CHAPTER VII
PRINCIPLES OF TAXATION
The importance of a repleted treasury for efficient functioning of the government was fully realised by ancient writers on polity. This is evident from the following injunctions which represent the various periods in history. The first comment on the importance of the treasury is found in Kautilya's Arthaśāstra, which states that a prosperous treasury is essential for the kingdom and is one of the seven elements of the State.¹ The Mahābhārata also ordains that a full treasury is an essential constituent of the State.² According to Kāmaṇḍaka, the treasury is the root of kings.³ Following this tradition, the Agnipurāṇa adds that the sovereign is subordinate to the treasury.⁴ Commenting on the importance of the treasury, Somadeva Sūri, a later writer, states that it is the treasury and not the life of the king which keeps him alive.⁵

¹ Arth. II. 2. — कृष्णुर्वा कृष्णुर्वा सत्तहाया तस्मात्पूर्वो कौर्चे।  Also VII. 1.
² Mah. XII. 119. 16. — कृष्णुर्वा वह राजान् रोजो तुरंतिरोथुः।
³ Kām. XIII. 33.
⁴ Agni. 241.22.
⁵ NVA. 21.5.
The various sources of revenue to fill the royal treasury are elaborately discussed in the Arthasastra, the Smritis, the Epics and the Puranas. Commentaries on the Smritis help us to provide an exact rendering of the controversial terms mentioned in the earlier literature. Reference to the heads of revenue are corroborated in the general literature, foreigners' accounts and Buddhist scriptures.

What were the principles of taxation in ancient India? To find the answer to this question we shall have to discuss the kinds of taxes paid by the subjects to their king.

The justification for taxation is given in the principle laid down by Gautama that taxes are paid in return for protection. According to Narada, royal revenue is the reward of the king for the protection of his subjects. Sukraniti went to the extent of calling a king the subjects' servant, receiving taxes as his wages. The king is repeatedly advised by the ancient law-givers not to oppress the subjects by levying heavy taxes.

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1 Gaut. Dh. S. X. 27.
2 Narada. XVII. 48.
3 Sukra. I. 138.
Taxation in Vedic Period

Though the first clear reference to the existence of taxation is found in the Dīghanikāya during an exposition of the social contract theory of origin of kingship, its primitive form was already established in Vedic society. The oldest term denoting contributions paid by subjects to the king is Bali, which occurs several times in the Rgveda in the sense of tributes paid to the king and the gods. It seems that Bali was occasionally and voluntarily paid to the king; this is evident from the prayer in the Rgveda, where the author blesses the king who might make the subjects pay Bali to him. On the authority of this hymn, Zimmer suggests that the offerings were voluntarily made by the subjects. Geldner and Grassman also consider Bali as presents and gifts. But this view is strongly opposed by the authors of the Vedic Index who hold that "no doubt in origin the prerogatives of monarchy were due to voluntary action

1 Rv. I. 70, 9; V. i, 10; VIII. 103, 9; the compound Balihṛt; VI. 5, 5; X. 173, 6.
2 Rv. X. 173, 6.
4 Geldner & Grassman cited from Saletore - Ancient Indian Political Thought and Institutions. p. 441.
5 Macdonell and Keith - Vedic Index II. p. 62.
on the part of tribesmen but that the Vedic people, who were essentially a body of conquering invaders, were in this state is most improbable." This statement may hold good in the case of tributes paid by conquered chieftains as the *Rgveda*¹ employed the same term *Bali* in a hymn addressed to Agni where it is stated that the people were compelled to pay *Bali* to King Nanuṣa. There is nothing to suggest that *Bali* was collected as a regular and compulsory tax from the subjects who are described as *Bali-hṛt* in the *Rgveda*².

*Bali* is frequently mentioned in the *Atharvaveda*³ to denote a contribution payable by the people to the king. The hymn, which is sung at the coronation ceremony,⁴ suggests that the system of taxation was already well-rooted in society.

Further developments in the policy of taxation can be gleaned from the references in *Yaju Śāṁhitās* and *Brāhmaṇas*⁵ which show that taxation became well-established.

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¹ *Rv. VII. 65.*
² *Ludwig’s Trans. I. 144.*
³ *Av. VI. 117, 1; XI. 4, 19; XI. 1, 20; III. 4, 3.*
⁴ *Av. III. 4.*
⁵ *Taitt. Śāṁ. I. 6, 2, 1; Kāṭh. Śāṁ. XXIX. 7; XXIX. 9; Taitt. Br. I. 2, 3, 2; Taitt. Br. II. 7, 13, 3; III. 12, 2, 7; Sat. Br. I. 3, 2, 13; 5, 3, 13; 6, 3, 17; XI. 2, 6, 14; Pāṇ. Br. XV. 7, 4; Ait. Br. VII. 29.*
The Brāhmaṇas were engaged in the moral uplift of society; the Kṣatriyas were given the task of protection, and the Śūdras owned no property. Naturally, the tax-paying class comprised the Vaiśyas. They are described as paying Bali and as to be oppressed at will.\(^1\) Śatapatha Brāhmaṇa also holds that everything except the Brāhmaṇas is food for the king.\(^2\) It further suggests\(^3\) that "Bali had become the landmark of relationship between the king and his subjects."\(^4\)

The king is called a devourer of his subjects in the Aitareya Brāhmaṇa.\(^5\) According to Hopkins,\(^6\) the term Viśāmattā suggests that taxation in the Vedic period was oppressive. But Aitekar\(^7\) refutes his view on the analogy of Brāhmaṇa literature, where the term "attā" is often used in the sense of enjoyer; for instance, the husband in one place.\(^8\)

\(^1\)Ait. Br. VII. 29.
\(^2\)Sat. Br. V. 3, 3.12; 4. 2, 3.
\(^3\)Ibid., XI. 2, 6, 14.
\(^4\)Ghoshal - Hindu Revenue System. p. 12.
\(^5\)Ait. Br. VII. 29.
\(^6\)Hopkins - India Old and New. p. 240.
\(^7\)Aitekar - State and Government in Ancient India. p. 264.
\(^8\)Sat. Br. I. 8, 3, 6.
is described as attā (enjoyer) and the wife as ādyā, the object of enjoyment. "It would be too far-fetched to argue", states the learned historian, "that these terms indicate that the husband was the eater or the oppressor of his wife". He further remarks that the expression is "obviously used metaphorically in the above context". We may fully agree with the authors of the Vedic Index to the possibility that the phrase originated in a custom by which the king and his retinue were fed by the people's contributions.

The references to Saṃgrahitṛ as one of the eight Viśes in the pañcaviṃśa Brāhmaṇa and to Bhágadugha and Saṃgrahitṛ as the king's Ratnins in the Yaju Señhitās and Brāhmaṇa literature suggest that taxation had become compulsory as these officers were entrusted with the collection of taxes and care of the treasury.

For convenience in discussion, we shall categorise the taxes paid into the royal treasury under the following heads:

1. Macdonell and Keith - Vedic Index. II. p. 213.
1. Land revenue and other levies on soil and dairy products;
2. Custom and Ferry charges;
3. Taxes collected from a village as a whole or collective taxes;
4. Emergency taxes.

Land Revenue

Gautama\(^1\) lays down that a cultivator should pay a tenth, eighth or sixth part of his produce, while Viśṇu\(^2\) and Vaśiṣṭha\(^3\) suggest a uniform rate of tax on land produce—one-sixth. Manu\(^4\) prescribes three rates, like Gautama, viz. one-sixth, one-eighth and one-twelfth.

The Jātakas do not make any direct reference to the rates or principles of taxation. The Buddhist tradition\(^5\) records that while making a contract with the king to protect them, the subjects agreed to pay him a portion of their paddy. That the rate of taxation during the Jātaka period was one-sixth is clear from a reference in Baudhāyana Dharma Sūtra, a contemporary work, which

\(^1\)Gaut. Dh. S. X. 24.
\(^2\)Viśṇu Dh. S. III. 22-23.
\(^3\)Vaś. Dh. S. I. 42.
\(^4\)Manu. VII. 130.
\(^5\)Dhīgh. III. 93.
states that the people paid one-sixth of their produce to the ruler in lieu of the protection offered by him.¹

No principle of taxation is laid down in the Jātakas except that good kings did not levy illegal taxes.²

The Mahābhārata repeatedly lays down that the king was entitled to one-sixth of the grain share.³ But its account of the origin of kingship suggests that previously one-tenth was the royal share.⁴

The Mauryan period stands as a landmark in the history of the taxation system in India. Kautilya in his Arthasastra⁵ records several items of land revenue. Sitā (produce of crown lands), Bhāga, Bali, Kara, Pīṇḍakara, Senābhakta, Ustānga and Pārśva etc. are the main terms which denote the various kinds of land revenue paid at different rates.

The term Bhāga in Kautilya undoubtedly refers to the customary share of one-sixth levied on the revenue-paying lands; at one place he uses the expression

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¹Baudh. Dh. S. I. 10, 18-19.
²Jātaka IV. p. 399; V. pp. 98-99; 101; II. p. 17.
³Moh. XII. 69, 25; 71. 10; etc.
⁴Ibid., XII. 67. 16-32.
⁵Arth. II. 15.
Another fiscal term used in the _Arthasastra_ to denote land revenue is Bali. Bali in the Rummindei inscription of Aśoka means an addition cess on land along with Bhāga. The inscription records that the village of Lummini was made free of Bali because it was the birth-place of the Buddha, but it had to pay one-eighth share (Aṭhabāgiya). Kṣirasvāmin explains Bhāga, Kara, and Bali as distinct terms and interprets Bali as a means of sustenance. Another term Kara is interpreted by Bhāṭṭasvāmin as "the annual tax paid during the Bhādrapada, Vasanta and the like", while according to Kṣirasvāmin it was a charge levied periodically on general property. Ustāṅga of Kauṭilya most likely corresponds to a tax paid on some festive occasion. Giving of gifts on festive occasions is repeatedly mentioned in our ancient political and general literature. Another important term Pārśva is defined by Bhāṭṭasvāmin as a levy collected in excess of the proper tax. The other terms Pindakara and Senābhakta will be explained.

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1 _Arth._ II. 15.


3 _Commentary on Amarakośa._ II. 8, 28.

4 _Ghoshal - Hindu Revenue System._ p. 47.

5 _Ibid._ , p. 48.
later in the course of the discussion on the taxes paid collectively by a village.

Megasthenes records that during the Mauryan period the second class of husbandmen paid one-fourth of their land produce in addition to rent, suggesting thereby that the land was under royal ownership.¹

The Agnipurana² in its Rājadharma section records two rates, namely, one-sixth and one-eighth of the autumn and rain crops respectively.

The Erana stone inscription of Samudragupta records that the wealth of a king lies in "an abundance of elephants, horses and money and grain."³ The reference to grain certainly shows the importance of land revenue and points out that even in the golden age of trade in India, land revenue was one of the most important means of filling the royal treasury.

Land grants of the Guptas mention the following sources of revenue: Udaraṅga, Uparikara, Vata, Bhūta, Dhānya, Hiranya, Meyā, Tulya, Adeya, Vaishṭika, Daśāparādha,


²Agni. 223. 26-27.

The Gaya copper-plate of Samundragupta, issued in the ninth year of his reign, records that Revati village was assigned as an Agrahara to Brāhmaṇa Gopasvāmin along with the assignment of Uparikara. "Therefore... (his) commands should be obeyed and all the customary tributes of the village consisting of that which is to be measured (Hiranya), etc., should be given" but the village was given to the donee with the specific condition that no new subjects (for the purpose of settling and carrying on their occupations), will be introduced, otherwise the act will amount to violation of the privilege.

Some of the fiscal terms such as Uprikara, Udraṅga, Hirṇya, Bhāga-bhogakara and Coradaṇḍavarjjam of these copper-plate grants need to be explained.

The term Uparikara has been the subject of much discussion. Fleet was the first to interpret it. He holds that it derives from "Upari" or "Upri" of Prakṛta and was a "tax levied on cultivators who have no property rights." Dr. L.D. Barnett considered it as the counterpart of a Tamil expression and understands it to

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1Fleet - C.I.I. Vol. III. p. 21. (All of them were not kinds of land-revenue but the heads of revenue which were to be realised by the donee of the village concerned).

2Ibid., p. 98 fn. 1.
mean the crown's share of the produce.¹ But Dr. Ghoshal refutes this view. He argues that the crown's share was not fixed in the donated village lands and further holds, on the authority of Assamese inscriptions of the 10th and the 11th centuries that the revenue collectors were not allowed to enter the donated village.² According to him, Uparikara is comparable to the Marathi expression Upri, meaning cultivators, and it was a tax on permanent and temporary tenants.³ Saletore, however, refutes Ghoshal's view, contending that "technical terms of the Gupta Age like Uparikara should not be interpreted by means of words or usages of later times, while a vice versa method of interpretation appears desirable."⁴

Sircar's opinion,⁵ based on the meaning of Sanskrit, Hindi and Bengali term "Upari or Upri" (meaning upon or extra), that the Uparikara was an extra cess seems to us to be the most appropriate.

The next term of a controversial nature is Udraha.

²I.H.Q. V. pp. 384-85.
⁴Saletore - Life in the Gupta Age. p. 348.
⁵Sircar - Sel. Ins. p. 266, fn. 5.
First it was defined by Bühler as "the share of the produce collected usually for the king."¹ Fleet accepts this interpretation² while Ghoshal believes it to be a tax levied on permanent tenants. Even a later record of the Alina copper-plate grant of Śilāditya VII³ mentions Udaraṇga and Uparikara together, which suggests that it was a tax payable on land, though the exact nature of it is not clear.

Another term which needs to be examined is Hirāṇya. The literal rendering of this expression is gold, but this is quite untenable as the expression in the Gupta inscriptions generally occurs along with terms such as Uparikara, Udaraṇga, Bhāgabhoga and Dhānya, denoting taxes. Dr. Sircar holds that it was the king's share of certain crops payable in cash.⁴ Bandyopadhyaya believes that it was a tax on capital or on the annual income.⁵ Beni Prasad suggests another probability — that it was the right of the State over gold and other mines.⁶ Ghoshal

¹I.A. XII. p. 189.
³Ibid., p. 189.
⁵Bandyopadhyaya - Kauṭilya Vol. I. pp. 139-140.
⁶Beni Prasad - The State in Ancient India. p. 302.
refutes a Bandyopadhya and Beni Prasad's views and opines that as Hiranya occurs along with other terms attached to land revenue, "it was a tax of the same nature as the king's grain-share which was paid in kind. Whatever the exact nature of this tax, we accept Dr. Sircar's opinion that Hiranya has in this context the conventional sense of cash.

Another term Bhaga seems to have originated in the compound Bhagadunga of the later Vedic literature. In Manu, Bhaga stands for a tax on any kind of produce. In the Rāmāyana, the term 'Bali-śadbhaga obviously denotes the sixth part of the land produce.

Agrawal interprets Bhaga as octroi duty. On the analogy of the Vijaygad stone-pillar inscription, Fleet interprets Bhaga-bhoga as "enjoyment of taxes".

1 Ghoshal - Hindu Revenue System, p. 74. To prove his contention Ghoshal compares Hiranya with Zabti of Todar Mal's system of land during the reign of Akbar. Ibid., p. 75.

2 Taitt-Saṁ. I. 8, 9; Kāth. Saṁ. XV. 4; Mait.: Saṁ. II. 6, 5; IV. 3, 8; Vāj. Saṁ.: XXX. 13.

3 Manu, VII. 307.

4 Rām. Ayodhya Kāṇḍa. 75, 25; Uttarakāṇḍa. 74, 29.

5 Agrawal - India as known to Pāṇini, p. 242.

In Gautama and Manu, Bhāga is used for land revenue. Later, Sukra included Bhāga among the nine sources of State revenue. The term Bhāga finds a reference in Manu in the sense of "daily presents" in the form of fruits, flowers, vegetables, grass, etc. Later, Bāna also records such a custom. On the authority of earlier and later texts, we can safely agree with Dr. Sircar that Bhāga meant a periodic supply of fruits, firewood, flowers, etc. The last portion of the term, i.e. Kara, denotes tax in the general sense.

Besides all these impositions, the copper-plate land grants of the Gupta and later period preserve references to still another impost, Chauravarjjam, which is mentioned with slight variations in different land charters viz., Chauravarjjam, Choravarja, Chauravarjaya, Choradapdavvarjjam. Fleet, following Bühler, interprets this term as 'with the exception of fines imposed on the thieves'. This interpretation is not accepted by some

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1 Gaut. Dh. S. X. 24-27.
2 Manu. VII. 130.
3 Ibid., VII. 131.
4 Harşacarita. p. 208. text. 212.
scholars who think that this was a tax imposed on villagers for the watch and ward arrangements made by the State (equivalent to the modern 'chaukidāri').

Ghoshal\(^1\) gives the following reasons to refute Fleet's interpretation: that "the context in which it stands show it to be an immunity granted in favour of the donee and not a right reserved to himself by the donor; there is no evidence to show that the transfer of civil jurisdiction was ever contemplated as possible in respect of the pious grants of the land; whatever be the case with the minor offences, jurisdiction over criminals was certainly not exercised by the village authorities. Hence the question of its transfer would not arise in connection with grants of single villages or village lands."

Lallanji Gopal\(^2\) is of the opinion that the term under reference means a tax. He advances evidence from the land charters of the Gupta period where the expression 'Daṇḍa' stands in the sense of a tax paid by a feudatory to his overlord.\(^3\)

\(^1\) Ghoshal - Hindu Revenue System. pp. 277-78.

\(^2\) Lallanji Gopal - The Economic History of Northern India. pp. 50-51.

\(^3\) I.A. XIV. p. 318; E.I. XXVIII. pp. 324-26; E.I. XXXIII. pp. 266-68; Medhatithi's commentary on Manu IX. 323.
In our opinion, the term Coravarjjam or Choradandavarjjam stands for a tax paid by the villagers to support the institution of chaukidāri. For the context refers that the Chaṭa-bhaṭas (royal troops) were banned entry in the village except 'Choravarjjam'. We may interpret this to mean that entry in a donated village was restricted for the royal troops, except those who prevented thieves. The expression Choradandavarjjam in our opinion means a tax which is one of the immunities granted to the donee; if it was to be realised by the State, it would occur later in the Charter where certain specific limitations are put on the donee, for instance, that he is not to allow any tax-paying subject to start his vocation in the donated village.

The land grants were donated to the Brahmānas with all the taxes referred to above as sources of income but the rate is not mentioned. This shortcoming of the copper-plate land charters is made good by Kālidāsa whose rich literature repeatedly points out that the sixth part of the earnings was a king's due.2

The account of the famous Chinese pilgrim Fa-hsien, who travelled in the country during the reign of

1 Fleet - C.I.I. Vol. III. p. 98.
2 Raghu. II. 66. Cf. also Ibid., V. 8; XVII. 65; 'Sak., II. 13, V. 4.
Candragupta II provides us with a different picture. According to him, only those who cultivate royal lands had to pay one-fourth of the produce to the sovereign.\(^1\) Smith\(^2\) and Beni Prasad\(^3\) contend that revenue was mainly drawn from the crown-lands. This statement is considered fallacious by Maitty, who advances the following arguments to refute this account.\(^4\) According to him, Fa-hsien did not know much about the secular life of India as he visited mainly the Buddhist monasteries. Secondly, he supposes that the pilgrim did not write his work immediately after reaching his country. Maitty's third and last argument carries much weight. He suggests that some of the statements of Fa-hsien about the social life are utterly untenable — that people do not kill animals and they do not drink, and that they do not eat onion and garlic. There are numerous references to wine drinking in Kālidāsa.

Ghoshal\(^5\) opines that Fa-hsien, while writing his account of the Indian system perhaps confused it with

\(^1\)Legge. pp. 42-43 cited in Maitty - Economic Life of Northern India. p. 68.

\(^2\)Smith - Early History of India. p. 314.

\(^3\)Beni Prasad - The State in Ancient India. p. 285.

\(^4\)Maitty - Economic Life of Northern India. pp. 68-69.

the system prevalent in his country.

Hsuan-Tsang, another famous pilgrim from China, who visited India during the reign of Haršavardhana in the 7th century A.D., has given a remarkable account of taxation in his general description of the country. He writes: "As the government is generous, official requirements are few. Families are not registered and individuals are not subject to forced labour, being sparingly used, every one keeps to his hereditary occupation and attends to his patrimony. The king's tenants pay one-sixth of the produce as rent."¹ No comment is needed on this simple statement of the famous pilgrim, except that references are found to forced labour known as Viśī in ancient India.

The same tradition was carried on even in the later period. Sukranīti,² a late medieval writer, categorises land revenue on the basis of irrigation facilities and nature of the soil:

1. Lands depending upon rivers 1/2
2. Lands depending upon lakes and wells 1/3
3. Lands depending upon rain water 1/4

Thus Sukra appears to be severe on the point,

²Sukra. IV. 2, 120.
because the lowest rate of 1/6th was the usual share of the king in the earlier period. The high rates found in the Sukranītisāra point out the tendency towards fiscal oppression through heavy taxation.

Toll, Ferry Charges and Custom Duties

Divyāvadāna bears testimony to the fact that customs and toll duties were levied during the 3rd century B.C. It records a story which shows a house-holder inviting people to accompany his son on a sea voyage without the payment of custom duties (Śulka) and freight for merchandise (Tarapanya) to bring over goods suited for carriage across the high seas.¹

The list of taxable commodities covered by the modern terms customs, toll and ferry charges, is fairly long and impressive in Kautilya's Arthasastra. He fixes the rates of taxes payable to the government while discussing the duties of the Superintendent of Tolls.² According to him, one-sixth of flowers, fruits, vegetables, roots, seeds, dried fish and meat was the Śulka payable to the State; the State revenue on linen, silk, metals, sandal, wines, ivory, skins and the like was one-tenth or one-twentyfifth, while it was one-twentieth or

¹Div. p. 4.
²Arth. II. 6.
one-twentyfifth in the case of clothes, animals, slaves, threads, cotton, scents, medicines, wood, oils, sugar, salt and liquors, etc. Some valuable commodities like conch shells, diamonds, jewels, pearls, corals, necklaces, etc., were taxed after considering the capital and the work involved, the time spent and other expenditure. Kauṭilya mentions another small impost called Dvārṣeya\(^1\) which amounts to one-fifth of Śulka.

A rather crude system of collecting toll duties is traceable in Baudhāyana\(^2\) who prescribes the levying of 1/6th Śulka with a choice article. Gautama\(^3\) enjoins on the subjects to pay 1/6th of roots, fruits, flowers, medicinal herbs, honey, fresh grass and firewood and 1/50th of cattle to the king. According to Viṣṇu,\(^4\) the Śulka chargeable from the subjects on meat, honey, clarified butter, medicinal herbs, scents, flowers, roots, fruits, flavouring substances, wood leaves, skins, earthenware, stoneware and wicker work was traditionally 1/6th and on cattle 1/50th.

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\(^1\)Arth. II. 21.
\(^2\)Baudh. Dh. S. I. 10, 18.
\(^3\)Gaut. Dh. S. X. 27; X. 25.
\(^4\)Viṣṇu. III. 25.
Manu also presents the same list, but cautions the king beforehand that he "should take taxes from the merchants on their articles after proper inquiry as to the prices of sale and purchase of commodities, the distance over which they are brought, the expenses on the way for carriage and for guarding them from thieves and robbers and calculation of profit on total expenses."

Such lists are also available in the Mahābhārata. But the epic also asks the king to consider it to be his duty to prescribe the rules of taxation on the traders after considering their sales and purchases, and their incidental expenses on the way, including those on food and clothing.

The Agnipurāṇa furnishes the following schedule:

- Cattle and contribution in cash: ⅜th or ⅓rd
- Scents, medicinal herbs, flavouring substances, flowers, fruits, roots, leaves, grass, bamboo, skins, wicker-work and stoneware: ⅓rd or ⅔rd
- Honey, meat and clarified butter: ⅓rd

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1 Manu. VII. 130-32.
2 Ibid., VII. 127-28.
3 Mbh. Śāntiparvan. 67.
4 Ibid., Rājadharmānuśāsanparvan. 87.
5 Agni. 223. 27-29.
Though Kālidāsa provides no specific rates of taxes payable by the traders, he hints that the traders paid sumptuously to the sovereign under whose protection they were safe throughout the length and breadth of the country.\(^1\)

Hsüan-Tsang\(^2\) refers to a small impost collected at riversides.

Śulka in the shape of tolls and customs is also mentioned in Amarakośa.\(^3\) It is also referred to in the spurious Gaya plate of Samudragupta.\(^4\) The Bihar stone-pillar inscription of Skandagupta records the name of Šaulkika, obviously a collector of Śulka.

The above-mentioned references show that Divyāvadāna knew the ferry charges. Arthāśāstra\(^5\) prescribes the following rates:

- Small animals and men carrying small loads
- Camels and buffaloes
- Lauds carried on the head or shoulders, cattle and horses
- Carts of small, medium and high speed

\(^1\)Upadhyaya - India in Kālidāsa. p. 153.
\(^3\)Fleet - C.I.I. Vol. III. p. 257.
\(^4\)Ibid., p. 50.
\(^5\)Arth. II. 21.
It also refers to transit duties at the following rates:

<table>
<thead>
<tr>
<th>Item</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>One cart</td>
<td>1/4 Paña</td>
</tr>
<tr>
<td>One single hoofed animal</td>
<td>1 Paña</td>
</tr>
<tr>
<td>One large animal</td>
<td>1/2 Paña</td>
</tr>
<tr>
<td>One shoulder load</td>
<td>1 Māśā.</td>
</tr>
</tbody>
</table>

Manu's schedule of ferry charges (Tarya or Tārika) is as follows:

<table>
<thead>
<tr>
<th>Item</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>An (empty) cart</td>
<td>1 Paña</td>
</tr>
<tr>
<td>A man's load</td>
<td>1/2 Paña</td>
</tr>
<tr>
<td>An animal and a women</td>
<td>1/4 Paña</td>
</tr>
<tr>
<td>A man without load</td>
<td>1/8 Paña.</td>
</tr>
</tbody>
</table>

Taxes from artisans and those who were engaged in manual labour were also realised, not in cash but through one day's work in a month for the king. This rule is found in Gautama, Vaśiṣṭha, Viṣṇu, Manu and

1 Arth. II. 1.
2 Manu. VII. 404-406.
3 Gaut. Dh. S. II. 1, 31.
5 Viṣṇu. III. 32.
6 Manu. VII. 138.
Agnipuruṣa. 1 Rājaṇītiprakāṣikā also lays down the same rule while quoting Viṣṇu. Later, Śukra prescribed two days' labour in a month for the king. 2 This shows the occasional tendency towards exploitation.

Megasthenes' account records that the artisans are not only exempted from taxation but are to be encouraged by the assignment of grants from the royal exchequer. 3

The king is warned against oppression of the subjects through forced labour in the following Jātaka story 4 which describes a king's dream that in the days to come his kingdom would grow weak and that in his distress he would make his subjects work for him, while the oppressed people would neglect their own work and fill up the royal granary. Forced labour (ViṣṭI) was prevalent in ancient India. This is clear from the injunctions of Gautama, Manu and Viṣṇu. 5

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1 Agni. 223, 33.
2 Śukra cited in I.H.Q. II. p. 141 (Ganguli's article) also Altekar's State and Government in Ancient India. p. 231.
5 Gaut. II. 1, 31; Manu, VII. 138 and Viṣṇu. III. 32.
There were some other imposts which were paid occasionally and the liability was expected from the village as a whole. Kautilya mentions two such terms Pindakara and Senabhakta to indicate land revenue. Bhattasvāmin defines Pindakara as comprising taxes levied upon whole village and Senabhakta as the king's dues of oil, rice and the like, payable for the timely marching of the army, according to the practice in specified countries.1 Such imposts are also referred to in epigraphy.2 A merchant named Udayamāna was appointed head of village Bhramarasālmali because he offered provisions to King Ādīśiṃha and his followers who were on a hunting expedition. The villagers were experiencing shortage and were not able to provide boarding and lodging to the King and his retinue. Another incident is recorded in Bāna's Harṣacarita which described the people "with uplifted water pots, pressed furiously in crowds with presents of curds, molasses, candied enōar and flowers in baskets demanding the protection of the crops" standing on the route from where Harṣa's army was to march.3

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2 E.I. II. p. 343.
3 Bāna, Harṣacarita. p. 208. text. 212.
Emergency Taxes

The most notable feature of the taxation policy adopted by our ancient authorities was the realisation of the need of having different financial policies during peace and war-time. They sanction imposition of extra taxes or raising of the enhanced ones in emergencies and unforeseen calamities like war, famine, disease or for undertaking works of public utility.

Arthaśāstra¹ is explicit on this point. It hints at many methods which can be classified under two heads: first benevolence (Pranya) and the second, miscellaneous methods of raising revenue by fraud and force. In fact, the king had to approach the people through various methods for realising these extra cesses. According to Kautilya, the king can levy 1/4th of the grains, 1/3rd of the other commodities like wild rice, cotton, medicinal herbs, wood, etc., and on-half of ivory and skins etc. as benevolence (Pranya) during emergencies. But the great politician that he was, Kautilya could see the danger of levying of such taxes frequently. Regular demand for such heavy taxes on the king's part would...

¹Arth. V. 2. — कौशलकोषः प्रत्यांचनागृहीतः संगीतियायां जनपदः महान्तः विश्वसनात्माः कादेव नृत्तं कृत्यः नृशक्ताः स्वस्वात्माः कुलिय विभिन्न वा यात्राः — हति अश्रुः प्रणायः — रघुपं न दिदी प्रशोष्यः —
oppress people and would surely affect their earnings. Since the wealth of the people was the ultimate source of revenue, Kautilya advised the king to levy such taxes only once during his reign and never twice.

Of the other method suggested by him — various ways of fraud and force — one or two examples may be cited here. Spies, we are told, may arrange to get seditious people infatuated with females disguised as chaste women, and having taken them to the houses of these women may cause confiscation of their possessions. When seditious persons of high families quarrel with each other, poisoners may be directed to poison one of them, and the other may be charged with the offence of murder and their property may be confiscated. Such rules point out that the State was justified in adopting low and underhand means in times of financial stringency. Commenting on this issue, Ghoshal¹ states: "Politics, which in Arthaśāstra is treated as an independent branch of knowledge apart from the canon, is further divorced from morality and religion."

Many also provides extra rates for times of distress. He remarks that a king is justified in taking 1/4th share of the produce of the people if he protects them well in

time of danger.\footnote{Manu X. 119-20.}

The Mahābhārata in the Āpadharmaparvan lays down that a king is free to take unsanctioned things without enraging people. "Raising money by force is not forbidden in times of danger."\footnote{Āpadharmaparvan. 132.} The Śāntiparvan records a stern measure of confiscation of the wealth of all the subjects except that of the Brāhmaṇas, and supports this theory by advancing several arguments based on the law of self-preservation.\footnote{Śāntiparvan. 130.}

The Mahābhārata justifies the method of demanding extra taxes\footnote{Rājadharmānuśasana-parvan. 87.} from the people. We reproduce here a portion of the appeal made by the king to the people in general for extra cesses to meet the emergency: "The enemies having combined with robbers have for their own destruction aimed at attacking my kingdom. Now, I pray for money from you, gentlemen, since this serious danger has appeared. When the present difficulty would be got rid of, I shall return your money to you. If the enemy forcibly takes your money, you will never get it back and your family and children will be destroyed in case

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2. Āpadharmaparvan. 132.
3. Śāntiparvan. 130.
4. Rājadharmānuśasanaparvan. 87.
of their attack. Who will then enjoy your wealth?...

Money should not be considered dear in times of danger."

Śukra merely imitates the epic's version of the appeal made to the people for extra funds in times of financial stringency, with the difference that the appeal was not made to the people in general but to the near associates of the king. Noting this difference, Ganguli points out that "it shows some decay of the democratic attitude and a tendency to centralisation."^2

Instances of such State loans are traceable in Avadānaśātaka. It records that a merchant advanced a loan of gold coins to Prasenjit, King of Kosala, to help him in his war against the King of Magadha.

Extra cesses were also imposed on the people for undertaking works of public utility; this is evident from the Junagadh inscription of Rudradāmanā I. It is proudly stated in this valuable epigraph that the king got the Sudraśāna lake repaired without resort to oppressive measures like forced labour and extra taxes.

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^1Śukra. IV. 29; IV. 2, 18.
^2I.H.Q. II. p. 136.
^3J.S. Speyer's ed. p. 56.
Remissions and Exemption from Taxation

India's ancient law-givers not only prescribed the rates and the rules for tax collection but also made recommendations for tax remissions under certain circumstances, while some classes of people were altogether exempted from the burden of tax payments.

The Mahābhārata advises the king not to collect taxes from the drought-hit areas. It states: "If on account of drought people cultivate (their lands) by drawing water from wells (dug for the purpose), it will not be right for the king to tax them then."¹

Kauṭilya² recommends the remission of taxes on lands which were irrigated from newly-constructed tanks (at their own cost) for five years. Four years' remission was to be granted to those who repaired such tanks. If small tanks were expanded for the purpose of bringing more land under cultivation, the remission was made for three years. The subjects were to enjoy two years' remission if they brought new land under cultivation.

That such a trend was continued in the later period also is evident from the Sukranītisāra which recommends that no assessment was to be made from people

¹ Anusāṣānaparvan. 61.
² Arth. II. 1.
who construct new tanks and bring new land under cultivation for more production until they have earned twice their investments.¹

Immunity from octroi duty is recommended by Kautilya² on commodities intended for marriage and other Samsakāras, for worship, presentation, etc.

**Classes exempted from Taxation**

The Brāhmaṇas were the most privileged class and were recommended for exemption from taxation by most of the Śaṁtiṣṭas.

The Brāhmaṇas’ claim for such privileges is deducible from a hymn in the Śatapatha Brāhmaṇa³ that everything is food (āḍya) for the king, the Brāhmaṇa is not to be fed upon (anāḍya) for he has Soma for his king.

Vaśiṣṭha made an exception in favour of the Brāhmaṇas while recommending one-sixth of the produce as the king’s due.⁴ He also includes learned Brāhmaṇas in the list of people who were not liable to taxation;⁵

¹Sukra. IV. 2, 121-22.
²Arth. II. 21.
³Sat. Br. V. 3, 3; 4, 2, 3.
⁴Vaś. I. 42-43.
⁵Ibid., XI. 23.
so does Āpastamba. Viṣṇu also made the Brāhmaṇas immune from taxation on the same grounds.

Manu holds that "the Śrotriyas' daily religious work when properly supported by the king, gives prosperity to the State and wealth and long life to the king himself." It is clear from Manu's opinion that the king was not only to exempt the Brāhmaṇas from taxation but was also to provide means for their maintenance. Earlier in the same context he asserts that the king may die for want of money but he should not levy taxes on the Brāhmaṇas. The Mahābhārata, as quoted above, emphatically recommends seizure of the wealth of all the subjects during an emergency but with the same emphasis exempts the Brāhmaṇas.

Kautilya recommends land grants with immunities and rich gifts by the king to certain classes, i.e. the sacrificial priest, the spiritual preceptor, the Purohita and the learned Brāhmaṇas. In another context he imposes

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1Āp. Dh. S. II. 10, 26, 10.
2Viṣṇu. III. 26-27.
3Manu. VII. 136.
4Ibid., VII. 133.
5Sāntiparvan. 130.
6Arth. II. 1.
a small fine for collection of tolls and other duties from the Brāhmaṇas.\(^1\) The practice of assigning land grants with immunities and rich gifts to the Brāhmaṇas was quite common in the Gupta period. This is clear from the wide range of copper-plate grants of the Gupta emperors and their contemporary kings.

Nārada had a somewhat different view: according to him, the property of the learned Brāhmaṇas, which is required for household use, is exempted from Śulka but not that which is used for the purpose of trade.\(^2\) The privileges of exemption from taxation were not to be assigned to the Brāhmaṇas without expecting the proper discharge of their legitimate vocation (from them) i.e. spiritual and moral uplift by performing sacrifices and other religious rites. The Mahābhārata lays down that "that those Brāhmaṇas who were not Śrotriyas, nor have the household fire going, should be taxed by the king and set to work without pay."\(^3\) Devibhāgavata\(^4\) suggests that those Brāhmaṇas who do not perform their duty well should be considered as Śūdras and are fit to be taxed.

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\(^1\)Arth. III. 20.


\(^3\)Rājadharmānuśasana parvan. 76.

\(^4\)Devibhāgavata. p. 111.
Agnipurāṇa repeats the old tradition of Manu and the Mahābhārata that the king should not realise taxes from the Brāhmaṇas in spite of his great inclination to do so. It also ordains that the king who entail the property of the Brāhmaṇas and temples go to hell.

Besides the Brāhmaṇas, women, ascetics, students, children, old people, blind, dumb and deaf, Śūdras (who live by washing the feet of other classes), cripples, idiots and the king’s men were also exempted from taxation.

**Principles of Taxation**

The king was not free to levy taxes according to his sweet will but was to act according to the guide-line prepared for him by the Śrīvakṣas to ensure justice between the payer and the payee. The tax rate recommended by different authorities varies from time to time and place to place. Manu enjoins that the king should lay down taxes every year in accordance with the Śāstra (law). The Mahābhārata also lays down that "taxing according to reason - is a means to preservation." Most of the

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1 Agni. 223. 30.
2 222. 11 and 222. 15-16.
3 Vā. XIX., 23-24; Āp. Dh. S. II. 10, 26, 10-17, Viṣṇu. V. 132; Manu. VIII. 394; Agni. 223. 25.
4 Manu. VII. 80.
5 Rājadharmānuśāsana Parvan. 58 also 71.
principles are repeatedly mentioned in the various Smrītis, the epic and Purāṇas.

The fundamental conception about the justification of taxation lies in the protection offered to the subjects by the king.¹ Nārada emphatically declares that the king's revenue is his reward for the protection of his subjects.² Sukra went to the extent of calling the king's dues as his wages for the protection of his subjects,³ thus making him their servant.

The idea "tax the net profit and not the capital" is preserved in the injunctions of Manu and the Mahābhārata.⁴ The king should levy taxes on merchants after examining matters relating to purchases and sales, the distance travelled, the provisions consumed and the expenditure for securing the merchandise. The same principle is laid down in connection with the imposition of taxes on artisans."⁵

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¹Gaut. X. 27; Vas., I. 42; Baudh. I. 10, 13, 1; Viṣṇu, III. 28; Agni., 223, 13.
²Nārada. XVII. 48.
³Sukra. I. 188.
⁴Manu. VII. 127 and also Mbh. Santiparvan. 87. 13.
⁵Manu. VII. 127; also Mbh. Santiparvan. 87. 15.
that their labour and expenditure on the product must be considered beforehand. The king is warned that neglect on his part would ruin trade and industry and that without proper profit nobody would engage himself in business. This principle leads to another — that taxation was to be levied in such a way that the fruit (profit) may be enjoyed by both the king and the producer. This idea may be called from the teaching that the king should not destroy his or his subjects' substance by oppressive taxation.¹

The Mahābhārata is against the principle of excessive draining of the kingdom. It declares that if a cow is milked too much, the calf cannot perform any work; so also a kingdom which is drained too much fails to perform any great service. The epic is against the levying of taxes in lumpsum at a time. It equates such a tendency with oppressive taxation.²

The king is repeatedly urged to collect taxes little by little. The Mahābhārata emphatically tells the king to behave in the following manner: "Just as the bee draws honey but at the same time leaves the flower unhurt, so the king should take wealth from the people without harming

¹Manu. VII. 139. also Mbh. Śāntiparvan, 87. 18.
²Rājadharmānusāsana Parvan. 88. 20-22.
them. One may collect flowers but not cut the very root of the tree, just like a garland-maker, but not like a coal-maker."¹ The Śāntiparvan also states that the king should draw (taxes) from the realm lightly in the way the bee draws honey from the flower; he should milk the cow as the calf sucks the udders and not bore the udders. The verse also advises the king to draw taxes as the leech draws its food drop by drop; again, the taxes should be realised in such a manner that they are not felt by the subjects, as the tigress carries her cubs in her mouth but does not hurt them, as the mouse gnaws at the feet of sleeping men.²

Manu also hints at the same principles ³ that as the leech, the calf, and the bee draw their sustenance little by little, so should the king do while collecting taxes.

The principle of levying light taxation which is not felt by the people leads to another — the trees of sustenance (means of making wealth) were not to be harmed.

¹Udyogaparvan. 34. 17-18. — वषा मधु सपादले रत्न पुष्याणि। बद्धपद्य: लक्ष्यांमुक्तीय आद्धाविन्दिया।। पुष्यां पुष्य विचिन्नित् पुष्यांहैंं
न कारयेत।। पारसार।। क्वारसैं न स्मायलिङ्गारक्र।।
²Mbh. Śānti Parvan. 87. 17-18; Ibid., 71.20.
³Manu. V. 2.
by heavy taxation, lest they should stop bearing fruit. The Arthasastra states that a king should pluck the ripe fruits from his kingdom just as one gathers them from a garden, but must not take unripe fruits lest this should bring about his own ruin.¹

A similar view is expressed by Kāmandaka.² He advises the king to follow the principle of the milkman and the florist. Cows are to be tended at one time and nourished at other times to be milked. A florist tends and sprinkle water on his plants and cuts the flowers from them. So are the subjects to be helped at one time with provisions and money, and at other times to be taxed. Such a simile finds a place in Divyāvadāna too. The good ministers advise the king in the following way: "Kingdoms, O lord, are like flowers and plants and fruit-trees being nourished properly yield flowers and fruit at the proper season; so the kingdoms being protected yield taxes and revenues."³

The next principle is that a gradual increase should be made in taxes⁴ and they should not all be

¹Arth. V. 2.
²Kām. V. 84. वात्तीत अनेन खोले विविधारुत्तरे II यथा गतः। पत्त्वेन खोले डुक्षते व तथा पुख्तं II
³Div. p. 562.
⁴Mbh. Sānti Parvan. 88. 7-8.
increased at one time.

Next, the taxes should be imposed in such a manner that they leave the subjects able to bear heavier taxes if need be just as the calf who is given nourishment grows stronger to bear more burdens. The Abhilāśitār-thacintāmaṇi directs the king to fill up his treasury in the same fashion as an ant-hill or a bee-hive is constructed — gradually.

The next principle is that the taxes should be realised in accordance with the time and the place. The injunctions in the Mahābhārata, Manu, the Agnipurāṇa and Kāmandaka show implicitly that the king should not strictly realise the taxes according to the rates fixed by the scriptures but should make allowance for the circumstances.

The Raghuvamsa states that King Dilipa received taxes from his subjects for their own welfare, like the Sun which extracts water in order to render it back a thousand-fold. This suggests two more principles, i.e. the taxes should be realised for the public good, and

\[ \text{\textsuperscript{1}} \text{Mbh. Sānti Parvan. 87. 20-22.} \]
\[ \text{\textsuperscript{2}} \text{Abhilāśi. I. 2. 540-2.} \]
\[ \text{\textsuperscript{3}} \text{Mbh. Sānti Parvan. 88, 12; Manu. VII. 127; Kām. V. 84; Agni. 223. 27.} \]
\[ \text{\textsuperscript{4}} \text{Raghu. I. 18.} \]
second, universal applicability of taxation. Ghoshal calls the first principle the 'vulgar fallacy' of the Hindu theory of taxation. But we need not agree with him on the ground of the protection accorded to the subjects by the king. Those were the days of constant warfare for supremacy and substantial finances were required to meet the circumstances. If a realm was well protected, safe and secure, the people could make more money by pursuing various vocations than in adverse conditions. The principle of universal taxation is also implied in a simile of Manu, that the king should not forgo his share, be it very small.

Besides the Brāhmaṇas, who paid their tribute through the proper performance of their legitimate vocation, i.e. spiritual and moral uplift of the kingdom. The cripples, the dumb, the deaf, the blind, and women, children and very old persons who could not earn money were exempted from taxation. This principle of humanitarian considerations can be traced from the rules laid down by Vaṇiṣṭha, Āpastamba, Manu and Viṣṇu, as mentioned above.

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1 Ghoshal - Hindu Revenue System, p. 27.
2 Manu, VII. 170-71.
3 Vaṇ. XIX. 23-24; Āp. Dh. S. II. 10, 26, 10-17; Manu, VIII. 394; Viṣṇu, V. 132.
The Arthasastra lays down that imports harmful to the State and luxuries are to be discouraged by taxation. While metals, military vehicles, rare things, grains and cattle were not to be exported, their import was to be encouraged by tax exemptions. The principle of avoiding harmful imports and encouraging the export of valuable things fully conforms to the practices in modern economies.

In the light of this discussion we are able to assess the principles of taxation in ancient India. Some references to fiscal oppression are found in the Jatakas. Other literary works show the people fleeing from their homes to the forests in order to escape the tyranny of tax-collectors. But Altekar argues that these few references should not be given much importance; according to him, these may be exceptional cases.

We may conclude that if all the taxes referred to above were actually realized, the nature of ancient Indian taxation may be called oppressive, with the condition that the king was not free to impose taxes according to his sweet will.

1Arth. II. 21.
2Vol. V. p. 98.
3Raj. VI. 344. V. 184.
4Altekar - State and Government in Ancient India. p. 284.