CHAPTER IV

LJARAH OR REVENUE FARMING

The practice of *ljarah* or revenue farming on a fairly large scale, especially in *khalsa* lands constitutes an important development in the land revenue system of the period under our study. It appears that it had been a common practice with the *jagirdars*, whenever it suited their needs, to farm out the revenues of their *jagire* to a banker or any other person commanding considerable local influence to collect the revenue successfully. But the revenue-farming in *khalsa* land was generally disapproved by the Mughal emperors and on the whole the practice was very limited. However, the relevant evidence indicates that revenue farming of *khalsa* land became very common in the first half of the 18th century, especially after the death of Bahadur Shah and as the century wore on the practice became the most dominant feature of land revenue system of the Mughal Empire. It was accompanied by certain developments which contributed to the worsening of the agrarian crisis which had already set in the closing years of the 17th century. Whereas the practice gave rise to a new class of intermediaries, as the collecting agency for the land revenues, it adversely affected the interests of hereditary intermediaries, known as *zemindars*, and of all those who had some claim or title of land. At the same time it progressively weakened the financial stability of the State. For these reasons it is necessary to investigate the nature of the institution and note its origin and development under
arrangement. It tended to enrich the ijarahdari at the cost of the peasant and zamindar and in case the exactions of the ijarahdar ruined the cultivation and the peasant it meant a progressive decline in the revenues of the government. An examination of the relevant evidence, which immediately follows, will substantially confirm the points made in the above lines.

Ijarah was a well known practice in the land revenue administration under the Sultans of Delhi but it fell into disrepute under Sher Shah and Akbar. It cropped up again in the reign of Jahangir, and became quite widespread in the course of the 17th century. We know that certain mahals in Bengal were obtained by the Portuguese on ijarah in the reign of Shahjahan. Sadiq Khan's account indicates that in the reign of Shahjahan the practice of ijarah was widespread and in fact brought ruin to the large parts of the Empire. The evidence described in the above lines is indirectly confirmed by a passage contained in the Nigar Nama-i-Munshi. The work contains a farman issued to Rasik Das Karori in the 8th regnal year of Aurangzeb, which contains a number of instructions for preparing the revenue records. One of them enjoins the local administration to note the number of revenue-farmers and cultivators in every village. The inference is that the ijarahdars were to be

1. Nishan No.3 (Jaipur Archives); J. Xavier tr. Hosten J. A. S. E. N. S. XXII, 1927, p. 121.
2. Amal-i-Saleh, I, p. 496
3. Sadiq Khan Or., 174, f. 11a
4. Nigar Nama-i-Munshi ff. 129-131
found in every pargana, if not in every village of the empire. An
examination of the contents of the farman reveals that it was the
first general statement of the land revenue policy of the emperor
after his accession. The conditions and practices noted in the farman
cannot be ascribed particularly to the reign of Aurangzeb and can best
be read as the administrative legacy of the former reign. Thus the
wide-spread practice, suggested in the farman, was not a new develop-
ment, but a practice which was inherited from the reign of Shahjahan.

For the remaining years of Aurangzeb's reign the evidence on
the subject is somewhat conflicting. We can trace in them, on the
one hand, the attempt to do away with the practice or at least to
curtail it to a degree which could not affect the working of the land
revenue administration to any appreciable extent. On the other hand,
there are indications that the practice of ijarah continued inspite
of the standing orders to the contrary. The first orders which seeks
to forbid the practice of ijarah in khalsa and jagir lands was issued
in the year 1087 A.H./1676 A.D. and is available in the Mirat-i-Ahmadi.
We are told that the practice of farming out land to the Chaudharis
and Muqaddams in the province of Ahmadabad was reported to the emperor.
It was pointed out in the report that the practice entailed a lot
of injustice and oppression to the ryots. The emperor disapproved
of the practice and issued an order to put a check to the practice. The
order issued to the provincial Diwan laid down that no one should
obtain ijarah rights in khalsa and jagir lands and that the Diwan
should issue necessary orders to the Amis for necessary action. 1 An

1. Mirat-i-Ahmadi I p.292
other order, entitled "About Prohibiting Ijarah" is available in the Nigar Nama-i-Munshi. It is not dated nor a probable date can be ascribed to it except that it relates to the reign of Aurangzeb. It recounts the royal regulation to the effect that the Amins and Karoris of Khalsa lands should not farm out villages in the parganas entrusted to them to any of their relations, to the government servants and to the Chaudharis, so that the owners of the village could properly manage their affairs and pay the land revenue. However, the regulation provided that a deserted village or a village inhabited by extremely poor cultivators could be farmed out and the assessed jama was to be collected according to the conditions laid down in the agreement. The permission to farm out such a village was, however, qualified by two conditions: first the consent of the owner had to be obtained, secondly it was to be farmed out to a person who was neither a government servant nor a Chaudhari.¹

The evidence in our authorities, described in the above lines, deserves an examination. It will be noted that the order contained in the Mirat-i-Ahad is meant to be applied for both the Khalsa and Jasir lands but the order available in the Nigar Nama-i-Munshi specifically refers to the measures to be taken in Khalsa lands. Again while the order contained in the Mirat-i-Ahad precludes any provision for revenue-farming under any circumstances the order contained in the Nigar Nama-i-Munshi provides for a limited permission to farm out land in Khalsa lands subject to certain conditions.

¹. Nigar Nama-i-Munshi p. 149
It provides for revenue farming of the villages where the *jana* had considerably decreased. That the provision was actually put into practice is confirmed by another evidence contained in the same work. An order on an application seeking two or three villages on *iljara* rights requires the local administration to find out such villages which were deserted or fallen out of cultivation and farm out the same against a fixed *jama.* Thus we can reasonably presume that although it was the general policy of the Revenue Ministry to disapprove and check the practice of revenue-farming in the routine course of administration it granted a limited permission for the practice under special circumstances. However, it appears that the Revenue Ministry strongly resented the practice of revenue-farming in favour of the governments servants, Chaudharis and Muqaddams and saw to it that such a practice was discontinued.

This appears to be policy of the Revenue Ministry about the practice of *iljara*. However, relevant evidence relating to a period subsequent to the year 1676 A.D. indicates that practice of revenue farming continued inspite of the standing orders to the contrary issued in 1676 A.D. The *Farhanga-i-Kandari*, a work compiled in 1090 A.H./1679 A.D. contains a form of *gabuliat* (deed of agreement) on behalf of the revenue-farmers for the payment of assessed *jama* for the pargana leased out to them in *iljara* rights. The note attached

1. *Nigar jama-i-junshi* p.149
to document adds that it was the practice of the Amin and Karori to lease out certain villages in ijarah rights.¹ The evidence under reference suggests that in the closing years of the 1670's ijarah was a well recognised practice in the land revenue administration. We have earlier examined the orders forbidding the practice of ijarah in some detail. The conflicting evidence can be explained away only if we presume that the order contained in the Mirat-i-Ahmadi dealt with a specific situation in Gujrat in the year 1676 A.D. and that the order contained in the Nigar-Nama-i-Munshi represents the legal position of the practice in a more comprehensive form, as it makes necessary provision for revenue-farming under special circumstances. The evidence contained in the Farrang-i-Kardani represents only such a case where land could be farmed out within the framework of the regulation laid down in the order contained in the Nigar Nama-i-Munshi. Whatever might have been the legal position of the practice whether it conformed to the regulation or was a violation against it the fact remains that revenue-farming continued even subsequent to the year 1676 A.D. We read elsewhere that in the year 1100 A.H./1698 A.D. the village Hisampur in Fargana Palul was held in ijarah rights.² We find Rani Hadi, the widow of Maharaja Jaswant Singh, imploring for the grant of certain parganas as jasad. In case her request could not be conceded for one reason or another she requested that the said parganas might be leased out to her in ijarah rights.³

¹. Lestar Nizam-i, p.535
². Farrang-i-Kardani, 35 a.
³. Durrul-Ulum f.65
³. Waga-i-Sarkar Ajmer, p.95
For the first half of the 18th century the relevant evidence relates to the reign of Farrukh Siyyar and Muhammad Shah. It appears that strict rules and regulations for business in all departments were much neglected since the reign of Jahandar Shah. However under Farrukh Siyyar the entire administration was thrown into confusion, and the evil practice of ijarah was encouraged and patronised by those who were at the helm of affairs. According to Shakir Khan, Sadiq Khan never farmed out the lands. After his removal from the office the evil practice of ijarah was introduced by Ratan Chand, the Diwan of Abdullah Khan, the Wazir. It brought ruin to a large number of people. We learn elsewhere that Farrukh Siyyar had developed a deep rooted animosity against Abdullah Khan. One of the grievances against the Wazir was that whenever he appointed an Amil he took from the appointee an undertaking (بُر) and realised the money from his banker. Farrukh Siyyar saw in the practice the cause for the ruin of the country for which the appointment was made under such conditions. The Emperor pointed out that the innovation would lead to the ruin of the country and therefore it should be given up and that the Amil should be appointed as the regular servant of the government fully accountable for the collections made by him. Abdullah Khan, however, did not agree with the suggestion. We are told by Khafi Khan that Ratan Chand interfered with the affairs of the Revenue Ministry

1. Later Mughals, I, p.335
2. Tarikh-i-Shakir Khan, f.58a
to an extent that the Diwan-i-Tan and Diwan-i-Khalsea were relegated to an extremely subordinate position and the khalsea parganas were leased out in ijarah like the sale of a commodity bringing lacs of rupees to Ratan Chand. This practice increased the ill-will of the Emperor towards Sayyid Abdullah Khan.¹

The evil practice of ijarah continued unabated till the middle of the 18th century. When Nizam-ul-Mulk assumed the Wizarat (1721) he examined the working of the revenue administration in some detail. He drew up a comprehensive scheme for introducing necessary reforms in the land revenue administration. One of his main proposals was to abolish the practice of revenue-farming in khalsea land which had ruined the country.² The proposed reforms were approved by the Emperor and it was hoped that land revenue administration would be soon reorganised on a sound footing. But the proposed reforms hit the vested interest very hard and they retaliated before they found themselves helpless against the person who had set himself against corruption and nepotism. They succeeded in alienating the Emperor from the Wazir and he had to leave Delhi in 1723. The administrative importance of the issue can be judged from the fact that a reconciliation between the Wazir and the Emperor could be effected only if the former acceded to the implementation of the proposed reform for abolishing the evil practice of ijarah.³

1. Muntakhab-ul-Ijab, II p. 773
2. Ibid p. 948
3. Irvine II p. 136
There is some evidence to show that the practice of farming out khalsa and jagir lands continued during the remaining years of Muhammad Shah's reign. We read elsewhere that Ali Muhammad Khan Ruhela obtained a number of mahals in ijara from ease loving jagirdars and careless Wazir. ¹ Two documents contained in the Dastur-ul-Amal Beikas indicate that revenue-farming of khalsa and jagir lands was a well-established practice in the reign of Muhammad Shah. ² The arzdaaht of Sobah Singh zaminder contained in the same work indicates the presence of moneyed ijarahdars in his taluqah. The evidence under reference directly confirms the evidence contained in other sources examined by us and gives a real insight into the working of the ijarahdari system. It appears that the head of the local land revenue administration had charged Sobah Singh zaminder with failure to pay land revenue which established against him a clear case of insubordination and hostility to the government. In the arzdaaht, referred to, the zaminder refutes the charges levelled against him and while reviewing the agrarian conditions obtaining in his taluqah criticises the role of ijarahdari and lays down concrete proposals for a fair assessment of land revenue. He refers to the former days of prosperity and good administration and adds that for the last four or five years the moneyed farmers, inexperienced and indifferent to the prosperity of the country had come down to his taluqah from the headquarters. They were primarily interested in exacting the maximum of land revenue and aimed at the ruin

¹ Seir-ul-Mutachirin III p.854
² Dastur-ul-Amal Beikas ff. 68,69
³ Ibid ff.51,52
of the country and the ryots. For these reasons, it would appear from arzdasht, Sobah Singh had made up his mind to compete with the farmers and engaged for the oppressing land revenue demand. He tried to face the situation to the last limits of his resources but he was driven to extreme helplessness on account of the progressive unfair increase in the land revenue demand. Ultimately he gave way and withdrew from the contest. We can read between the lines that the country was ruined and the farmers had left the district. The head of the local administration was again compelled to settle the terms with the hereditary zamindar.

The evidence in our authorities described in the lines gives a farily good idea of the extent of the practice and its effects on the social and economic life of the country. We can reasonably suggest that the practice of revenue-farming had become very common and widespread in the reign of Farrukh Siyyar and that it continued to be so till the middle of the 18th century. The unusual development of the practice of ijarah on such a large scale affected the working of land revenue administration adversely and weakened its stability still further. It gave rise to a class of bankers and speculators who invested their money in the business of the revenue-farming and thus emerged as a class of intermediary apart from the hereditary zamindars. The new class of ijarahdars generally came from the cities and proved to be a constant source of danger to the interests of the zamindars. The rise of the new class of intermediary, which was a super-imposition from the above, created artificial
conditions for a keen competition to engage for a land revenue demand which exceeded the normal jama. The settlement was made with the highest bidder and this practice tended to the continued increase in the jama figures for the revenue settlement. The class of hereditary zamindars was thus faced with an untenable position whether he outbade the ijarahdar or withdrew from the contest he could not escape his ruin either way. In case he engaged for an exorbitant land revenue demand he could save little for himself unless he transferred the burden on the peasants and indulged in callous raakawating. But the latter course would bring ruin to the peasants and the village would be deserted. To withdraw from the contest meant an immediate loss of his livelihood. Thus the total effect of the wide-spread practice of revenue farming was the ruin of a large number of ancient hereditary zamindars. It was under these agrarian conditions that a new class of zamindars replaced the ancient hereditary zamindars. Faced with extreme financial difficulties many of the zamindars, who were outbidden by the ijarahdars, were compelled to sell their zamindari rights to those who could pay for it. Naturally the wealthy among the neighbouring zamindars and the bankers from the city availed of the opportunity and these sales of zamindaris considerably affected the social and economic complexion of rural Hindustan. The rich and powerful neighbouring zamindars engaged themselves in craving out their States or taluqas, whereas the city bankers emerged as the

1. An examination of the sale deeds of zamindars, preserved in the State Records Office at Allahabad indicates that the zamindaris were sold on a large scale in the first half of the eighteenth century.

2. Cf. Like the great zamindars of Bengal the original possession of many of the Talukdars in the Western Provinces seems to be more easy to trace them to their origin as farmers of Government revenue Revenue Selections p.59.
absentee landlords. Thus the social and economic stability of rural India was seriously disturbed and it could be resorted only when the Britishers took over the administration of the country in the second half of the 18th century and the first quarter of the 19th century.

The effects of the ijarahdari system on the peasantry were even worse. Whether the settlement was made with the ijarahdar or with the zamindar, the conditions of artificial competition invariably tended to increase the land revenue, and ultimately the burden fell on the peasantry. We have noted that our authorities bitterly complain of the ruin of the entire people of the country except the bankers.\(^1\)

The evidence contained in the chronicles compiled at the capital or at provincial headquarters is directly confirmed by the zamindar Sobah Singh who was an eye witness to the ruin brought to the peasants and the countryside by the greedy farmers. Thus we can suggest that the cause of the poverty and distress of the peasantry is not to be sought in the magnitude of the land revenue demand but in the practice of ijarah which created artificial condition of competition among the ijarahdars and the hereditary zamindars and ultimately led to the settlement of the land revenue demand which was excessive and incompatible with the paying capacity of an assessment unit. The burden of the increased land revenue demand was, however, distributed among the peasants and it meant a more intensive exploitation of the peasantry.

It remains to investigate the effects of the revenue farming on

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\(^1\) We are told by Khafi Khan that the people of the country belonging to every class hated Sayyid Brothers and Ratan Chand who patronised only the Sayyids of Barah and the baggals (bankers) Muntakhab-\(\text{ul-}\)Lubab, II p. 902.
the land revenue administration and on the State treasury. The widespread practice of ijarah hardly left any room for the regular servants of the State who were employed for the detailed assessment and collection of land revenue. It meant a loss of jobs to a class of people who had specialised themselves in the work of land revenue administration and at the same time it denoted the complete breakdown of the administrative machinery at the pargana level which was so assiduously built up by the Mughal Emperors since the days of Akbar. The practice of ijarah also resulted in the loss of revenues to the public treasury. The intense exploitation of the peasantry coupled with unstable agrarian conditions brought ruin to the cultivation and the villages were deserted. The oppressed peasantry took refuge in the nearby zamindaris which were owned by powerful zamindars and who openly defied the authority of the State, neglected the payment of land revenue and paid only when a powerful noble led an expedition against them. Thus although the settlement of revenue demand at the highest bid might bring some more money to the public treasury for a few years, ultimately it led to the complete loss of revenues from such areas which were leased out to the speculative ijarahdars. The fact was recognised by the contemporary historians and the administrators. Even the puppet Emperor Farrukh Siyyar resented the practice strongly and did his best to stop the evil practice. But his voice of opposition was stifled by the vested interests headed by Ratan Chand. Later on Nizam-ul-Mulk, as we have noted, attached greatest importance to the abolition of the practice for any workable reorganisation.
of the land revenue administration. However, his scheme of comprehensive reforms, including the abolition of revenue farming, hit the vested interests very hard. They retaliated and proved strong enough to compel the Wazir to leave his office. It may be argued that the demand for the abolition of revenue farming on the part of the Emperor Farrukh Siyyar indicated nothing more than the whim and caprice of a weak mind, incapable of grasping the real facts of land revenue administration. Similarly, Nizam-ul-Mulk was a dreamer when he contemplated his scheme of the comprehensive reforms. It could be pointed out that the material conditions of land revenue administration were such that no tangible reforms could be successfully implemented. Such an assumption may be based on the ground that the khalsa lands were considerably decreased and it was accompanied with a corresponding decrease in the income of the public treasury. By farming out khalsa lands to the highest bidder the maximum of the revenues could be drawn to the public exchequer which hardly enjoyed the financial stability to meet the expenses earmarked against it. In other words, it was a measure of expediency to meet the abnormal condition in the land revenue administration. However, an examination of the available facts hardly lends any support to the contention. We have noted that the measure of expediency continued to weaken the financial stability of the State on account of progressive decrease in the income which resulted from the ruin of the cultivation and peasantry on an unprecedented scale. Thus the introduction of the practice of ijarah cannot be described as a successful and wise measure of expediency. In fact, the evil practice owed its origin and development to the
greed and selfishness of the rich bankers and speculators, who wanted to exploit the people and the State for their own highly objectionable ends. They conspired with the corrupt Ratan Chand and bought his patronage for enormous sums which was divided between Ratan Chand and his greedy but inefficient masters. Thus the widespread practice of *ijarah* was introduced to serve the interests of the class of bankers, the Wazir and his Diwan Ratan Chand. Neither there was any administrative or fiscal justification for the introduction of the practice nor the material conditions in the land revenue system made it indispensable. It can be best described as usurpation and loot on the part of a class which neither had any interest in the soil nor was fit or capable of making any contribution to the administrative system of the country. Therefore the revenue-farming and the class of *ijarahdars* were an ugly and undesirable imposition on the rural economy of the country by a person who had come at the helm of affairs by the irony of chance. A careful analysis of the conditions obtaining in the land revenue administration in the period under our study will show that the abolition of the practice was the need of the hour. Even if the proposed reform would have proved a failure it was worth trying. It would have checked and not accelerated the process of disintegration of the land revenue administration which came in the wake of the revenue-farming. To conclude the practice of *ijarah* brought ruin to those who had some interest in the land and resulted in the progressive loss of revenue to the public treasury those who were responsible for it were traitor to the sovereign, to the State and to the people.