan was given by Purohit Hanutram Deepram. 132

There seemed to be a practice in all the former princely states that whenever the ruler of the state borrowed money from the banker, he generally mortgaged to him a part of his annual income of a particular area of the state. Hence, the loans were repaid through assigning state incomes to the bankers. There are references of loans raised against the income from various taxes such as 'jagat', 'hasil', 'ghoron ki sobat', 'mela upar', etc. For instance, Maharaja Gaj Singh borrowed a heavy amount of Rs.1,300,001 from the bohras of Marwar and mortgaged to them the revenue of pargana Jalore. Later on, this loan was repaid by Jaswant Singh. 133 But Jaswant Singh himself many times borrowed money from the various bohras and sahs. 134 He instructed Miyan Farasat, the diwan of Jodhpur that repayment of certain loans was to be made out from the hasil of pargana Jalore. 135 He further ordered that the agents of creditors coming to claim the amount would get daily expenses in kind (flour one seer and ghee). 136 State loan obtained from Seth Daya Ram Roop Chand was repaid from the sair income of Dariba, Nawa, Didwana, Parbatsar and Maroth by the Jodhpur state. 137 Sometimes, loans were also repaid from the treasury such as Seth Hira

132 Raznava Bahi of Nanagramji Mirjamalji, (Calcutta shop), VS. 1883-87/AD 1826-30, Peddar collection, Churu.
133 M. Nainsi, Marwar-ri-khyat, Jodhpur, p.185.
134 Hath Bahi, No.2, VS. 1820/AD 1763, pp.148-49, Jodhpur Records, RSAB.
135 Ibid.
136 Ibid.
137 Khäs-Rukka Parwana Bahi No.1, dated Chaitra Vadi 13, VS. 1847/AD 1790, Jodhpur Records, RSAB.
Chand was authorised to collect the money advanced by him through annual installment from the district treasury. Messrs Nand Ram Gulab Chand were reputed sahukars of Jaipur. In 1783 AD, they lent Rs.4,000 to Ahmed Khan Pathan Jagirdar of mauza Dungri Kalan, pargana Sawai Jaipur, on the security of the Jodhpur Darbar. Ahmed Khan agreed to part with one half of the hasil of the above villages to his bankers to repay the loan.

In Bikaner, the state generally borrowed money against jagat and bhachh income as these two were the main sources of the state income. The state borrowed money from the sahukars in 1778 AD by mortgaging income from 'ghora-ri-sobat' (tax income). There is no mention of any loan on this tax income before 1778 AD. It means that the state had adopted a new method for procuring additional loans. Further, a loan of Rs.1,775 was borrowed by the state from the sahukars against the income from fairs (mela-upar). In sawa bahis, there is mention of 'adh kar' (half tax) or 'zagat su adh kar' and 'sahukaro lekhe jagat ri chauthai' etc. It shows that loans of sahukars were repaid from tax income.

139 Parwana from Maharaja of Jaipur to Seth Nand Ram Gulab Chand Mahajan of Jaipur dated Magh Sudi I, VS. 1840/AD 1783, Draft Kharita and Parwana, JR, RSAB.
140 Sawa Bahi, Mandi Sadar, No.4, VS. 1807-10, pp.6-7; No.5, VS. 1822 pp.5 and 30; No.44, VS. 1841/AD 1784, BR, RSAB.
141 Ibid., No.21, VS. 1835-36/AD 1778-79, p.56, BR, RSAB.
142 Ibid., B.No.20, VS. 1833-34/AD 1776-77, p.8, BR, RSAB.
143 Ibid., No.4, VS. 1807-10/AD 1750-53, pp.6-7; No.5, VS. 1811 pp.8 and 30, BR, RSAB.
In Eastern Rajasthan, state loans were borrowed against all sources of income including land revenue (mal sayar va kul habubaiti). The state used to pay off its debt by assigning the right of land revenue to the bankers. The payment of dues through assigning land revenue and other tax incomes to the bankers does not imply that the diwan's office had made itself completely free. In fact, the diwan's office maintained the separate record of financial dealings with the bankers and merchants. The importance of this work shows the fact that the appointments in the revenue departments were made from the families belonging to the banking castes.\textsuperscript{144}

The Rajput rulers of Rajasthan followed the practice of appointing bankers and moneylenders – mahajans or sahs – in the office dealing with the revenue both at the pargana and the state levels. Although, this was not a new practice, it became more widespread during the 18\textsuperscript{th} century. A study of the documents belonging to Diwan Hazuri of Amber state and jama-bandi of Jodhpur state makes it clear that mahajans or sahs were occupying the offices of potedar, Amil and Amin almost in all the parganas of Amber and Jodhpur.\textsuperscript{145} Some of them also worked as ration suppliers and pay masters to the state army and were known as modi. There is evidence that the families of the mahajans practically monopolised offices in the revenue administration in different parganas; and appointments were generally made on the basis of kinship ties with existing

\textsuperscript{144} G.D. Sharma, 'Indigenous Banking', op. cit., pp.432-41.
\textsuperscript{145} Diwan Hazuri and Amber Records provide information on appointments of the revenue officials pargana-wise.
The appointment of potdars at pargana level was for keeping a direct link with state credit operation. It seems that the state took up the responsibility of refunding the credit taken by the state officials or nobles if not legally but morally. There had been a great deal of creditability of the state and even an official of lower cadre could get money on credit at a distant place.

Generally, state loans were taken in cash from the bankers but the state also borrowed in kind on some occasions. In 1787 AD sirbandhi (retainers entitled to irregular salary from the state) were given bajra borrowed from the sahukars. In Bikaner, cash loans were also taken in 'Hath Udhara' terms which means short term emergency loans. Hath Udhara was an interesting method of lending money in which the credit was given entirely by word of mouth on both sides, no written documents being used and no witness being present. No written chits were demanded; hence it was restricted in its use to loans for very brief periods and to persons whose credit stands very high and who were intimately known to moneylenders. People usually swore by the sun or the moon or their children and such oaths may never be broken, as it was solemnly promised.

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147 Letter dated Phalgun Sudi 13, VS. 1715/AD 1658 written by Pir Mohammad to the Diwan indicates that an official of Mirja Raja exhausted all the money while he was on his way to Amber from Kabul. He borrowed a hundi for Rs.300 at Peshawar from Shah Ramchand and encashed it later. In his letter written to the Diwan he requested him to pay the amount on demand to the Shah of Peshawar at the rate of 10%.

148 Jagat Bahi - Mandi re jama-kharch ri Bahi, No.43, VS. 1845/AD 1788, BR, RSAB.

149 Hath Udhara literally means loan by hand.
believed that the sin of default may cause the greatest disaster. An amount of Rs.129 was borrowed from Ojha Radhakishan in 1745 AD on hath udhara. Further, an amount of Rs.200 was borrowed on hath udhara terms in 1780 AD from Bonthia Bhivrajot. In hasil and Jagat bahis also there are references of hath udhara loans such as a loan of Rs.925 was taken on hath udhara in 1750 AD from Acharaj Raganath.

Sometimes, due to poor financial position, the state was not in a position to repay loan as per agreement. Hence loans were repaid in installments. The state loan of Rs.400,001 borrowed from Mirjamal in 1827 AD was finally returned in 1885 AD due to poor financial condition of the state. Table number III.2 brings together information on some of the loans contracted on behalf of the state and rulers in Rajasthan.

It appears that by the end of 17th century the Kota chiefs had developed a phenomenal dependence upon the merchants for maintaining the regalia itself. For instance, in 1684 AD Rs.201 had to be borrowed for the ritualistic expenditure required on the barsi (death anniversary) of Maharaja Jagat Singh. The dependence of Kota chiefs on moneylenders had increased even

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150 L.C. Jain, Indigenous Banking in India, op. cit., p.63.
151 Sawa Bahi, Mandi Sadar, No.2, VS. 1802/AD 1745, BR, RSAB.
152 Ibid., No.22, VS. 1837/AD 1780, p.9, BR, RSAB.
153 Hasil Bahi, No.65, VS. 1808/AD 1750, BR, RSAB.
154 Letter dated Kati Sudi 15, VS. 1888/AD 1831, Poddar Collection, Churu.
155 Raznava Bahi, Jindaram Mirajamal (Churu), VS. 1897-1947/AD 1840-90, Poddar Collection, Churu.
156 See, entry of jama from the patras of bohrs, Toji jama-kharch, VS. 1741, Bhandar and Basta No.1/5, Kota Records, RSAB.
further as a result of participation in the military campaigns which made the
services of bohras and sahs necessary to send money from Kota to Deccan for
chief's expenditure and to Delhi, Agra, Ajmer etc. for securing the ijaras through
hundis.\textsuperscript{157} As a result of these new requirements Ram Singh borrowed
Rs.159,919 in 1701 AD from the local and the Gujarati boharas.\textsuperscript{158} Such
borrowings to meet the fiscal exigencies appear to be a normal phenomenon in a
state, which had to depend upon seasonal collections, but it was gradually
getting transformed into perpetual indebtedness. A large part of the borrowed
money had begun to go towards settlement of accumulated debts. Information
available for about five weeks in 1684 AD shows that almost half of the money
borrowed from bohras had been adjusted against the previous debts from the
same bohra. In one case, out of a patra of Rs.4,000, only Rs.1,192 was actually
deposited with the potedar and Rs.2,666 were adjusted against an earlier patra
while Rs.142 were deducted by the bohra as nirai.\textsuperscript{159} Out of Rs.9,000 borrowed
in these five weeks, only Rs.4,645 reached the treasury, the rest being adjusted
against the old debts or deducted as nirai.

The borrowings by Kota chiefs continued to increase in the later half of the
eighteenth century because of an increased expenditure on army and the
recurring Maratha demands for money. By the year 1779 the accumulated debts

\textsuperscript{157} Bohron-ke-patra, Bhandar and Basta No.1/37, 38, VS. 1741, Kota Records, RSAB.
\textsuperscript{158} Teriz-Melovni-ki, Bohron-ke-patra, VS.1758, Bhandar and Basta No.1/37, Kota Records,
RSAB.
\textsuperscript{159} Toji jama-kharch, VS. 1741, Bhandar and Basta No.1/5, Kota Records, RSAB.
of the state stood at Rs.1,598,345.\textsuperscript{160} There is evidence of further borrowings in the subsequent period. In 1782 AD Mahadji Sindhia was paid Rs.135,000 against an installment of panchsala khandani. In 1789 AD he again sent a demand of Rs.50,000.\textsuperscript{161} In such a situation the Kota chiefs had little options but to resort to fresh patras each time. In one case Rs.200,000 were raised from a single sahukar to meet the Maratha demand.\textsuperscript{162} As a result there was a growing dependence upon merchants and moneylenders.

The merchants who were lending money to the darbar (ruler) were often extended various privileges in return. A Nadwana bohra had been given mauza Bambuli in 1662 AD, but no further details are available about this grant to ascertain its nature.\textsuperscript{163} There are a number of instances of granting villages to the bankers and traders as mark of favour. Bohra Ramkishan Das was given mauza Sidhpura in tafa Madhukargarh as well as sukhpal (palanquin) in 1680 AD, which was deemed to be a social privilege.\textsuperscript{164} These favours had been bestowed in order to resolve the misunderstanding, which had cropped up between the state and the bohra and with an undertaking that henceforth the bohra would lend money as and when required. Another bohra Anantji Amarchandji Gujrati was granted an elephant with all its ornaments and a jhul (a decorative cover placed on the elephant) as well as takht-rawan (a regal seat

\begin{footnotesize}
\begin{itemize}
\item[160] Bohron Ke Kateta mal, VS. 1828-40, Bhandar and Basta No.16/1, Kota Records, RSAB.
\item[161] Mahadji Sindhia ki Khirni, VS. 1839, Bhandar and Basta No.1/115, Kota Records, RSAB.
\item[162] Khate zat talik, VS. 1846/AD 1789, Basta and Bhandar No.3/68, Kota Records, RSAB.
\item[163] Jagat Singh's parwana to patel patwari M. Bambula; Bhadwa Sudi 4, VS. 1719 contained in Folios, Kota Records, RSAB.
\item[164] Ram Singh to bohra Ram Kishan Das, VS. 1737, Folio, Kota Records, RSAB.
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\end{footnotesize}
carried on men's shoulder) by Ram Singh. The motives of the bohras behind such lending cannot be inferred from the available evidence but it certainly enhanced their social status and secured their entry into the privileged social circle.

It appears from the details of such lending that the rate of interest was negotiable. There was considerable difference in the rate of interest on the money borrowed from different bohras and at different time points. Ram Singh was able to woe the Gujarati bohras to lend him money at about 4 per cent in 1701 AD whereas the local bohras were lending money to the Kota chiefs at the rate of 11 to 12 per cent per annum. After 1703 AD the interest rate had been raised by the Gujratis, although, the hike was not uniform. In these loans advanced after 1703 AD most of the bohras were charging interest at the rate of 14 to 15 per cent but the range of variation was from 6.50 per cent to 37 per cent.

Thus, the rate of interest fluctuated with the availability of surplus money as well individual assessment about the client. Since, the Kota chiefs had become heavily indebted by now, some of the bohras were perhaps a little hesitant in lending more money. Consequently, the rate of interest had been raised, making it difficult for Ram Singh to raise money from the market. Indebtedness of the Kota chiefs at that time had reached a point that when in 1703 AD one of his wives died, her silver vessels were handed over to the

165 A note contained in Bohro-ke-patra, Bhandar and Basta No.1/38, Kota Records, RSAB.
166 Teriz melovni-ki, VS. 1758, Bhandar and Basta No.1/37, Kota Records, RSAB.
bohras to settle her personal borrowings, to whom some of these had already been mortgaged in her life time.\textsuperscript{167}

The links between the merchants and the state turned particularly advantageous to the former with the growth of the practice of assignment of revenue in tankhawah for repayment of state debts as well as involvement of mahajans and sahukars in revenue farming had given them a direct access to the agrarian surplus. In the later half of the 18\textsuperscript{th} century mukata had also become an acceptable mode of repayment of loans advanced by the merchants to the state, known as tankhwah and gharu mukata. Pandit Sankaraji had 75 villages in eight parganas in mukata against his patra of Rs.1,500,000.\textsuperscript{168} Similarly, Chiranji Lunkaran Mehta Manik Ram had 34 out of 44 villages in Mukata in pargana Baran against the patras.\textsuperscript{169} Pandit Ram Chander had 13 villages of pargana Suket in his mukata,\textsuperscript{170} which were assigned back to him in his tankhwah. Pandit Narhar Rao had villages of various parganas in his gharu mukata.\textsuperscript{171} Revenue farming at this scale was unprecedented. It gave new opportunities, role and position to the bankers in agrarian economy. Many of

\textsuperscript{167} Toji, VS. 1760, Bhandar and Basta No.1/38, Kota Records, RSAB, when Chandrawatji died she had an outstanding of Rs.971 from various bohras therefore her silver was given at the rate of Re.1 per tola to these bohras.

\textsuperscript{168} Umed Singh to Gumashta of Pandit Sankara Ji, Sawan Sudi 11, VS. 1836, Khata Mukata, Bhandar and Basta No.1/62, Kota Records, RSAB.

\textsuperscript{169} Mukata of pargana Baran, Sawan Vadi 11, VS. 1840, Khate, Bhandar and Basta No.3/1, Kota Records, RSAB.

\textsuperscript{170} Umed Singh to Gumashta of Pandit Ramchandra, Asoj Sudi, 10, VS. 1843, Khate, Bhandar and Basta No.1/66, Kota Records, RSAB.

\textsuperscript{171} Umed Singh to Pandit Narhar Rao's Gumashta, VS. 1841, Bhandar and Basta No.3/1 Kota Records, RSAB.
these mukatas were given for 5 to 7 years duration or even instimirari.\textsuperscript{172} The mukata villages were assessed at a concessional rate and exempted from various cesses.\textsuperscript{173}

Further, as it had been seen the state used to pay off its debt or make payment of the amount given in the hundi by the bankers by assigning them the right of land revenue, the process of investment in revenue collection commuted into cash started. The bankers combined money lending and banking with grain trade. Further, the land revenue which formed the largest part of the state finance was partly collected in cash and partly in kind, a practice which was prevalent in Rajasthan. The process of acquiring land revenue in cash necessitated the presence of a middleman who could make this requirement fulfilled through purchasing state share of grain and thus enable the local revenue officer to commute land revenue into cash. The presence of the mahajan or the representative of the bohra or sah at the time of collection of land revenue testifies their importance at the smallest operation of the money transaction. In the absence of the mahajan or gumashta (agent) of the sah, the encashment of land revenue was delayed.\textsuperscript{174} The revenue officers took the

\textsuperscript{172} Mukata of mauza Kanwarpura, pargana Nandgaon, Mauza Ghoiri, tafa Arankheda, 4 villages of pargana Delanpur, mauza Barur, pargana Nandgaon were given in 'asatmurari' or istamarari mukata, to Chiranji Lunkaran Mehta Manikram. Several other villages were in similar mukatas of various merchants, it seems that after giving mukata for 3 to 7 years when the revenue reached the normal level than it was converted into in istamarari mukata, khate, VS. 1846, Bhandar and Basta No.3/3, Kota Records, RSAB.

\textsuperscript{173} Pandit Ramchandra had 20 gharuhalas in the villages of pargana Suket which were in his mukata, these halas were to be assessed at 1/4 bata and exempt from bighori and jamdari cesses, Umed Singh to gumashta of Pandit Ramchander, VS. 1842, Bhandar and Basta No.3/1, Kota Records, RSAB.

\textsuperscript{174} Letter written by Girdhar to Diwan Kalyan Das dated Phalgun vadi 14, VS. 1721/AD 1664, No.69/341, Amber Records, RSAB.
initiative in inviting the banias (trader-cum-moneylenders) to purchase the grain though they could not be forced to do so.\textsuperscript{175} It was at this stage that the process of investment and profit started. The merchants purchased the state share of land revenue at the end of each harvest.\textsuperscript{176}

Another sphere of the state-banker interaction which altered the pattern of investment of the accumulated merchant capital was in the system of 'ijara' (revenue farming). In the 17\textsuperscript{th}-18\textsuperscript{th} century North-India, the indigenous bankers were closely connected with the great families of revenue farmers, giving them advances on the security of their holdings.\textsuperscript{177} The eighteenth century Rajasthan saw some significant developments in the revenue farming system, one of which was that the 'ijara' had become a widespread practice for collection of revenue in the agricultural and non-agricultural sectors (like mapa and rahdari) of the economy. The system of revenue farming was an integral part of Islamic system of taxation and served as a variety of functions ranging from a mechanism of political incorporation to a fiscal arrangement to encourage the restoration and expansion of cultivation.\textsuperscript{178}

There are references which show that ijara could be granted either for land revenue or for entire sources of income of the states such as mukata of total custom of Kota state was granted to Sah Kani Ram in Rs.19,636, 14 annas and

\textsuperscript{175} Letter written by Akhai Raj to Diwan Kalyan Das dated Maha vadi 4, VS. 1721/AD 1664, Amber Records, RSAB.

\textsuperscript{176} Likhtang dated Vaisakh vadi 7, VS. 1717/AD 1640, JR, RSAB.


2 paise in 1891 AD.\textsuperscript{179} Papers reveal that the mahajans and bohras even tried to take ijara from those, who had already engaged for it, promising to pay a large amount.\textsuperscript{180} The chithis of Jaipur, which contain likhtangs and qabulavats and the kagad and sawa bahis of Bikaner tell about terms and conditions of ijara contract between ijaradar and the states.\textsuperscript{181} Ijara was granted to the highest bidder and could be granted for one or more years. The ijaradar was required to pay a fixed amount in installments as stipulated in terms of contract. Mukata papers of Kota and other states of Rajasthan provide information according to which ijara could be granted of a village and more than one village or pargana to the ijaradar.\textsuperscript{182}

The large scale use of 'ijara' in the second half of eighteenth century, in all spheres of revenue, including 'khalisa' territories and the more direct role played by the Mahajan-sahukars in the process of revenue collection was a new phenomena.\textsuperscript{183} Khalisa lands were frequently given on 'ijara' to the Mahajans. These developments seem to have originated as a result of political instability

\textsuperscript{179} Khatool Ahalkaran dated Asoj Vadi 8, VS. 1691/AD 1634, No.14, JR; dated Asadh Sudi 11, VS. 1751/AD 1694, No.186; dated Phalgun Sudi 9, VS. 1753/AD 1696, No.244; Arzdasht dated Mighsar Sudi 12, VS. 1739/AD 1662, No.25; Chithi to the amil, pargana Chatsu, dated Sawan Sudi 14, VS. 1810/AD 1753, JR; Kagad Bahis dated Chait Vadi 14, VS. 1820/AD 1773, No.3; dated Kartik Vadi 10, VS. 1839, No.6, BR; Zakat-ke-Jhadey zaheey of Kota, VS. 1891/94/AD 1834-37; Basta No.21, Bhandar No.14, RSAB.

\textsuperscript{180} Girija Shankar Sharma, 'Sources on Business History of Rajasthan (18th-19th Century)', Abhilekh, No.4, 1982, p.40.

\textsuperscript{181} Likhtang of Jaipur dated Bhadwa Sudi 3, VS. 1811/AD 1754; Kagad Bahi, VS. 1827/AD 1770, No.6, BR; Daftari File of Jodhpur, File Sayar Mahsul-va-Ijara, No.135 and 136, Jodhpur Records, RSAB.

\textsuperscript{182} Girija Shankar Sharma, 'Sources on Business History of Rajasthan', op. cit., p.41.

and was repeatedly followed as the Maratha's demands for cash went on increasing.

The state practice of granting 'ijara' on a large scale attracted a large number of sahukars and mahajans. In fact this practice provided enough space to these groups, who had resources at their disposal, who could make investment and had a close knowledge of the agrarian conditions and the revenue paying capacity of the area. This was a significant departure from their earlier role that was limited to standing surety (zamini) for the 'ijaradars' bidding for ijaras. The 'ijaradars', even the big and influential zamindars and jagirdars bidding for 'ijara', had to furnish the surety (zamini) of a banker. The chances of winning the contract greatly depended on the standing of the bankers, who used to stand bail for the entire amount. 184 For instance, in pargana Chatsu in 1754 AD, when the 'ijara' was given for Rs.99,896 and 6 paisa, surety was provided by a sahukar named Balkrishna Moti Ram. 185 Similarly in pargana Sambhari in 1756 AD, when 'ijara' was taken by trader Janki Das Aggarwal, the surety (zamini) was provided by Loonkaran Natami. 186 In 1704 AD, the 'ijara' of Mauza Newta and Khoh was given to Narain Das Gujar for Rs.12,138 by taking the surety of son of Hemraj Mahajan. 187 In return those sahukars and Mahajans, got
a share in the profit of 'ljaradars' which could have been substantial and appears to have been based on the customary rates and degree of risks involved. 188

In the second half of the 18th century these sahukars and Mahajans also started investing their money in obtaining the 'ijara' for themselves. 189 There was a keen competition among them for acquiring large tracts in 'ijara'. 190 In one instance of pargana Chatsu in 1754 AD, a trader Jiwan Ram Sodhi Ram took the 'ijara' for Rs.99,896 and 6 paise, payable in two installments. 191 Similarly, Janki Das Aggarwal of pargana Sambhar took 'ijara' for Rs.97,291. 192 It appears that taking 'ijara' was considered by them as profitable investment. They even pledged for resumption of 'ijara' from those who had already taken, by promising to pay a huge amount. Some of them also tried to get the 'ijara' contract through influential officers. For instance, Mohan Ram Inder Chand requested Singhi Jeev Raj, the Diwan, to convince Maharaja to grant them ijara of two tallukas of pargana Khandela for a sum of Rs.69,000 and Rs.5,000 was to be offered as 'nazrana' to Maharaja. They estimated the jama of these tallukas to be about Rs.100,000, but requested their correspondent not to disclose it to Maharaja. 193 Thus it appears that sahukars and Mahajans were taking well calculated steps in getting 'ijara'.

188 D. Singh, State, Landlords and Peasants: Rajasthan in the 18th Century, Delhi, 1990, p.130.
189 Chithi to Sah Ram Kishan dated Bhadwa Sudi 11, VS. 1810/AD 1753, JR, RSAB.
191 Yaddashti ijara, Pargana Chatsu, VS. 1811/AD 1754, JR, RSAB.
192 Yaddashti ijara, Pargana Sambhar, VS. 1813/AD 1756, JR, RSAB.
193 D. Singh, 'lijara System', op. cit., p.64.
The sahukars and mahajans continued taking the ijara of minting, mining and 'mapa rahdari'. For instance, trader/banker Jewan Ram took the ijara of 'taksal' of qasba Sawai Jaipur for 392 gold mohars and Rs.21,679, which was an improvement of 392 gold mohars and Rs.2,526 as the earlier ijara was fixed at Rs.19,153.194 Similarly, the rahdari of pargana Toda Bhim and Hinduan was given on ijara for Rs.15,001 to Ratan Chand Mahajan for a period of one year.195 In the same year the rahdari of Narnaul was farmed out to Pem Raj Joshi and Rudmal Patni for Rs.12,042, for a period of one year.196

Thus we see that the system of revenue farming (ijara) as was prevalent in our period, especially in the second half of the 18th century, had the immediate advantage of providing the state a stable income to buy peace from Marathas and at the same time devolving upon the ijaradars the risks of production shortfalls. This change in the policy of the state regarding the system of revenue collection, underlines its inability to command its resources in a period of prolonged crisis. This change in the character of the 'ijara' in the second half of the 18th century, can be explained as an institutional means to tap the resources of men with capital and transfer the claims of state's creditors to the revenue farmers. Also the available evidences from our region suggest that even the urban based traders and bankers speculated in revenue farming and had close

194 Yaddashti ijara, pargana Sawai Jaipur, VS. 1813/AD 1756, JR, RSAB.
195 Arzdasht Rahdari, Pargana Toda Bhim and Pargana Hinduan, VS. 1820/AD 1763, JR, RSAB.
196 Ibid.
knowledge of the revenue paying capacity of the land.\(^{197}\) In Kota also
dependence of chiefs on moneylenders had increased for securing the ijaras. As
a result of this new requirement Ram Singh had borrowed Rs.159,919 in 1701
AD from the local and Gujrati bohras.\(^{198}\)

Having examined indigenous banking, we may now sum up the main
features of indigenous banking. With regard to their efficiency and accuracy,
indigenous bankers held a unique position. Their being available at all times,
free from formalities and delay, made them popular among their customers. The
other thing which is brought out by the foregoing analysis is that the indigenous
banking system hardly constitutes 'banking' as it is understood in the modern
monetary world. Indigenous banking has comparatively little of deposit and
discount business or dealing in other people's money, which is the unfailing
characteristic of modern 'banking'. On the other hand, indigenous banking was
largely the lending out of one's own money. In other words, it was mostly
'money-lending'.

Moneylenders and bankers formed a highly specialised commercial group
in Rajasthan practising money lending and usury. They were also engaged in
money changing, issuing and discounting hundis, insurance and trade.
Generally, the banking profession was adopted by the bania community but other
castes were also engaged in this profession. These bankers were providing

\(^{197}\) D. Singh, 'State, Landlords and Peasants', op. cit., p.188.
\(^{198}\) Teriz-Melovni-ki, Bohron-ke-patra, VS. 1758/AD 1701, Basta and Bhandar No.1/37, Kota
Records, RSAB.
loans and advances to the private persons, officials, rulers and the state. The state and rulers were heavily depended on these bankers for their financial requirements during war, famine and scarcity. In return, the rulers provided patronage and protection. The involvement of sahukars and mahajans in ijara was a marked feature of the process of the accumulation of capital. It was a new sector of capital investment. The ijara found favour with the bankers as it proved lucrative and highly profitable.

THE INSURANCE SYSTEM

Insurance business is not new to India. The sarrafs instituted a well-developed insurance or bima (Arabic Persian term) system that made India the sole country outside Europe where such a system existed in the seventeenth century. In 1655 AD, one could send cochineal from Surat to Agra, insured at a premium of 2.5 per cent and similarly get cash from Masulipatan at 1 per cent for insurance. Even ships and their cargo be insured; and there was an indigenous practice of bottomary called 'avog'. Even the English East India Company took the precaution of insuring its ships with the Surat sarrafs on voyages within the Indian Ocean, especially in troubled times.\(^{199}\) It may be treated as a proof of the development of Indian commerce in the 17th century that there existed a well-organized insurance system.\(^{200}\) It was regarded as part of the preserve of the sarrafs who usually undertook the functions of the insurers. Merchants and

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199 Shireen Mossvi, 'Trade in Mughal India' in Indian Business Through the Ages, FICCI, 1999, p.76.
200 One of the important insurers of that time was Virji Vohra of Gujarat.
traders from Rajasthan (princely states of Rajputana) were behind none others in this respect. In the 17th-18th centuries there were many insurance firms, which operated insurance business in Rajasthan and other parts of India.

The private and government records relating to insurance business which were compiled either by businessmen during their business transactions or during the government transactions are found in the form of bahi, chitti, parwana, etc. Since mainly private persons conducted indigenous insurance business, hence maximum number of references for insurance transactions are found in the private records due to this reason, the present chapter is written on the basis of information collected from private sources, although, at some places archival sources are used. One of the private well-known business house of Rajasthan was Poddar family of Churu. This family was active in the field of trade, with an adequate coverage for risks during the 18th-19th centuries. In the bahis of Poddar, Jokhim related information is available only from the latter half of the 18th century. For instance, in the bahi started from 1797 AD there are references of jokhim of Rs.5,000, Rs.3,800 and Rs.7,500.

Initially, in all the documents of the Poddar family, 'jokhim' or 'jokhun' word was used but later on (from 1826 AD), there is mention and use of 'bima' word in

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201 During the 17th-18th centuries, it was quite difficult and risky to send valuable goods safely from one place to another and risk taking for such goods was also considered as a courageous job. In this regard, Johrimal Sarawagi, a poet of Churu has written that:

'जोखिम है तोह का चांग, नहीं मर्यादा खील'


202 Bahi No.S.302, dated Mighsar Sudi 15, VS. 1854/AD 1797, Poddar Collection, Churu, p.4.
These records bring into focus many aspects of insurance business, such as nature and extent of insurance business, commodities involved and the rate of insurance fee or premium charged by the Marwari insurance firms or companies, etc.

We can well imagine the scenes which have been covered in almost dry narrative and accounting details in the bahis of the party. We can also imagine the risk involves of losses or damages in transition, due to fire or because of sinking of boats in the river or due to raids of bandits and dacoits or due to sudden flare-up of warfare etc.

The 18th-19th century records of business houses of Rajasthan, witnessed the presence of Marwari community, who played a dominant role in trade and commerce activities in India. Till the early period of 19th century, the trade and banking business was their favourite field of investment but later on some of the Marwari firms mainly indulged in inland, provincial and inter-provincial insurance business along with their banking and trading pursuits. In all the places of India, insurance business of Marwaris was conducted in the name of jokhim or hunda-bhara (risk-cum-transportation charges). In the available records there is no reference of any person or firm, which was solely engaged in insurance business rather there are references of many persons/firms who carried on insurance business as a subsidiary activity. Further, it is evident from business

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204 H.H. Wilson, A Glossary of Judicial and Revenue Terms, London, 1855, p.212. It defines hunda-bhara as the "the contract for the transportation of goods or the like, in which all duties and charges are included."
records of Poddar family that Seth Mirjamal (1797-1848 AD) was a respected merchant, banker and insurance man of his times.

Insurance (also known as jokhim contract) was a guarantee to take responsibility for the transfer of goods and cash. It is a written contract in which on the happening of the event mentioned in the insurance deed, the insurer takes the responsibility to compensate the insured person for a specified amount. The insurance contract was based on the mutual understanding of both the parties which mentioned the name of the parties, amount and details of goods insured, fee or premium, destination point and date etc. In case the insured goods were destroyed or lost before reaching the destination point partially or fully, the insurance firm was held responsible to compensate for the amount mentioned in the contract. The Marwari firms provided insurance on transported goods in order to cover the risk against banditry and other natural calamities. These firms provided insurance to the concerned party by issuing an indemnity letter written in Rajasthani dialect assuring that 'Tati Silly Chori jori ke jimmewar Hum Hain', which means they took entire responsibility of the commodity having been destroyed by water or fire or its having been lost by stealing or snatched away through physical force. Thus, the indigenous insurance system covers the risks due to rainfall, floods and water journeys or fire hazards, theft, fraud,

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206 Letter No.276, Viswanath Poddar Collection, Nagar Shri, Churu.
dacoity and plundering. If there is any loss or damage to the insured goods by whatever reason, this loss has to be compensated by the insurance firm.

The usual practice was that under the system called jokhim-hunda-bhara, insured goods were entrusted to the transporters in their transport bahis or other means. The insurance firm transferred the goods or cash through their own means of transport. For instance, a jokhim-hunda-bhara contract for goods of worth Rs.2,598 was undertaken in Farrukhabad for 2½ months by Mirjamal-Harbhet, total weight of goods was 4 maun and 8 seer, rate of jokhim was 10 annas and hunda-bhara was Rs.7.5 per maun. This practice had become quite common. Even the small traders covered their goods in transit according to their capacity though the big traders with ample resources or funds and with the help of their own agents or branches carried out their business in a more systematic manner. From the business papers of Mirjamal Poddar of Churu, an inference can be drawn that an owner of an insurance firm provided insurance to different traders or their merchandise goods worth many lacs of rupees from Calcutta branch only during the years 1826 AD to 1830 AD. The Nondh bahi of Jindaram Mirgamal (VS. 1871-74) for Bombay shop gives description of hunda-bhada of Rs.1,552 which was charged by Mirjamal from trader through his Bombay branch, whereas Lekhapat bahi (VS. 1884) of Mirjamal Magniram

207 Letter No.S.1485, dated Mighsar Vadi 12, VS. 1882/AD 1825, Poddar Collection, Churu.
(Delhi shop) mentions about Rs.295, 4 annas and 2 paise, which were entered in the bahi on account of hunda-bhara.  

Insurance seems generally to have been undertaken in respect of goods in transit and of ships. There is no evidence that houses were insured and there was, of course, no life insurances. The insurance of goods on transit seems to have been of two types. Under one arrangement the insurers took custody of the goods and arranged for their conveyance themselves. As Sujan Rai tells us "if merchants from dangers on the routes entrust their goods and merchandise and other property and baggage to them (the sarrafs), the latter, taking their recompense, convey the goods to the appointed place and hand them over to the owners. In the language of these people it is called bima." In the English records also there is a reference to this kind of insurance. In 1662 AD the factors at Surat unable to make their own arrangements for purchasing goods at Agra and bringing them down in time for their ships, 'consulted with several sherroffes for the provision of said goods on bemah or ensurance." Then there was insurance in the proper sense of the word, i.e. without any obligation on the part of the insurers to take custody of the goods insured.

Sale-purchase procedure of insurance was general and quite simple. Either any official forms, stamps, witness, guarantee neither any long and complex formalities were required for this. The whole activity was based on

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210 Lekhapar Bahi of Mirjamal Magniram (Delhi shop), VS. 1884/AD 1827; Govind Aggarwal, Potedar Sangrah Ke Aprakasit Kagjat, Churu, 1976, p.9.

mutual understanding, faith and goodwill. In brief, the insurance procedure included: Jokhim ki Chithi (letter of insurance) and nondh of goods insured.\textsuperscript{212}

Jokhim ki chithi is the first contract between the two parties for the sale-purchase of insurance. The chithi mentioned the details of the goods insured, destination point, name of the concerned parties and date of the contract, etc. The insurance firm handed over this chithi to the owner of goods insured and recorded the brief details in the bahi. After giving this chithi, the firm became liable for the risk and compensation. Generally, this chithi cannot be revoked and if revoked then 'firoti' (a fine) was charged. For instance, a jokhim of Rs.3,750 was taken from Churu to Amritsar at the rate of Rs.5 and 12 annas per cent. The chithi was revoked and a firoti of Rs.11 and 8 annas was paid.\textsuperscript{213}

Although it was not compulsory for the parties to have a written agreement but it was required by the owner of goods to have the chithi in written form so as to avoid future disputes regarding insurance. Otherwise the insurance firm can avoid the liability on the ground of proof. For instance, a jokhim ki chithi for Rs.23,000 in the name of Sunderdas Harpatrai was written on Kati vadi 2, from Amritsar to Farukhabad. The gross rate of jokhim including adhat and dalali was rupees 2/-, annas 5 and one taka per cent. Dalali belonged to Fakirchand.\textsuperscript{214}

Further in the same bahi another chithi for the jokhim of Rs.9,600 from Amritsar

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212 H.H. Wilson, \textit{A Glossary of Judicial and Revenue Terms}, op. cit., p.380. It defines nondh as 'a note-book, a memorandum, a bill-book in which articles are entered in the order sold'.


214 Raznava Bahi of Nanagram Mirjamal (Calcutta shop), VS. 1883-87/AD 1826-30, Poddar Collection, Churu, p.69.
to Jagadhari in the name of Indersen Murlidhar was written on kati vadi 5, by 9 partners. The gross rate of jokhim including adhat and dalali was rupee 1/-, annas 7 and taka one per cent. 215

The next step in the insurance process was 'nondh' of goods insured. The insurance firm became liable for compensation only after nondh in which the owner of the goods insured gave full details regarding insured goods to the insurance firm. The nondh was done either on the backside of the chithi or on a separate invoice. In both the cases, details of the nondh were copied in the bahi by the insurance firm.

In case, the insured goods were destroyed and lost completely, then full price and amount of the insured goods was compensated. On the other hand in case of partial loss, compensation had been according to a certain percentage linked to the degree of loss or damage known as 'bararh'. For instance, in one bahi there is mention that goods worth Rs.2,000 were insured and sent through a ship. Due to some reasons, the goods were destroyed partially and the bararh was fixed at 75 per cent. Hence, an amount of Rs.1,500 was paid by the insurance company for the goods lost. 216

The insurance contract also specified the time called 'thik' within which goods must reach the destination point. Either number of days was given or the date was specified in the insurance deed. If there was any delay then the insurer was responsible to pay interest on the insured amount as per the agreement for

215 Ibid.
the delayed time period. Generally, this rate was varying between 6 annas per cent to 8 annas per cent per month.\footnote{217 Bahi No.S.161, VS. 1874-77/AD 1817-20, pp.117, 142, 215-20; Bahi No.S.23, Sawan Sudi 10, VS. 1883/AD 1826, Poddar Collection, Churu, p.310.}

Available records also provide information about the time period within which the compensation was paid. Generally, it was paid within a reasonable time after occurrence of loss.\footnote{218 Letter No.S.780 written to Bombay Branch dated Bhadva Vadi 3, VS.1883, Poddar Collection, Churu..} There are also certain instances when a specific time was fixed and pre-decided for making payment of compensation. Even after this, if payment was required urgently, then it was paid immediately in cash by the consent of both the parties, after some deductions. For instance, a contract of insurance was undertaken by the Bombay branch of Mirjamal Poddar for goods worth Rs.18,500 to be sent from Bombay to China. The insured goods were destroyed fully and as per the prevailing tradition and custom of Bombay half amount of compensation was paid within three months and the remaining amount in the next six months. In this regard a letter was written, stating that compensation would be paid immediately after deducting discount at Re.one and 4 annas per cent.\footnote{218} 

The records relating to jokhim and hunda-bhara throw light on the persons involved in the insurance business and the mode of transportation of insured goods. Besides the members of the family or merchants themselves or their munims and gumashtas there were a whole lot of other intermediaries and middlemen, who were involved in the trading operations like the dalal, adhati, the
qasid (or messenger), chadadar (loader), chowkidar (watchman). Besides there were, those who help to carry and transport the goods from place to place or from the point of dispatch to the destination such as the boatsmen, cartsmen, camelmen, bahngiwalas or those who carried goods strung from both end of the carrying poles out across their shoulders. Among the communities and castes there are references about Brahmanas, Jats, Charan, Gusains, Rajputs, Lavan, Brijwasi, Jogi, Kotwals, Rebaris and Muslims, etc., in short men from different castes and communities. Persons of these castes contracted with insurance firms for carriage of goods from one place to another. Long strings of bullock carts and carvans of camel were on the move day and night, while along the navigable waterways there were boats laden with goods. Trade and transportation were a plenty.

Poddar papers also provide information on the mode of transportation of insured goods. Marwari insurance firms employed a large number of camels and carts along with armed guards for transporting the insured goods from one place to another place. The Poddar papers of hunda-bhada made a mention of camels which were loaded with insurance goods to carry them on the route of Bhawnagar to Jalpur. The parwana of 23rd May 1835 refers to Hulashi Ram,

220 Girija Shankar Sharna, 'Sources on Insurance Business in Rajasthan during 19th Century', op. cit., p.4. It gives details of camels, who carried the insured goods -- Jaipur Ne Ghalo Ramdhani Hazarimal Key Oonnth (Camel) Sagi Pilan Key Thara Mahi Ghaldia.
munim of Seth Mirjamal Poddar of Churu, whose boatmen Kadar Bux carried the goods from Ludhiana to Katmanthan through river Sindh-Sutlej.\(^{221}\)

Sometimes, in insurance contracts, hundis were used for safe transfer of cash money from one place to another rather than carrying cash physically on the camels or bullocks carts. In such cases, the insurance firm issues a hundi for the insured amount of cash to its co-branch at the other place. An agent of the co-branch purchased currency of required type from market and delivered it to the payee or receiver. For instance, the Bhiwani branch of Poddar house purchased Jokhim of Rs.2,650 (Kaldar rupaya) from Bhiwani to Jaipur at the rate of Re.0.75 per cent. The Bhiwani branch transferred the money through a hundi purchased at the rate of 2.25 per cent to its Jaipur branch. In Jaipur, the rate of discount (batta) was Rs.3 per cent on Kaldar rupaya. Thus, in this process, the insurance firm earned a profit at the rate of Rs.1.5 per cent instead of Re.0.75 per cent.\(^{222}\)

Further, the Poddar Seths had their own business houses, shops and Gaddis (seats of business) in various parts of the country. Every branch was looked after by a duly appointed munim or gumashta who acting on behalf of the main firm, did the insurance coverage work for which the firm undertook the responsibility of compensating the losses, if any. Suitable instructions or letters of advice were sent out from the head office. Regular reports were sent by the

\(^{221}\) Parwana, written by Captain clad Martine Wade, Political Agent of Ludhiana dated 23\(^{rd}\) May 1835 AD, Poddar Collection, Churu.

\(^{222}\) Letter No.S.939 dated Mighsar Sudi 10, VS. 1879/AD 1822, Poddar Collection, Churu.
agents almost every fortnight with detailed account known as utara in view of the then prevailing conditions of risks and uncertainties. Agents or gumashtas were authorized to take risk insurance cover as and when they went out to conduct some sale-purchase business. For instance, one bahi starting from VS.1881 mentions that the Poddar Seths sent Mukundram Brahman to Madhopur for the purchase of opium where the agent purchased Jokhim for Pali, Kishangarh, Kota, Jaipur, Tonk, Agra, Bundi, Churu, Karoli, Nagore, and Pokharan, etc. and earned insurance premium of Rs.103 and 2\(\frac{1}{2}\) annas.\textsuperscript{223} Further, the gumashtas of one branch were authorized to take jokhim for any place. For instance, there are references of jokhim undertaken by the Mirzapur branch of Poddar house for different places such as Calcutta, Lucknow, Patna, Amritsar, Jaipur, Kanpur, Rewari, Paryag, Farukhabad, Banaras, Jhansi, Agra, Mathura, Bikaner, Rampur, Ramgarh, Kota, Gokul, Chhatterpur, Sitapur, etc.\textsuperscript{224}

The transactions recorded in the bahis of different branches of Seth Mirjamal Poddar show that various items of merchandise including metals like iron, gold and silver, coins and currency, bullion, precious stone and jewellery, opium, ordinary coarse cloths and costly silks and woolen materials, and precious saffron or musk, etc – in other words, all sorts of items of daily consumption and luxury articles were being transported from one corner of the country to the other, duly covered by the risk insurance or jokhim hunda-bhara. It is further evident from these records that the Marwari firms never insured cattle,\textsuperscript{223} Bahi No.V.19, VS. 1881/AD 1824; Poddar Collection, Churu, pp.216-17.\textsuperscript{224} Bahi No.S.161, VS. 1874-77/AD 1826-30, Poddar Collection, Churu, pp.171-74, 228-43.
wood, salt, grain, etc. The nondh bahi of Jindaram Mirjamal contains information about cheent (cloth), pash qabz (katar), zadave and jawahar (gold ornament with jewellery), panna (emerald), etc., of worth Rs.47,058 and 4 annas which were insured on the route from Churu to Jodhpur by Joharimal, Bhadarmal and Mirjamal. In another Lekhapar bahi of Mirjamal and his brother, there is a description of Sona bidri (a kind of gold ornament), Gokhroo Sona (an ornament of gold), Rokar ka khisa (cloth bag of cash rupees), Mohar, Patli (a hand ornament of gold), Nadirsahi rupia, and jawahar jori etc. which were insured by Poddars from Bhavnagar (Gujarat).

The archival and Poddar records have a wide range of information about the trade routes of Rajasthan as well as British India on which the Marwari

225 Details of insured goods:

- 4528) Kaprey (cloth) ki Vigat
- 9000) Paitee (box) Aik Chamro Mandhi jis Mahi Iso Bhant Chhai
- 5000) Pesh Qabz-Aik Jadau
- 26900) Jadane Tatha Jawahar-Aik Mahi
- 6000) Dabi (box) Aik...Jis Mahi Panna Chhai...
- 5000) Panna Number 553 Rathi 975
- 1000) Panna Aik Moto Rathi 108
- 9000) Cheent (cloth)

Nonth bahi of Jindaram Mirjamal (Bombay Shop) vs. 1871-74, Poddar Collection, p.19.

226 Details of insured goods and names of places from where the goods were insured are given below:

Sono Bidri Aik Tukra 8 Tola 217)
Jokhum Rupa 3600)
Ramgarh Ne Ghalo, Milt Mangsar Sudi II, Rokar Ka Kheesa Nag 10, Jokham Rupa 38472) Gokhroo Soney Ke Nag 4500, Jokham Rupa 22500)
Ripia Nadirshahi (19965) Kham Rupa 15972)
Jawahar Ki Jori Aik Jis Mahi Gathri Nag 4; Jokham Rupia 10500)
Jumeley (14001) Bad Jokham Rupia 3501)
Tugan Ram Ram Dayal Ki Chhai, Jaipur Key Hunde Bharey Ki Bhawnagar Ki Aiori
Keshri Chand Amichand Ne Sumpri Chhai

insurance firms insured goods. Important among them were Bikaner to Bhiwani, Bhiwani to Marwar Pali via Bikaner; Jaipur to Marwar Pali via Bikaner, Jodhpur to Bhiwani; Bikaner to Ajmer, Kota; Bikaner to Bhawalpur Sindh, etc. The Kagad bahi of Bikaner (1814 AD) mentioned the name of Seth Jagman Pratap Saddni of Bikaner, an owner of an insurance firm, who was indulged in insurance business on the route of Bikaner-Bhawalpur, whereas Mirjamal and his brothers insured goods from Churu to Pali and Churu to Ajmer via Ramgarh, and Bhawnagar to Jaipur. In the chithi dated chait vadi 8, VS.1888 written by Chaturbhuj jindaram and Nanagram to Hanut Ram Lalchand (munim of Amritsar branch), there is a description of cloth of worth Rs.1,200 which was insured in Jallandhar by munims of Poddars of Churu.

Jokhim and hunda-bhara papers reveal that sometimes jokhim was taken even for small amounts in which only 2-4 annas were received as commission but such type of transactions for small amounts were generally avoided due to the non-recovery of freight charges. In many letters Seth Mirjamal has directed his agents not to take jokhim for small amounts such as a letter was written from Amritsar to Churu headquarters informing that one bale of hunda-bhara for Jaipur reached there. Further, there were instructions that in future hunda-bhara will be taken on wholesale basis and not for one or two bales only. Similarly, a jokhim

228 Kagad Bahi, Bikaner Records, VS. 1871/AD 1814, RSAB.
231 Letter No.S.986 dated Fagun Sudi 9, VS. 1885, Poddar Collection, Churu.
of Rs.62½ was taken from Nagore to Jodhpur on partnership basis and half of the commission received for this transaction was 1¼ annas.232

Poddar papers also provide information regarding the rates of insurance fee or premium charged by the insurance firms from the owners of the merchandise. Generally, Marwari firms charged insurance premium either on the value of goods on per cent basis known as jokhim fee or on the basis of distance and weight or quantity of the insured goods known as jokhim hunda-bhara fee which was calculated per maun item. Some references also show that these two rates were combined for risk coverage and transportation while in others these two recorded separately. In Nondh bahi of Jindaram Mirjamal there is a reference of Rs.1,882 and 4 annas which were charged as jokhim fees for goods worth Rs.47,058 and 4 annas at the rate of 4 per cent, whereas Rs.71 and 12 annas were charged as a hunda-bhara fees for goods weighing 10 mauns at the rate of Rs.7 per maun.233 The rates of insurance fee and jokhim-hundo-bhara are given in table numbers III.3 and III.4

The rates of jokhim and hunda-bhara varied according to the nature of the transactions. These were based on the nature of goods and the distance such

233 Details of the rates of insurance fee:
1882.25) Jokhim Rs.47058.25) Dar 4) Saikara
71.75) Hunda-bhara Ka Maun 10.25) Dar 7)
8.125) Bardano

as on gold and diamond items, which have more value and less weight, the rate of jokhim was higher and hunda-bhara was less. Contrary to this, on items such as iron or salt etc., which were heavy in weight and less in value, the rate of jokhim was less and hunda-bhara was higher. Sometimes, these rates were calculated for both ways (going and back) at one time.

There was a lot of competition in jokhim business among the traders due to which rate of jokhim and jokhim-hunda-bhara came down. In order to avoid such losses all the big traders with their mutual consent agreed on some specific insurance rate below which no insurance contract will be undertaken. For instance, in one transaction of Farukhabad, rate of jokhim declined to 12 annas per cent due to competition. Then, in order to avoid losses, traders of Farukhabad decided the minimum rate of jokhim as 15 annas and one taka for indigo and 9 annas and one taka for cotton. Table 1 and 2 shows the insurance rates charged in different years on different trades passing through Rajasthan on per cent and weight basis. These tables are based on Poddar family records.

Kota records also mention about jokhim and rate of jokhim and transport charges. The purchase price of goods was decided by adding bema/jokhim and the transportation charges. It seems that the traders charged the transport charges only from the point of diversion for Kota from the main trade route. The

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234 Letter No.859, dated Asoj Sudi 15, VS. 1882/AD 1825, Poddar Collection, Churu.
235 Bohron Ke Raj Lekhe, VS. 1840-50/AD 1783-93, Bhandar No.16, Kota, RSAB, purchases from Baba Shivpuri Gosain.
jokhim was also charged separately for the route from Chabra to Kota. The amount paid for jokhim was much higher for the diversion than the main trade route.\textsuperscript{236} The jokhim paid by the traders was collected at the jokhim asan on the main trade route. The transportation charges for 225 thans (yardage) of Chanderi cloth with an ank (measurement) of 10,90,960 was just rupees 6 and annas 3, but the jokhim charges were rupees 59 and 3 annas.\textsuperscript{237}

In the indigenous insurance system, there was also a provision of kachhi and pakki bima. Available records make it clear that in pakki jokhim the insurance firm paid full compensation in terms of quantity, quality and value. In contrast, in kachhi jokhim, the insurance firm compensates the owner of goods as per the number and quantity of goods and no compensation for the value and quality loss in goods insured. There was a significant difference in the responsibility and liability of pakki and kachhi jokhim due to which the rate of pakki jokhim was higher than the rate of kachhi jokhim.

Generally, in kachhi bima, the rate of insurance was 8 annas per cent but in pakki bima they charged one rupee per cent.\textsuperscript{238} For instance, a letter of pakki jokhim was issued to Sobhachand Askaran for Rs.25,000 at the rate of one rupee and one paisa per cent and the rate of kachhi jokhim for goods worth Rs.12,000 was 12 annas per cent.\textsuperscript{239} Similarly, in another reference kachhi

\textsuperscript{236} Purchase on chait sudi II of Chanderi cloth, op. cit.
\textsuperscript{237} Purchase on Asoj Vadi 2, op. cit.
\textsuperscript{238} Nondh bahi of Jindaram Mirjamal (Bombay shop), VS. 1871-74/AD 1824-1827, Poddar Collection, Churu, p.19.
\textsuperscript{239} Raznava Bahi of Nanagram Mirjamal Calcutta Branch (VS. 1883-87/AD1826-30, dated Chaita Sudi 9, VS. 1885, Poddar Collection, Churu, p.199.
jokhim of Shiv Ramdas and Salim Singh from Calcutta to Mirjapur for Rs.1,250 was 9¼ annas per cent and pakki jokhim for goods worth Rs.850 was charged at Rs.2 and one paisa per cent.\textsuperscript{240}

Further, it is evident from the records that there was a practice of charging adhat and dalali in Marwari insurance firms. In Raznava bahi of Nanagram Mirjamal, there is reference of dalali which was charged at the rate of 10 annas per thousand on pakki bima of worth Rs.1,11,300 and at the rate of 5 annas per thousand on kachhi bima of worth Rs.33,200.\textsuperscript{241} Besides dalali, adhat was also charged from the person selling insurance. For instance, in one bahi of Poddar house, there is a reference that adhat was at the rate of two annas per cent.\textsuperscript{242} Furthermore, in the same bahi, another reference is for 2 annas per cent for adhat and one anna per cent for dalali.\textsuperscript{243} Adhat was charged by the bankers who worked as intermediaries in business and trade, whereas the insurance agents charged dalali from the customers.

Besides adhat and dalali, there was also a provision of charging of dharmada from the owner of the merchandise along with insurance fee.\textsuperscript{244} Dharmada was deducted for donations, charities and other religious purposes. This amount was charged on every transaction of insurance business and it shows the religious attitude of the traders and their faith in God for reducing the

\textsuperscript{240} Ibid. dated Kati vadi 15, VS. 1884.
\textsuperscript{241} Ibid.
\textsuperscript{242} Ibid.
\textsuperscript{243} Ibid.
\textsuperscript{244} Ibid., p.201.
risk involved. The Poddar family papers show that it was deducted, generally, at
the rate of one paisa, two paise or one taka per cent.

It seems that the Marwari firms also undertook the responsibility to pay the
custom duties en route and they charged it with the insurance premium from the
owner of the merchandise. After taking custody of the goods insured from the
owner, it becomes the responsibility of the insurance firm to bear all the en route
expenditure. The insurance firm paid even the zakat and transit duty etc. For
instance, in one reference of hunda-bhara from Bombay to Amritsar it is stated
that all the en route expenditure up to Amritsar will be borne by the insurance
firm and after that expenses will be borne by the owner of the goods.

The above details make it clear that the rates of insurance fee or premium
charged by the Marwari firms varied from time to time, on different trade routes.
It is also clear that in normal times these firms insured goods at lower rates but in
abnormal conditions they charged higher rates because of the risk involved on
the disturbed routes.

In Poddar collection, there are references of awak, which was a type of
insurance such as a letter mentions awak on one ship for Rs.1,500 at the rate of
18 per cent and another ship for Rs.2100 at the rate of 19 per cent. In awak,

245 Nondh Bahi of Jindaram Mirjamal (Bombay shop), VS. 1871-74/AD 1814-17, Poddar
Collection, Churu.
246 Ibid.
248 Letter No.S.793 written from Churu headquarters to Bombay Branch dated Chait Vadi 15,
VS. 1883/AD 1826, Poddar Collection, Churu.
the person taking the risk (insurer) gives advance money to a third reliable trader
or person on the condition that if the goods reached safely to the destination then
the person (third party or person) will return the money to the insurer on the basis
of predefined terms and conditions of the contract. H.H. Wilson has defined
"awak as Insurance. A transaction in which a person who has made a
respondentia advance enters into an engagement with some third person, who,
for a bonus or stipulated interest, insures him against loss."249

Although there are more references of bima for goods and cash but there
are also some references in Poddar collection, which mentions about bima for
the safe arrival of ship on the destination place known as 'salamati ka bima'.250

Various traders and businessmen conducted insurance business in pre-
modern Rajasthan on individual as well as on partnership basis. But, partnership
was more popular form of business for insurers as the risk was divided among
the partners. In partnership two or more persons had taken the responsibility for
compensation of loss and damages for insured merchandise. There was no
specific limit regarding the number of partners who undertook the insurance
contract. The maximum number of partners, as given in one letter of Poddar
collection, was ten.251 Similarly, a bahi mentioned that an insurance of
Rs.25,000 from Bhavnagar to Pali and back was taken jointly by 10 partners at
the rate of Rs.4 and 7 1/2 annas. Each partner has a share of Rs.2,500 in the

250 Letter No.S.779 Letter written from Churu headquarters to Bombay branch dated Sawan Vadi 14, VS. 1883/1826, Poddar Collection, Churu.
251 A letter No.S.923 written to Jaipur Branch, Poddar Collection, Churu.
risk. Further, available records also show that the insurer had the right to sell the jokhim taken by him, partially or fully, to some other partner or trader. Similarly, the owner of goods had the right to sell the goods insured which are in transit but for the goods sold by him, the insurance contract came to an end.

In some cases jokhim and hunda-bhara activities were undertaken separately while in others in combined form. Jokhim was specially meant for cash and goods sent through water-routes whereas jokhim hunda-bhara were used simultaneously for goods sent through roads. In some references, jokhim was sold partially and the owner of the goods retained balance jokhim but the hunda-bhara was sold completely to the other party. Similarly, there are instances when jokhim was sold to some other party and the owner of the goods retained the hunda-bhasa. Sometimes, jokhim terminates at some point whereas hunda-bhara contract continued till the destination point. In all these cases, the insurance firm is responsible only according to the terms and conditions of the insurance contract. In jokhim hunda-bhara contract if any money was due towards the owner of the goods then the insurance firm delivered the goods only after receiving the payment.

There are also instances of disputes between the insurance parties. Generally, these disputes were settled by mutual understanding of the concerned parties. For instance, the Bombay branch of Jindaram Mirjamal from Bombay to

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252 Bahi No.S161, VS. 1874-77/AD 1817-20, Poddar Collection, Churu, p.43.
Amritsar undertook an insurance contract of 35 sealed packets of cash. The sealed packets were delivered to the owner who claimed that an amount of Rs.143 (Nadirsahi) was missing from the packets. The dispute was settled through mutual agreement between the parties. Further, instructions were given to the Bombay branch, that no such sealed packets were to be insured.\(^{(255)}\) Insurance contracts were to be undertaken only after proper counting and checking of goods and cash. Similarly cash and goods were to be delivered after proper counting.

Sometimes, disputes were settled through panchayat. For instance, an insurance contract of Rs.4,300 for sugar was undertaken by the Mirjapur branch. Sugar was transported through a ship. On the way, some packets of sugar destroyed due to flood and other packets remained in good conditions. But, the owner refused to take delivery of goods and demanded a compensation of Rs.4,300 in cash. Finally, the dispute was settled through Mirjapur panchayat and 47 packets of sugar were delivered to the owner of goods and compensation in cash was paid for the remaining packets.\(^{(256)}\) Insurance disputes were also solved by taking recourse to the Company established courts such as a notice was issued to Gopalchand dalal by an advocate (firangi vakil) in a jokhim related dispute who was paid a fee of Rs.50 on Jestha Sudi 3, VS. 1888.\(^{(257)}\)

\(^{(255)}\) Letter No.S.766. These letters were written by Churu headquarters to Bombay Branch, dated Asoj Sudi 5, VS. 1882/AD 1825; Letter No.S.1389 dated Mighsar Sudi 13, VS. 1883/AD 1825, Poddar Collection, Churu.


\(^{(257)}\) Bahi No.S.31, VS. 1888/AD 1831, Poddar Collection, Churu, p.73.
There were quite a few instances of the payment of compensation in cash due to the loss or damage in transit. For instance, Calcutta branch of the Poddar house entered into an insurance contract of Rs.2,300 for 5 boxes containing 405 units (than) of clothes. One box containing 100 units was stolen near Hazaribagh and compensation of Rs.568 was paid in cash to Padamsi Nainsi (owner of goods).\(^{258}\) Similarly, a compensation of Rs.10,600 was paid in cash by the Calcutta branch to Bhai Ramdas-Radhakishan (owner of goods) under pakki jokhim.\(^{259}\) This shows that the indigenous insurance practices were well established and generally well-honoured. All firms and business houses observed these well-established market practices.

Further, the Poddar records do not indicate any instance (despite the wide range or number of transactions recorded therein) in which the insurer might have failed to honour his commitments or to pay the damages in the event of total or partial loss of the goods, etc., on the ground of lack of funds.\(^{260}\) This would appear to suggest that not only the financial position of the house of Poddars was very sound but also that they had a good reputation in market and a fair deal of turnover. It also shows the concern or the business morality of the insurer to faithfully and honourably discharge his responsibility.

\(^{258}\) Bahi No.S.23, dated Phalgun Sudi 13, VS. 1883/AD 1826, Poddar Collection, Churu, p.98.

\(^{259}\) Ibid. dated Bhadwa Sudi 15, VS. 1883/AD 1826, p.309.

Indigenous insurance system was not only related to business and merchandise within India but was extended to goods imported and unloaded at the various Indian ports like Calcutta and Bombay and also goods which were exported. There is also mention of international insurance in Poddar collection and instances of transactions with China and Vilayat (England) and some other countries have been given. For instance, a jokhim of Rs.1,500 was undertaken from Calcutta to China at the rate of 2.25 per cent and commission of Rs.33 and 12 annas was received.\(^{261}\) The letters written from the Churu headquarters to Bombay branch of Poddar Seths also reveal many references of trade and transportation of goods to China.\(^{262}\) Further, there were repeated references of insurance to Meka or Maka, which could be Mecca or even Macao -- goods were laden for this destination from Daman.\(^{263}\) However, there are some clear references to Basra and Muscat, mostly trade emanating from Bombay, though the Poddar records of Bombay, Churu and even Pali have also some references of trade via Bhavnagar.\(^{264}\)

In the 19\(^{\text{th}}\) century, the insurance business became a source of profit for Marwari businessmen and they considered this business a good investment.\(^{265}\)

\(^{261}\) Bahi No.161, VS. 1874-77/AD 1817-20, Poddar Collection, Churu, pp.191-96.

\(^{262}\) Letter No.S.1780 dated Asoj (II), Vadi 2, VS. 1898/AD 1841; No.S.1776 dated Sawan Vadi 4, VS. 1906/AD 1849, Poddar Collection, Churu.

\(^{263}\) Bahi No.S.161, VS. 1874-77/AD 1817-20, Poddar Collection, Churu, pp.191-96.

\(^{264}\) Bahi No.S.161; Letter No.S.755 dated Jestha Vadi 5, VS. 1882/AD 1825; No.S.780 dated Bhadva Vadi 3, VS. 1883/AD 1826; No.S.1677 dated Mighsar Sudi 9, VS. 1877/AD 1820, Poddar Collection, Churu.

\(^{265}\) Raznava Bahi of Nanagram Mirjimal (Calcutta shop), VS. 1883-87/AD 1826-30, Poddar Collection, Churu, p.9.
because in the middle of the 19th century, trade routes were insecure owing to banditry and robbery in Rajasthan and other parts of India.\textsuperscript{266} Traditional trade routes became unsafe for merchant's caravans. There are several references which shows that the recalcitrant tribes, such as Raths, on the Bikaner-Sindh routes, indulged in plundering merchandise.\textsuperscript{267}

Available information and the above discussion on the nature and extent of insurance business in the 18th-19th centuries, may be summarized that 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, specially at the time when roads were not safe and there were no modern means of communication and transport. They earned profit by their business proficiency in taking up risk of a large number of insurance transactions in the risky environment. There are references of insurance for crores of rupees in the Poddar records only. For instance, Raznava bahi records insurance of Rs.1,11,300, Rs.33,200, Rs.2,500 and Rs.12,000 at page number 184-85 and 199-201 only.\textsuperscript{268} The basic reason for the popularity of indigenous insurance system was its simplicity and reliability. No legal and complex formal procedure was required to be completed for claiming insurance compensation. Each and

\begin{footnotesize}
\footnote{266}{Girija Shankar Sharma, 'Sources on Insurance business', op. cit., p.7.}
\footnote{267}{Girija Shankar Sharma, \textit{Marwari Vyapari}, op. cit., pp.27-28.}
\footnote{268}{Raznava bahi of Manangram Mirjamal (Calcutta shop), VS. 1883-87/AD 1826-30, op. cit., pp.184-85, 197-201; Govind Aggarwal, "19th Shati Poorvvardh Mein Samaridh Bhartiya Bima Padhyati", op. cit., pp.6-7.}
\end{footnotesize}
every effort was made for the safe transfer of insured goods. In normal times they insured at lower rates but in abnormal conditions their rates increased because of the risk involved.
### Table-III.1

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Date</th>
<th>Amount Borrowed</th>
<th>Rate of Interest</th>
<th>Period of Loan</th>
<th>Security for Loan</th>
<th>Borrower's Name &amp; Caste</th>
<th>Remarks</th>
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<tbody>
<tr>
<td>1.</td>
<td>Jestha</td>
<td>Rs.19</td>
<td>10.5%</td>
<td>4 months</td>
<td>Mala of gold-1</td>
<td>Aggarwal Sivdas</td>
<td>Merta Bahi, VS. 1750</td>
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<tr>
<td></td>
<td>Sudi 9,</td>
<td></td>
<td></td>
<td></td>
<td>and other things</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>VS. 1750/</td>
<td></td>
<td></td>
<td></td>
<td>valued at Rs.22.50</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>AD 1693</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Sawan</td>
<td>Rs.21</td>
<td>9%</td>
<td>2 months</td>
<td>Ghughari-1</td>
<td>Aggarwal Biharidas</td>
<td>Merta Bahi, VS. 1750</td>
</tr>
<tr>
<td></td>
<td>Vadi 1,</td>
<td></td>
<td></td>
<td></td>
<td>Than-1</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>VS. 1750</td>
<td></td>
<td></td>
<td></td>
<td>Value Rs.23</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Sawan</td>
<td>Rs.6</td>
<td>18%</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>Merta Bahi, VS. 1750</td>
</tr>
<tr>
<td></td>
<td>Vadi 6,</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>VS. 1750</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Sawan</td>
<td>Rs.32</td>
<td>9%</td>
<td>2 months</td>
<td>Ghughari-1</td>
<td>Aggarwal Biharidas</td>
<td>Loan repaid through hundis. Indially ghughari</td>
</tr>
<tr>
<td></td>
<td>Vadi 9,</td>
<td></td>
<td></td>
<td></td>
<td>Than-2</td>
<td></td>
<td>and than of Rs.23 were given as security.</td>
</tr>
<tr>
<td></td>
<td>VS. 1750</td>
<td></td>
<td></td>
<td></td>
<td>Kathala-1</td>
<td></td>
<td>Further Kathala, Than and Harda were given</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Harda-4</td>
<td></td>
<td>and total value was Rs.35</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Than-1</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>All valued at</td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td>Rs.35</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Sawan</td>
<td>Rs.10</td>
<td>18%</td>
<td>4 months</td>
<td>Unsecured</td>
<td>Patwa, Narhar Govind</td>
<td>--</td>
</tr>
<tr>
<td></td>
<td>Vadi 14,</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>VS. 1750</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Sawan</td>
<td>Rs.20</td>
<td>12%</td>
<td>--</td>
<td>Ornaments of worth</td>
<td>Bhuhar, Kusla Bihari</td>
<td>--</td>
</tr>
<tr>
<td></td>
<td>Vadi 14,</td>
<td></td>
<td></td>
<td></td>
<td>Rs.28</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>VS. 1750</td>
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<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>Bhadwa</td>
<td>Rs.2</td>
<td>18%</td>
<td>2 months</td>
<td>Bid of silver</td>
<td>Sahila Mukund Gangaram</td>
<td>Rate of interest is 25 dams per month</td>
</tr>
<tr>
<td></td>
<td>Vadi 11,</td>
<td></td>
<td></td>
<td></td>
<td>of worth Rs.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>VS. 1750</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>Bhadwa</td>
<td>Rs.5</td>
<td>12%</td>
<td>4 months</td>
<td>Has of silver</td>
<td>Aggarwal, Bak</td>
<td>--</td>
</tr>
<tr>
<td></td>
<td>Sudi 9,</td>
<td></td>
<td></td>
<td></td>
<td>valued at Rs.6.75</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>VS. 1750</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>9.</td>
<td>Asoj Vadi</td>
<td>Rs.22</td>
<td>12%</td>
<td>2 months</td>
<td>Ornaments of Rs.26.50</td>
<td>Mehta Murlidhar Aggarwal</td>
<td>--</td>
</tr>
<tr>
<td></td>
<td>11, VS. 1750</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td>Maha</td>
<td>Rs.4</td>
<td>4 takas</td>
<td>18 days</td>
<td>--</td>
<td>Mehta Murlidhar</td>
<td>It was an oral loan agreement known as 'arah</td>
</tr>
<tr>
<td></td>
<td>Vadi 3,</td>
<td>per day</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>kiboli' and as per agreement 4 takas were</td>
</tr>
<tr>
<td></td>
<td>VS. 1750</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>payable per day for 18 days i.e. 72 takas</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
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<td>----------</td>
<td>----------</td>
<td>-------------------------------------</td>
<td>-------------------------------------</td>
</tr>
<tr>
<td>11</td>
<td>Ph Vadi 9, VS. 1750</td>
<td>Rs.3</td>
<td>21%</td>
<td>2 months</td>
<td>Ankata-3 Weight 3 tola</td>
<td>Jodha, Bhopat</td>
<td>Rate of interest is 44 dams per month</td>
</tr>
<tr>
<td>12</td>
<td>Poh Sudi 7, VS. 1750</td>
<td>Rs.8</td>
<td>12%</td>
<td>1 month</td>
<td>Charvo of brass Dari of silver Than-15 all valued at Rs.8.50</td>
<td>Aggarwal Mehta Muridhar</td>
<td>Previously Rs.70% were advanced and total money due was Rs.78%</td>
</tr>
<tr>
<td>13</td>
<td>VS. 1750</td>
<td>Rs.11</td>
<td>12%</td>
<td>4 months</td>
<td>Taghari of Silver of Rs.13.25</td>
<td>Mehta Murli Bagar</td>
<td>--</td>
</tr>
<tr>
<td>14</td>
<td>VS. 1750</td>
<td>Rs.6</td>
<td>18%</td>
<td>--</td>
<td>Hos of silver of Rs.6</td>
<td>Sahila Mukand Ganga Ram</td>
<td>--</td>
</tr>
<tr>
<td>15</td>
<td>VS. 1750</td>
<td>Rs.43</td>
<td>12%</td>
<td>--</td>
<td>Security of Rs.49</td>
<td>Mahana Aggarwal</td>
<td>--</td>
</tr>
<tr>
<td>16</td>
<td>Jeshta Sudi 3, VS. 1751</td>
<td>Rs.7</td>
<td>12%</td>
<td>--</td>
<td>Bor of silver valued at Rs.9</td>
<td>Mudhara Balkishan</td>
<td>--</td>
</tr>
<tr>
<td>17</td>
<td>Jeshta Vadi 3, VS. 1751</td>
<td>Rs.12</td>
<td>12%</td>
<td>2 months</td>
<td>Girjari of silver &amp; Dulari, Both valued at Rs.4</td>
<td>Somani, Sukha Gigha</td>
<td>--</td>
</tr>
<tr>
<td>18</td>
<td>Sawan Sudi 6, VS. 1751</td>
<td>Rs.25</td>
<td>11.25%</td>
<td>4 months</td>
<td>--</td>
<td>Nagra, Fasaram Garadhana</td>
<td>--</td>
</tr>
<tr>
<td>19</td>
<td>Asoj Sudi 15, VS. 1751</td>
<td>Rs.5.50</td>
<td>12%</td>
<td>2 months</td>
<td>Ghughari valued at Rs.6.50</td>
<td>Bagar, Mehta Murli</td>
<td>Rs.300 were previously taken. The goods were mortgaged with the moneylender.</td>
</tr>
<tr>
<td>20</td>
<td>VS. 1751</td>
<td>Rs.42.5</td>
<td>18%</td>
<td>--</td>
<td>Personal security by another</td>
<td>Purohit Deep Chand Fateh Chand</td>
<td>Rs.340 were repaid through hundis</td>
</tr>
<tr>
<td>21</td>
<td>VS. 1751</td>
<td>Rs.345</td>
<td>18%</td>
<td>--</td>
<td>--</td>
<td>Purohit, Deepchand Fateh Chand</td>
<td>--</td>
</tr>
<tr>
<td>22</td>
<td>Bhadwa Sudi 1, VS. 1751</td>
<td>Rs.12.5</td>
<td>10.5%</td>
<td>--</td>
<td>Mala of gold of Rs.17</td>
<td>Gorani Narasidhar Harakha</td>
<td>Merta Bahi VS. 1750</td>
</tr>
<tr>
<td>23</td>
<td>Sawan Vadi 13, VS. 1751</td>
<td>Rs.8</td>
<td>12%</td>
<td>2 months</td>
<td>Ornaments (tanet) of Rs.10.25</td>
<td>Kaplo Sabla Mukand</td>
<td>--</td>
</tr>
<tr>
<td>24</td>
<td>Sawan Vadi 13, VS. 1751</td>
<td>Rs.5</td>
<td>12%</td>
<td>2 months</td>
<td>Tant of Silver</td>
<td>Kaplo Sabla Mukand</td>
<td>Value of security is not given</td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Interest</th>
<th>Tenure</th>
<th>Description</th>
<th>Lender</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>25.</td>
<td>Kati Sudi</td>
<td>12%</td>
<td>1 month</td>
<td>Kathir one maun valued at Rs.20</td>
<td>Aggarwal Kasi Ram Shodas</td>
<td>The loan was only for one month and after that interest would be compounded at 12% per annum</td>
</tr>
<tr>
<td></td>
<td>9, VS. 1751</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>26.</td>
<td>Kati Sudi</td>
<td>12%</td>
<td>2 months</td>
<td>Taghari of silver</td>
<td>Bihani, Har Rai Bhagchand</td>
<td>Value of security is not given</td>
</tr>
<tr>
<td></td>
<td>15, VS. 1751</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>27.</td>
<td>Mighsar Vadi</td>
<td>15%</td>
<td>2 months</td>
<td>Champakali &amp; Pocha of gold Dori of silver Tan All valued at Rs.28.50</td>
<td>Bihani, Har Rai Bhagchand</td>
<td>--</td>
</tr>
<tr>
<td></td>
<td>6, VS. 1751</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>28.</td>
<td>Mighsar Vadi</td>
<td>9%</td>
<td>4 months</td>
<td>Bhanwar and Champakali of worth of Rs.27</td>
<td>Aggarwal Bihari Das</td>
<td>Loan taken for 4 months after that interest would be compounded and charged at 9% per annum</td>
</tr>
<tr>
<td></td>
<td>6, VS. 1751</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>29.</td>
<td>Mighsar Vadi</td>
<td>12%</td>
<td>4 months</td>
<td>Taghari-1 Than-2 Of silver Turiya-1 Mala-1 (gold) all valued at Rs.55</td>
<td>Aggarwal Vithaldas Benidas Vijayaram Hardyaram</td>
<td>--</td>
</tr>
<tr>
<td></td>
<td>13, VS. 1751</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30.</td>
<td>VS. 1751</td>
<td>12%</td>
<td>2 months</td>
<td>Value of security is Rs.26</td>
<td>Mehta Murlidhar</td>
<td>Rate of interest is 2 takas and 25 dams per month</td>
</tr>
<tr>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>31.</td>
<td>VS. 1751</td>
<td>12%</td>
<td>2 months</td>
<td></td>
<td>Mehta Murlidhar</td>
<td>Rate of interest is 2 takas and 25 dams per month</td>
</tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>32.</td>
<td>VS. 1751</td>
<td>12%</td>
<td>1 month</td>
<td>Mortgage of ornaments of Rs.68</td>
<td>Aggarwal Kasi Ram Sho Das</td>
<td>The loan was only for one-month and after that interest would be compounded at the rate of 12% per annum</td>
</tr>
<tr>
<td></td>
<td>Bhadwa Sudi 7</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>33.</td>
<td>VS. 1751</td>
<td>12%</td>
<td>1 month</td>
<td></td>
<td>Purohit Deepchand Fateh Chand</td>
<td>Rs.44 and 13 annas were repaid through hundi</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>34.</td>
<td>VS. 1795/</td>
<td>18%</td>
<td>--</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>AD 1738</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>No.</td>
<td>Year</td>
<td>Rate</td>
<td>Type of Security</td>
<td>Borrower</td>
<td>Lender</td>
<td>Description</td>
</tr>
<tr>
<td>-----</td>
<td>--------</td>
<td>------</td>
<td>------------------</td>
<td>-----------</td>
<td>-----------------</td>
<td>----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>35.</td>
<td>VS. 1729/AD 1672</td>
<td>Rs.13</td>
<td>One Dukda</td>
<td>--</td>
<td>Ghanshyam of Udaipur</td>
<td>Rate of interest is about 3/4th of an anna per month per rupee</td>
</tr>
<tr>
<td>36.</td>
<td>VS. 1752/AD 1675</td>
<td>Rs.128</td>
<td>7.5%</td>
<td>House mortgaged</td>
<td>Bidhoni Tarachand Fateh Chand Kesari Chand</td>
<td>Loans repaid in 1735 AD Sawa Bahi, Mandi Sadar</td>
</tr>
<tr>
<td></td>
<td>VS. 1747/AD 1690</td>
<td>Rs.32</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>37.</td>
<td>VS. 1830/AD 1773</td>
<td>Rs.61.50</td>
<td>15%</td>
<td>Surety of another person</td>
<td>Beni Kalani Merta</td>
<td>--</td>
</tr>
<tr>
<td>38.</td>
<td>VS. 1839/AD 1782</td>
<td>Rs.44</td>
<td>9.75%</td>
<td>Secured by a house</td>
<td>Daga Moolchand</td>
<td>Loan repaid after 5 years and 2 months, Sawa Bahi, Mandi Sadar</td>
</tr>
<tr>
<td>39.</td>
<td>VS. 1835/AD 1778</td>
<td>--</td>
<td>One taka per rupee per month</td>
<td>--</td>
<td>--</td>
<td>Rokar Bahi of Sanakji, Udaipur</td>
</tr>
<tr>
<td>40.</td>
<td>VS. 1841/AD 1784</td>
<td>Rs.41</td>
<td>9.75%</td>
<td>Secured by a house</td>
<td>Daga Moolchand</td>
<td>Loan repaid after 3 years and 8 months, Sawa Bahi, Mandi Sadar</td>
</tr>
</tbody>
</table>

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## Table-III.2

### Rates of Interest for State Loans

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Year</th>
<th>Amount (Rs.)</th>
<th>ROI (%)</th>
<th>Reference</th>
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<tbody>
<tr>
<td>1.</td>
<td>AD</td>
<td>13,00,001</td>
<td>--</td>
<td>Loan by Maharaja Gaj Singh from Bohras; Jhalor was mortaged with the bohrs</td>
</tr>
<tr>
<td>2.</td>
<td>1647 AD</td>
<td>501</td>
<td>12</td>
<td>Loan advanced by Bohra Narwad to Jaswant Singh</td>
</tr>
<tr>
<td>3.</td>
<td>1653 AD</td>
<td>501</td>
<td>18</td>
<td>Loan advanced by Bohra Raghunath to Jaswant Singh for one month after which interest would be compounded</td>
</tr>
<tr>
<td>4.</td>
<td>1659 AD</td>
<td>400</td>
<td>12</td>
<td>Borrowed by Jaswant Singh, payment to be made in grain at market price</td>
</tr>
<tr>
<td>5.</td>
<td>1663 AD</td>
<td>950</td>
<td>12</td>
<td>Loan advanced by bohra Girdhar to Jaswant Singh for 15 days, after which interest would be compounded</td>
</tr>
<tr>
<td>6.</td>
<td>1766 AD</td>
<td>1,10,000</td>
<td>--</td>
<td>Nandwana bohra advanced loan to the state of Jodhpur</td>
</tr>
<tr>
<td>7.</td>
<td>1827 AD Bhadwa Vadi 2, VS. 1884</td>
<td>4,00,001</td>
<td>24</td>
<td>Loan advanced by Seth MirjamaJ to ruler of Bikaner, the rulers returned the loan through assigning revenue of the various territories. The rate of interest was 12% for the loan repaid through the assignment of mandi income and 24% for the loan repaid from income of other territories</td>
</tr>
<tr>
<td>8.</td>
<td>1827 AD/VS. 1884</td>
<td>2,92,000</td>
<td>24</td>
<td>Loan advanced by Seth MirjamaJ to ruler of Bikaner, the rulers returned the loan through assigning revenue of the various territories. The rate of interest was 12% for the loan repaid through the assignment of mandi income and 24% for the loan repaid from income of other territories</td>
</tr>
<tr>
<td>9.</td>
<td>1827 AD/VS. 1884</td>
<td>1,08,000</td>
<td>12</td>
<td>Loan advanced by Seth MirjamaJ to ruler of Bikaner, the rulers returned the loan through assigning revenue of the various territories. The rate of interest was 12% for the loan repaid through the assignment of mandi income and 24% for the loan repaid from income of other territories</td>
</tr>
<tr>
<td>10.</td>
<td>1825 AD/VS. 1882</td>
<td>2,000</td>
<td>--</td>
<td>Loan was taken for 21 days by Maharaja of Bikaner</td>
</tr>
<tr>
<td>11.</td>
<td>1824 AD</td>
<td>90,350 and 2½ annas</td>
<td>--</td>
<td>Mirjamal and Ajodhya Prasad of Delhi advanced the loan to Bikaner Darbar in partnership</td>
</tr>
<tr>
<td>12.</td>
<td>1825 AD/VS. 1882</td>
<td>1,26,000</td>
<td>12</td>
<td>Bikaner state borrowed Rs.350 per day for 360 days from Mirjamal Harbhagat. Rate of interest was one rupee per cent per month on reducing balance basis</td>
</tr>
<tr>
<td>13.</td>
<td>1854 AD/VS. 1911</td>
<td>3,402</td>
<td>24</td>
<td>Hakim Motichand of Churu borrowed money by assigning income of villages under his jurisdiction</td>
</tr>
</tbody>
</table>

Source:
- Marwar-ni-khyat, p.185
- Hath Bahi No.2, pp.148-49
- -do-, p.148
- -do-, p.149
- -do-, pp.149-50
- -do-, p.286
- Govind Aggarwal, 'Aprakasht Kagjat, pp.40-41
- -do-, p.46
- -do-, p.21.
- -do-, pp.26-27
- Letter No.87, Poddar collection

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Table-III.3

Showing the Rates of Insurance fee on per cent basis (jokhim fee)

<table>
<thead>
<tr>
<th>Year</th>
<th>Trade Route</th>
<th>Fees</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Rupees</td>
<td>Takas</td>
</tr>
<tr>
<td></td>
<td></td>
<td>R</td>
<td>A</td>
</tr>
<tr>
<td>VS.1862</td>
<td>Patiala to Jaipur</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>VS.1862</td>
<td>Hoshiarpur to Pali</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td>VS.1862</td>
<td>Pali to Pune</td>
<td>4</td>
<td>14</td>
</tr>
<tr>
<td>VS.1870</td>
<td>Pali to Bombay</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>VS.1872</td>
<td>Bombay to Jodhpur</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>VS.1874</td>
<td>Calcutta to Banaras</td>
<td>1</td>
<td>18</td>
</tr>
<tr>
<td>VS.1874</td>
<td>Calcutta to Lucknow</td>
<td>1</td>
<td>10</td>
</tr>
<tr>
<td>VS.1874</td>
<td>Calcutta to Makhsudabad</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>VS.1874</td>
<td>Calcutta to Kanpur (Pakki)</td>
<td>1</td>
<td>13</td>
</tr>
<tr>
<td>VS.1874</td>
<td>Calcutta to Banaras (Pakki)</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>VS.1874</td>
<td>Village Chhali to</td>
<td>1</td>
<td>14</td>
</tr>
<tr>
<td>VS.1874</td>
<td>Kishangar</td>
<td></td>
<td></td>
</tr>
<tr>
<td>VS.1874</td>
<td>Pali to Bhavnagar</td>
<td>1</td>
<td>14</td>
</tr>
<tr>
<td>VS.1874</td>
<td>Pali to Daman Port</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>VS.1874</td>
<td>Mirjapur to Makhsudabad</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>VS.1874</td>
<td>Mirjapur to Bikaner</td>
<td>2</td>
<td>12</td>
</tr>
<tr>
<td>VS.1874</td>
<td>Amritsar to Banaras</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>VS.1874</td>
<td>Amritsar to Kashmir</td>
<td>0</td>
<td>14</td>
</tr>
<tr>
<td>VS.1874</td>
<td>Amritsar to Delhi</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>VS.1874</td>
<td>Mirjapur to Bikaner (Kachhi)</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>VS.1874</td>
<td>Mirjapur to Bikaner (Pakki)</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>VS.1874</td>
<td>Mirjapur to Delhi</td>
<td>1</td>
<td>10</td>
</tr>
<tr>
<td>VS.1879</td>
<td>Farukhabad to Lucknow</td>
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<td>4</td>
</tr>
<tr>
<td>VS.1883</td>
<td>Calcutta to Murshidabad</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>VS.1883</td>
<td>Calcutta to Murshidabad</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>VS.1886</td>
<td>Mirjapur to Farukhabad</td>
<td>0</td>
<td>13</td>
</tr>
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</table>

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Table-III.4

Showing the Rates of Insurance fee on weight basis
(jokhim hunda-bhara)

<table>
<thead>
<tr>
<th>Year</th>
<th>Trade Route</th>
<th>Jokhim hunda-bhara fees</th>
<th>Rupees</th>
<th>Takas</th>
</tr>
</thead>
<tbody>
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<td></td>
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<td></td>
</tr>
<tr>
<td>VS.1862</td>
<td>Amritsar to Bombay</td>
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<td>9</td>
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<td>VS.1864</td>
<td>Ramgarh to Jaipur</td>
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<td>1</td>
<td>12</td>
</tr>
<tr>
<td>VS.1864</td>
<td>Ramgarh to Delhi</td>
<td></td>
<td>2</td>
<td>12</td>
</tr>
<tr>
<td>VS.1868</td>
<td>Amritsar to Bombay</td>
<td></td>
<td>8</td>
<td>0</td>
</tr>
<tr>
<td>VS.1870</td>
<td>Pali to Bombay</td>
<td></td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>VS.1875</td>
<td>Pali to Bombay</td>
<td></td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>VS.1880</td>
<td>Kanauj to Calcutta</td>
<td></td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>VS.1880</td>
<td>Farukhabad to Calcutta</td>
<td></td>
<td>0</td>
<td>14</td>
</tr>
<tr>
<td>VS.1883</td>
<td>Calcutta to Delhi</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(Pakki bima)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VS.1883</td>
<td>Calcutta to Banaras</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

|       |                      |                          |        |       |
|       |                      |                          | 1      | 0     |
|       |                      |                          | 0      | 25    |
|       |                      |                          | 0      | 0     |
|       |                      |                          | 1      | 0     |
|       |                      |                          | 0      | 0     |
|       |                      |                          | 0      | 0     |
|       |                      |                          | 1      | 0     |
|       |                      |                          | 0      | 0     |
|       |                      |                          | 0      | 0     |
|       |                      |                          | 0      | 0     |

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