

CHAPTER VIIMONEY LENDING AND BANKING

Overwhelming and penetrating influence of credit and finance in any economy, whether rural or urban cannot be undermined. It formed the very backbone of the whole society. For their strength or rather the very existence, even the great Empires looked forward to swift and unimpeded supply of finances. Finance had been the most decisive factor in the fortunes of many a great Empires.<sup>1</sup>

Decline and disintegration of the Mughal Empire in early eighteenth century let loose a reign of instability and internecine warfare throughout the country. It also witnessed the emergence of various regional powers, who taking the advantage of prevailing confusion were able to carve out autonomous principalities for themselves. In Western India it was the rise and expansion of Maratha Swarajya, initially under the leadership of Shivaji and later his military commanders Peshwas and Gaikwads which effected the fortunes of Gujarat.

The Maratha incursions in Gujarat had started with invasion of Ahmedabad by Dhanaji Jadav in 1706.<sup>2</sup> Since then Ahmedabad and its neighbouring parganas became prone to constant incursion or predatory, Maratha inroads. Everytime huge booty in the form of

---

1. Leonard, Kurren, 'Great Firm theory of the decline of the Mughal Empire'; Journal of Comparative Studies in Society and History, Vol.2, 1979. The diversion of resources by big banking firms has been stated as a major reason for the decline of the Mughal Empire, by the author.

2. Mirat, P.318, 324-25.

Khandani was taken out of this once prosperous area. In 1707 Rs:3,00,000 were demanded for the release of Hamid Khan, Naib Subhadar of Ahmedabad. Shortly to follow was the invasion of the city by Balaji Vishwanath in 1708 and his return after taking a Khandani of two lakhs and ten thousand of rupees.<sup>3</sup> Then it was Kanthaji's turn to exact three lakhs and fifty thousand rupees from Viramgam<sup>4</sup> and a considerable amount was also exacted from Dholka.<sup>5</sup> It was not so much the amount of these exactions (ofcourse these were mammoth amounts from the standard of eighteenth century) but the wreckage caused to the economy by way of pillage and plunder of the towns and country side that dislocated the sources of revenue, crippling the economy as such. Cession of the right of Sardeshmukhi and Chauth in 1730 to Bajiro by Sarbuland Khan also led to economic disorder in Gujarat. The economic scene was made all the more gloomy by the occurrence of frequent famines. The most devastating were the famines of 1687 (popularly called as Satyasi) famine in 1718 (called Janbutra) famine and epidemic in 1732 and famine in 1747 (known as Tarlotra or Tankiya Kan or grass famine).<sup>6</sup>

Owing to the above mentioned reasons and the enforcement of heavy state demand, indebtedness in the rural as well as urban centres increased. A greater need for the credit facilities was felt. There was a large scope for the involvement of the merchant capital and the gains in the form of the interest were quite

---

3. Mirat, p.333-34

4. Ibid, p.423

5. Ibid, p.455

6. Mirat, p.383, p.494

high.

Internecine Warfare amongst the Maratha Sardars and the need to maintain huge military forces and Sebundies for safeguarding their spheres of influence or their empires, made the Peshwas and Marathas borrow exorbitant amounts from various Sahukars and Sarrafs.<sup>7</sup> This appeared to be a blessing for the Sahukars and sarrafs; it meant greater penetration of their capital into the economy of the region. Impetus to these activities was given by the State itself and State being the biggest borrower, these classes blossomed under the protection and encouragement being provided to them in return along with the huge monetary gains. The Sahukars became the leaders of the day wielding great power and influence not only in the financial matters but also in the political matters of the State. Big banking Firms became indispensable allies of Peshwas and Gaikwads.

Some of the leading bankers of Ahmedabad were Vakhatscha Seth, Mangal Sakhidas, Hathisingh Kesrisingh, Karamchand Premchand,<sup>8</sup> Ambaidas Laskari, Jivan Nagji, Phulsha Dipsha and many of Baroda based firms which had financial transactions with Ahmedabad such as the firms of Haribhakti, Ambaidas, Samal Bechur Ratanji Kahndas, Ishwar Parekh, Mairal Narain, Gopal Rao, Manmohan das, Manekchand Jagjeevan, Dajibhai Shukl, Kuber

---

7. Jamav, R.No.47, D.No.2, A karzjhada related to Gaikwads; S.S.R.P.D., II, p.170. A Karz Jhada pertaining to the loans taken by the peshwa (1740-41) amounting to several lakhs from about 40-50 Sahukars.

8. J.D.V. 1838, No.39/483, p.162. Vakhatchand, 254-269; Uttamram, Ahmedavadnun, Varnan, Ahmedabad-1853, 49-50; Dungrarji Sampat, Pratapi Purvajo, Ahmedabad, 72-80; also see article by M.J.Mehta, Business Environment and Urbanization in J.S.Grewal and , Indu Banga ed. Studies in Urban History.

Bhaichand, Prabhudas, Ravi Karn Hari Karn, Arjunji Nathji (from Surat)<sup>9</sup> etc. Owing to patronage extended to Haribhaktis and other bankers by the Gaikwad and the Peshwa, they had considerable power and influence in Ahmedabad and also effected its economy in number of ways.

However, owing to the atmosphere of confusion and insecurity created in Ahmedabad during the first half of the 18th century many of the big Gujarati bankers had migrated to Satara (the seat of the Maharaja Sahu) and Poona (which was given to Peshwa as a jagir in 1725 and naturally provided great opportunities to the merchants and financiers)<sup>10</sup>. Prominent among the Gujarati Poona Merchants were Dulabh Seth, Govindji, Dayaram Atmaram, Haribhakti, Vishnudas, Harkisandas, Dalsharam, Keshavji, Gokuldas, Purshottam Murli, Purshottam Ambaidas and Kushaldas<sup>11</sup> Patankar. Many of those who had settled at Satara were Bhukan das Haridatta, Bhagwandas Gowardhandas, Balkrishna Jeevandas<sup>12</sup> Girdhardas, etc.

Most of these prominent bankers used to operate the whole system usually from a big urban city preferably a State Capital.

9. Ajmas, 56, 1814, H.S.B.S.R., V, No.17, p,655.

10. Jamav, R.No.41, Kanujabta; Salas Khamsain.

11. Chapekar, Narain Govind, Peshwaicha Saavlit, 91.

12. S.S.R.P.D., 3, p.145. These bankers alongwith few others (total 10) helped Peshwa raise a loan of Rs.10,00,000. cf, Divekar, V.D, "Business Elements and Business Class in Maharashtra: A Historical Analysis". Of these bankers Dullabh Seth was most prominent. He was also Nagarseth of Poona and helped Peshwa start a new mint at Poona from the Jewellery and utensil's (gold and silver) from his own house hold.

In the 18th century Ahmedabad and Baroda, the headquarters of the ~~two~~ major political powers in Gujarat viz. the Peshwas and Gaikwads respectively, became the hub or the nerve centre of such banking activities.

Since its formation in 1411, Ahmedabad had been a great centre for trade and commerce.<sup>12a</sup> Its traders and financiers and not its political elite, nor its feudal aristocracy set the tone of society in Gujarat long before colonial rule and made business valued and more than normally respectable for all. Here was a city with a bourgeois elite and indigenous financial and commercial institutions which survived even the most tumultuous years of its history.<sup>13</sup> Its financial institutions provided a solid base to its economy. Ahmedabad's story is of growth of an important traditional centre of trade and industry into a modern city under the leadership of a financial and mercantile elite. Ahmedabad had always been a wealthy city by Indian standard and its people had a reputation for industry and thrift. The wealth of Ahmedabad was basically controlled by the Hindus and Jains, especially the old established family business firms and as has been mentioned earlier they were denoted by the names of Sarrafs,<sup>14</sup> Sahukars, Sheths, Parekhs, etc. They held not one but many portfolios, acting as financiers, lending to the State and to private borrowers; potedars, changing currency; paymasters to the

---

12a. Mirat, pp.28-35. After the very foundation of the city Sultan Ahmed himself encouraged various merchants, craftsman, to settle down in the capital.

13. cf. Gillion, op.cit, pp. 6-10.

14. Jote, pp.545-62.

royal army and Sebundies; bankers, issuing and discounting hundis; revenue collectors on behalf of the State or their farmers; they also validated and minted money. During the second half of the eighteenth century they also acquired the position of state treasurer (Potedars), thereby handling all the financial transactions of State. Thus, owing to their involvement in multifarious activities they became indispensable allies of the State.

Sarrafs along with other merchants had organised themselves into professional groups called Mahajans or Parekh Mandal (something like guilds)<sup>15</sup> Mahajan was predominantly Hindu or Jain body. It comprised of groups of financiers and all merchants involved in different trades. For example there was a Sarrafs Mahajan for financiers, Maskati Mahajan for cloth merchants etc. Leader or head of the Mahajans was called Sheth. This position was unanimously enjoyed by the Sarraf Mahajan. The artisans organisation was called as Panch. Whereas Mahajan basically looked after the professional matters, the Panch was primarily a caste organisation.

During the time of Jahangir the leader of the Jain Community and Sarraf Mahajan was Seth Shantidas Jhaveri. He belonged to a Kshastriya Sisodiya Rajput family of Marwar. He was the court jeweller and financier and provided many valuable commodities at the Mughal Court. In lieu of his services Jahangir conferred upon him the title of Nagarseth in 1644<sup>15a</sup> and issued a Charter

---

15. Haribhakti Collections, Department of History, M.S. University, Baroda. In various chithis orders have been issued to kamavisdars to issue some money to Parekh Mandal.

15a. Jain Aitihasic Rasmala, 1913.

in his honour. Owing to the great influence at the Mughal court, Shantidas was able to persuade Shah Jahan to order Aurangzeb (who was appointed subhadar of Gujarat in 1645), to return a Jain temple which he converted into a mosque and to make restitution for the damage he had done to it.<sup>16</sup> Such was the power and influence wielded by the leading sarrafs at the Mughal court. Cordial connections of Nagarseth family continued even with the other members of the royal family, Shahzada Murad Baksh borrowed five lakhs and fifty thousand rupees from Seth Laxmidas, son of Shantidas, to maintain army during the war of succession.<sup>17</sup> When Aurangzeb succeeded the throne at Delhi, loan taken by his brother was liquidated by assigning the Seth some revenue from different parganas in Gujarat. Acknowledging his services to the Mughal family and for the advancement of trade, Aurangzeb issued Farman in his name and appealed that no obstruction should be created in Laxmichand's way in recovering his money from various people.

The most illustrious of the family of Nagarseth was Laxmichand's son, Khushalchand Seth. In 1724, during a fight between Mughal Subhadar, Hamid Khan and the Marathas he saved the city and its residents from plunder and loot by appeasing the Marathas by offering a huge sum from his own pocket. Highly gratified and moved by this unselfish move of Seth Khushalchand all the other Mahajans of the city assembled and decided to give one fourth percent of the Rahadari tax. i.e. a levy on all goods going out or coming into the city to Khushalchand and his family in.

16. Commissariat, M.S., Studies in the History of Gujarat, III, p.53.

17. Mirat; p.216.

✓ perpetuity. In the succeeding years his services were appreciated and rewarded by the Peshwas. Peshwa Raghunath Rao issued one Farman regarding this to sheth Nathusha . Under the Gaikwads, Govindrao awarded his son, Vakhatsha Seth, a Mashal (torch) for which Rs.8 was paid per month. A Palkhi was also granted (Rs.1000 was sanctioned for it ). Fatehsingh Rao Gaikwad and Sayajirao also granted Aaftabgeer and Mashal to  
18  
him.

All these grants continued with the family of Nagarseth till the British came over. However, in 1820, British government fixed it at Rs.2133 p.a. Then an attempt was made to abolish it altogether. But the then Nagarseth, Premabhai fought against this  
19  
arbitrary act and got it sanctioned again.

Coming back to the Razinama (agreement) issued in favour of Khushal Chand Seth, it is worth mentioning that word Samast Mahajan has been used which implied that Mahajans were a well organised institution capable enough to take unanimous decisions, and that its decisions were adhered to by all its  
th  
members . In 18<sup>th</sup> century there were about 46 such organisations in Ahmedabad city. A number of names of prominent Mahajans,  
20  
Seths that appear on the Razinama , are Kishordas Ranchhoddas Avachaldas, Vallabhdas Shah, Kamal Neindas, Jaichand Vallabh

---

18. Jain Aitihasic Rasmala.p.51. Aaftabgeer was considered as great mark of honour, See Ain, (tr. blochman) I, p.50

19. Daftar No.670, F.No.4, P.No.I, D.No.37; Vaze's Manual, Section III, part II, pp.4261-3.

20 Daftar No. 670, F.No.4, P.No.I, D.No.37. This is not the original document but a copy of it found in one of the Rumals at Central Record office, Baroda, original document being in the custody of Nagarseth family.

Balajidas, Bohra Mohammed, Abu Bakr Shahbhai Khan, etc. Signatures of various other merchants (along with the above mentioned) were mentioned in the end as witnesses, some of the names were of Abdul Aziz, Abdul Rahim, Sadak Bhai, Azmat Khan, Habib Mohammad, Dayaram Rajaram, Bhukan Vrindavan, Premchand, Amichand, Tarachand Thavarji, Kastur Chand, Gokaldas Meghji, Ratanji Premchand, Khushal Das Jagjeevandas, Tarachand Morarji, Shamchand Nagji etc. Agents of French, English and Portugese merchants were also present when the Razinama was drawn. So, the point which is to be stressed is that coming together of many people belonging to different trades and act unanimously is infact a remarkable feat and in itself speaks of the strength of this institution.

The incidence of Khushalchand was not a stray incidence of this type in the history of Ahmedabad. In 1780 at the time of siege of Ahmedabad by Gen. Goddard, Nagarseth Nathusha alongwith Quazi Shekh Mohammed and Padshahi Diwan Miyan Mirza went and pleaded the General for the security and well being of the residents. Again during the reign of Peshwa's Subhadar Aba Shelukar, Seth Harakchand paid Rs. One lakh from his pocket and abstained Shelukar from levying a fresh vera on the citizens of Ahmedabd.<sup>21</sup> All these instances reflect upon the growing importance of the financial magnates not only in economic but political and public matters also. This class ranged from the

---

21. Maganlal Vakhatchand, p.79; other references regarding extortions of Shelukar could be had from following references - H.S.B.S.R., IV, No.155, p.597; Ibid, III, No.75, p.353; Ibid, No.79, P.357; Ibid No.135, p.398 Troubles created by Shelukar were so great that Baroda government claimed Rs.80,00,000 from peshwa on account of military spendings required to subdue Aba Shelukar.

humble village shopkeeper and money lenders (usually denoted as bania) to the millionaire financiers. But their materialistic and utilitarian spirit bound them in a single chain. It is necessary to emphasise that they were not segmental but strategic elites. They were no hinge groups or largely autonomous and apolitical bodies or even passive parasitic beneficiaries; rather they formed group of entrepreneurs very much connected with the mainstream of politics and they not only gave strength and credibility to various States but also contributed in the over all economic development. And as has been mentioned earlier that rudimentary business elements or that environment existed in Ahmedabad since a long time back.

Money lending and ijara System:

One of the most striking feature of the 18th century was the penetration of elite groups both directly and indirectly into the agricultural production and management through the control of the money lending and revenue system.

As has been mentioned at the beginning of the Chapter that the financial position of the State had greatly deteriorated during the first half of the eighteenth century. External pressures and tensions from within forced the Peshwa to maintain a huge army. Just for the protection of the Ahmedabad city, 1,44,000 rupees were spent annually on maintaining <sup>22</sup> Sebundies (half of it was paid by the Gaikwads). For the collection of revenue from Mewasi villages of Dholka and Viramgam, Mulukgiri forces had to be maintained. All this fell heavy on the royal treasury. So the practice of revenue

farming was introduced in Ahmedabad and various other possessions of the Marathas in Gujarat. This system was not an innovation on the part of Peshwa but the introduction of the system which had become quite common in Maharashtra (Kamavisdari), and in North India, viz., Banaras, Rajasthan, etc.<sup>23</sup> This ijara system which implied the farming of the Mamlat or Kamavisi rights i.e. right to collect revenue to the highest bidder, best suited the administrative and financial requirements of the new rulers.<sup>24</sup> Considering the division of revenue between the Peshwa and the Gaikwad, their being not well acquainted with the variety of existing land tenures and rights, the ijara system relieved them from the strenuous task of revenue collection while on the other hand ensuring a known and regular source of income. It gave them hard cash to pay salaries to their Siledars, Paga, Sebundies, etc.

Under this system the Mamlat or the right to collect the land revenue (Jama) of a particular pargana or a mahal (a specific unit of revenue) was farmed out to a moneyed man for a specific period, say 2 or 3 years on the amount agreed upon between the State and farmer. That pargana was said to have been given on Makhta or Muqata and the farmer was usually called Makhtedar or Mamlatdar or even Kamavisdar.<sup>25</sup> Under the Peshwas it

---

23. Siddiqui N.A., Land Revenue Administration under the Mughals 1700-50, Bombay, 1970, pp.2-3; Moreland "From Akbar to Aurangzeb", pp.235-40;

24. S.S.R.P.D., VII, No.435; Ibid No.438; Ibid, No.443 Daftar, 283, F.No.10, P.No.39, D.No.5, Salas Asher Mayaten Va Alaf (1812) These terms occur passim in most of the documents of Jamav and Ajmas.

25. Ajmas, R.No.50, D.No.9, 1783; Ibid, R.No.43, Jhadti, 1810.

was not only the revenue of the parganas that was farmed, but each and every small head of the revenue from the cities was also farmed. (As has been shown in the previous chapter the various heads of revenue in Ahmedabad were farmed to different people).<sup>26</sup> Even the small heads as the grazing fee<sup>27</sup> of the cattle was also farmed. Sair taxes inclusive of revenue from Rahadari, Nakas, Mandis, were no exception.<sup>27</sup>

Thus, the farming system opened new vistas for the penetration of the bankers in the rural and urban sector. Firstly, they themselves bided for the makhta, this was their direct involvement, secondly, they could finance the farmer. Various instances could be cited where bankers were given farm of the revenues. For instance in 1752 only i.e. at the very inception of the Peshwa rule in Ahmedabad various Mahals of the city were given to Ghan Seth Karanja.<sup>28</sup>

More serious involvement of the financiers came with the introduction of the practice of Rasad i.e. paying in advance half of their due money (for the farm) by the Kamavidars to the Peshwa.<sup>29</sup> These remittances were in the form of loans advanced to

---

26. Various documents of Gujarat Jamav and Prant Ajmas cited in Chapter V. have innumeral instances of the form of various mahals of the city

27. Various documents at Central Record Office, Baroda show that the Haribhakti held the farm of Zakat of the city of Baroda. They also held farm of various Nakas in Ahmedabad, Viramgam etc. For e.g. Daftar No. 280, F.No.11, P.No.23, D.No.2, 1815; Daftar No. 283, F.No.10 P.No.39, D.No.5, 1813, Ibid, F.No.10, P.No.41, D.No.1, 1817, C.R.O.B.

28. S.S.R.P.D., III, 63, pp; 44-45

29. S.S.R.P.D., VII, 441, p.28; Ibid, 442, P.30; Ibid 443, P.31, cf. Andre Wink, pp.352-56.

the State. i.e. interest was paid on them. Over and above such advance remittances of revenue, the Kamavidars were often required to lend money to the government for war and other administrative purposes. Sometimes during the time of emergency even a forced loan was taken which was denoted as Karz Patti. It was not to be paid back.<sup>30</sup>

Kamavidars were allowed 1 per cent or 1-4 per cent as interest on rasad.<sup>31</sup> Sometimes this amounted even to 3 to 4 per cent. Alongwith vyaj, sometimes manoti was also taken. Rasad Mushahira included all these charges (it also included expenditure on Karkuns etc.). Whenever Kamavisi was granted to any Kamavidar a Kalambandi was issued, laying down the terms and conditions of the farm. Rate of interest on Rasad was also clearly stated.<sup>32</sup> It was also stated whether any remittance charges (viz. hundnaval, bata, etc.) would be allowed to the Kamavidar or not. In case mamlat was taken away before the expiry of the tenure and given away to another Kamavidar, the amount of rasad advanced by the former Kamavidar was to be returned with one per cent interest. The Kamavidars were asked to take the money due to them on account of State from the revenues of the Pargana.<sup>33</sup> Some figures regarding the amount

---

30. S.S.R.P.D., Vol. VII, No.482, In 1763 it was ordered that a sum of one years emoluments to be levied from Zamindars of Gujarat and Khandesh.

31. S.S.R.P.D., VII, Nos. 435, 440 and 443.

32. Ibid, VI, No.76; Ibid, VII, No.449.

33. Ibid, VII, No.435.

owed by the government in Rasad Mushahira along with the rate of interest is given in table no.I, at the end of the chapter.<sup>34</sup>

For fulfilling this commitment of advance the Kamavidars had to borrow from the Sahukars who again used to demand vyaj and manoti on the money thus advanced.

Thus, the interest of the Kamavidar and the financiers were complimentary. Both prospered as a result of the Rasad System and hence were strong promoters of it. For example, the Kamavidar who was required to pay Rasad to the Government, borrowed that sum from the financiers. On it they (Kamavidar) charged about 1.25 per cent vyaj and 3 percent for manoti from the government. But on their part they just paid to sarrafs only 1 per cent vyaj and 2 per cent manoti, thereby making a net profit of 1/4 per cent on vyaj and one per cent on manoti.<sup>35</sup> Usually, Sahukars themselves acted as surety; and sometimes they themselves took the responsibility of the collection of the revenue. Hence, they became an indispensable part of whole economic set up of the period, working in the capacity of a manotidar or surety money lenders and revenue collectors.

If we judge the situation on the whole, it would be noticed that as the result of the monetization of economy and introduction of farming and rasad system the power and influence of the Sahukars greatly enhanced. They had penetrated into every aspect of economic life and made themselves indispensable for the State.

---

34. Ajmas, R.No.43, Isne Sitain, (1761)  
Ajmas, R.No.41, D.No.1/5, Saba Sabain (1776)

35. R.D.D., 41, 1804, 429, M.S.A.B., Extract Political letter from Bombay, dated 16th December (No. 176) 1848  
S.S.R.P.D., VII, No.438, p.26

They controlled extensive all India net work of transactions and wielded either a considerable amount of direct political power or enjoyed influence at the courts in more indirect way.

If their impact vis a vis rural economy has to be seen, it has to be admitted that the impact was not beneficial to the ryots. Disadvantages arising from the farming and rasad system often plunged ryots deeper into indebtedness, although while giving Kamavis of a pargana or mahal, Peshwas were very particular in safeguarding the interest of ryots.<sup>36</sup> For example it was explicitly stated that ryots should not be molested, no extra levy should be extracted, waste lands were to be brought under cultivation under favourable conditions, Kauls pertaining to concessional state demand were issued at the time of calamities, even Tagavi loan were given to the ryots.<sup>37</sup> Yet no serious attempt seems to have been initiated to save the ryot from falling prey to the designs of village bania. Rural indebtedness remained a major problem. Kasbatees of Dholka, specially were so indebted that many of them had not paid their revenue for years. (Property of many of them like Bappu Meah Kasbati was attached under the British).<sup>37a</sup>

Owing to the all pervading indebtedness in the rural areas

36. S.S.R.P.D., III, No.424, pp.277-79 and No.432, pp.295-96; S.S.R.P.D., VI, No, 733, 734, 735,736.

37. Ajmas, R. No. 41, D. No.14, 1803; S.S.R.P.D., VI, No.733, p.240 Ibid, No.734 and 735. Several references are found whereby Tagavi loan (Tagai) were granted to ryots in view of the loss sustained by them on account of the movements of army or owing to some natural calamity.

37a. R.D.D., 1805, No.4, p.1019.

the position of the village bania or money lender strengthened to a great extent. The money lender at the village level was a multifaceted man, with his reputed rapaciousness on the one hand and usefulness as a valuable member of the village community on the other.<sup>38</sup> After living for generations in the same village, this class of people became intimately attached to it, deeply concerned with its welfare and prosperity. Usefulness of the money lenders in as much as he often prevented the cultivator from being reduced to the extremity of distress and from resorting to lawless courses to obtain a livelihood, cannot be denied. His own personal interest coincided with the security of the ryots, is of course a different matter although an undisputed one. It was he who often provided them hard cash to pay of the government demand by purchasing their grain in advance, often at a high price. It was again he, who made advances for the purchase of seeds agricultural implements, etc. But the most painful side of the coin was that once a Ryot got entangled into the clutches of the money lender it was not possible for him or his 2,3 generations to free themselves of it. These usurers were usually the manotidars who combined in themselves to pay the revenue of a number of villages by a particular time which was generally earlier than the regular instalment and for the advance they made they charged exorbitant rates of interest and manoti from 12 to 25 per cent. In some of the parganas, such as Dholka the magnitude of indebtedness was quite high as certain families felt that they had a kind of hereditary or prescriptive right to

---

38. R.D.D., No.130, 1818, P. 3597, M.S.A.B.

38a

manoti. All the surplus of the peasants was entirely absorbed by the creditors.<sup>39</sup> Failing to recover their interest and principal, creditors even resorted to the practice of attachment of property of their borrowers. This practise was very injurious to the ryots because apart from borrowing for productive work i.e. agriculture, etc., the major part of the peasant's borrowings was consumed by unproductive social ceremonies. The most ruinous part of the system of usuary was that ryots were supposed to sign a bond inclusive of premium and when the time for payment arose and if the debtor was not ready to pay off his debt, a fresh bond was demanded for the amount of the debt together with the interest and such other sums which the ryot consented to, were added for the forbearance of the creditors;<sup>40</sup> the whole running on again at 12 percent interest.

Sometimes even the whole village became indebted to a money lender. For instance in 1787, the grassias of the village Bareja of the Dhandhuka became indebted to Nanjee Domgerjee, a Bania of Limree, for the sum of Rs.29,000. For the discharge of the loan, a writing was executed by assigning the produce of the village to him till the amount was liquidated.<sup>41</sup>

Popularisation of cash rental greatly enhanced ryots dependence on local money lenders. And it also paved way for the

38a. R.D.D., 1805, No.46, 1274-75, M.S.A.B.

39. S.R.B.G., CCXVII, 1856

40. R.D.D., 1805, No.41, p.926

41. R.D.D., 1818, No. 130, 3597, M.S.A.B.

penetration of Sarrafs and Sahukar's capital into rural areas, although in an indirect way. These petty money lenders who usually held a Kirana (grocery) or Cloth Shop at village level, in turn borrowed from a bigger sahuakar at the town level who himself was a petty trader. These petty traders in turn borrowed money from moneyed men viz. Sarrafs, Sahukars, Seths, etc. at the city level. These Sarrafs not only lent money to small town level usurers but also lent money to feudal chiefs. From various Talebands, Yaadis, Jhadas etc. instances could be traced regarding the activities of Sarrafs and Sahukars.

Mention has already been made of Vakhat sha Sheth, Nagarseth of Ahmedabad. He acted in various capacities, he was the leading merchant of the city and had vast trading links with Dhaka,<sup>42</sup> Delhi, Bengal, Surat, Bombay, Jaipur, Nagor, Sorath etc. He also financed small bankers, he advanced money to the Peshwas and Gaikwads and also to various revenue officials like Kamavisdars. For instance in 1801 he paid Rs.4353 on account of Jamabandi of<sup>43</sup> Mauza Narode. In 1804 and 1805 he advanced Rs.1002 and Rs.25<sup>44</sup> in Mauza Kocharbe. Again in 1806 he advanced 900 rupees. In 1811 he lent 1300 rupees to Kuber Patil of Mauza Bhaneli to pay<sup>45</sup> off Jamabandi<sup>46</sup>. In 1806 he advanced Rs.937 in Mauza Dantale.

Vakhatchand also advanced huge loans in the pargana of Dholka. In the year 1793 he loaned Rs.89,000 for paying rasad, Rs. 76000 for

---

42. Jain Rasmala, PP 23-24.

43. Ajmas, R.No.50, D.No.81/5793, Saba Mayaten (1806), P.A.

44. Ibid, D.No.83, Saba Mayaten (1806).

45. Ibid, D.No. 4/5792, Isne Asher Mayaten (1811)P.A.

46. Ibid.

Nazrana, Rs.6,962 for Bakti and another Rs.183288 in Barats,

Nazrana, Vyaj manoti, etc. So, total amount came out to be 3,55,250. In 1812, he sent Rs.1,10,667 as one installment of the land revenue and Rs.10,000 as Nazrana to Poona. Again in 1814, hundis amounted to Rs.49,000 were sent to Poona by him.

All the above instances have been incorporated here to give a clear view of the wide net work of his activities spread up in whole of this Collectorate or rather in Gujarat. The significant position which he held even at the court of Baroda could be ascertained from the fact, he was one of the few dignatories invited from Ahmedabad for the wedding of Fatehsinghrao Gaikwad with the daughter of Daulatrao Bande on 9th May 1811. He also played a constructive role in the rehabilitation of Raghunathpura, a suburb of Ahmedabad and was awarded the right to collect dues on cart of grain and cattle brought through the suburb.

Name of Hathisingh Kesrisingh is quite well known in Ahmedabad. Born in 1795 he was one of the most prominent merchant and banker of Ahmedabad. His father dealt in the trade of Silk and Kirmiz.

However, Hathisingh prospered much more with his

---

47. Daftar No.665, F.No.7, P.No.6, D. No.4/19, Arba Tisain (1793) C.R.O.B.

48. Ibid, F.No.14, P.No. 9, D.No.26/1, Salas Aasher Mayaten (1812) C.R.O.B.

49. Ajmas, R.No.50, D.No.30, Khamas Aasher Maya ten (1814) P.A.

50. H.S.B.S.R. IV, 154, p.595, Others from Ahmedabad were 4 Kamavidars from Peshwa's share of Ahmedabad, 2 from Viramgam.

50a. G.D.D., 1834, No.308.

51. Jote, 741.

✓ opium trade with China. He had his financial dealings not only with the Peshwa but also with other political powers in Rajasthan, etc. In one instance he is supposed to have lent huge sum to the Raja of Pratap garh. When after some time his payment was stopped he took recourse to force and send some armed men to persuade the Raja. With the mediation of the British officials the problem was resolved and the Raja agreed to farm 17 villages yielding a Revenue of Rs.21,000 per year and there by settle the outstanding amount of Rs.2,33,000.<sup>52</sup> This instance speaks of the great power wielded by these merchant bankers. Keeping an armed force at their disposal by this class was not an uncommon phenomenon in that age.

Mangal Sakhidas was yet another leading financial magnate of Ahmedabad. Though a resident of Ahmedabad initially, he shifted to Baroda during the second half of the eighteenth century. However, he had a house in Ahmedabad and business was also conducted from there. He had his branches at Surat and Bombay too. Acknowledging his banking and trading activities, Col. Walker remarked, "..... he has not only given a proof of his disposition to render himself worth of the hon'ble English E.I.Co's goodwill and protection but has fully answered the expectations entertained by the Hon'ble the governor of Bombay and having readily amply contributed towards accomplishing the Company's view in this country. It is our duty to protect and defend his house, trade and property at Ahmedabad, Dhollera,

---

52. Foreign Political Department, Consultations, 9th June 1840; Consultations 2nd- 16th Nov' 1840, and Consultations 28th June, 1841. N.A.I.D.

✓ Surat and Bombay."

There are various instances of his dealings with Peshwas and Gaikwads. In the year 1798 he sent Hundis of Rupees 27,000 to the Peshwa. On that he charged interest at 1 percent (i.e. Rs.2268) <sup>54</sup> Manoti at 2 percent and an exorbitant 20 percent as hundnaval.

Samal Bechar was another leading parekh of this period. He was settled in Baroda and his net work of financial dealings spread not only to Ahmedabad, but to Kathiawad and various other parts of India. Several instances could be traced regarding his activities from the Talebands, Yaadis etc. In the year 1806, for paying the salaries of Pagadars, Siledars, and Sebundies in Viramgam, Haribhakti had given a loan, now Samal Bechar was asked for a loan of Rs.14,834 for settling earlier loan. <sup>55</sup> This was a general practise among the Maratha rulers to take fresh loans to settle or repay the earlier one. Rs.2000 was also paid on account of Sebundies in Ahmedabad. In 1811 for paying the <sup>56</sup> revenue of Viramgam he loaned Rs.6000 and Rs.700/- for Nazrana.

Rasad from Dhandhuka, Ranpur and Gogha amounting to Rs.75,000 was advanced by Samal Bechar in 1801, 1802.

Most prominent of all the bankers at Ahmedabad and Baroda was the Firm of Hari Bhakti, who made a remarkable impact on the

---

53. Political Department, letter No.38, 1851, p.6, N.A.I.D; House of commons, F.No. 615/1852/3, Micro Film, N.A.I.D.

54. Daftar No.625, F.No.6, P.No.24, D.No.3/4 Saman Tisain (1797), C.R.O.B.

55. Daftar No.665, F.No.2, P.No.6, D.No.21/42, Seet Aasher Maya Ten (1805), C.R.O.B.

56. Daftar NO.665, F.No.14, P.No.9, D.No.26/1, Seet Aasher mayaten (1810), C.R.O.B.; Daftar No.280, F.No.20, P.No.7, D.No.1, Isne Mayaten (1810), C.R.O.B.

growth and development of the economy of the above mentioned areas.<sup>57</sup> With their headquarter at Poona they had branches in

Ahmedabad, Baroda, Surat and various other important towns and cities of Western India. Owing to the financial, military and political power wielded by this firm they were appointed as State Treasurers or Potedars. On the study of the data available it seems that Haribhakti was acting in this capacity even in the 18<sup>th</sup> century.

However, Kalamandis related to this role (of Potedari) have been found only for the year 1807-11 and 1816-1820.<sup>58</sup>

In our documents innumerable times (in Chithis term): Parekh Mandal<sup>59</sup> has been used.

It seems it related to five most prominent bankers viz. Hari Bhakti, Samal Bechar, Ratanji Khandas, Mangal Sakhidas and Ambai Das. It can also be postulated that together they acted as state treasurers as various Chithis (pay orders from the government to the bankers) issued in their name have been found. They had an anna share in all the state expenditures. For example Mangal Sakhidas held the responsibility of the two anna share<sup>59a</sup>. In case any of the anna share holders

57. See, G.D.Sharma and M.A.Patel, State and Indegeneous Business in the Urban Economy of Gujarat C. 1770-1810 A study of the Haribhakti Records, Paper presented at Seminar held by Gujarat University, Ahmedabad in 1984.

58. H.S.B.S.R., IV, No.104, P.557, 1807; Daftar No.665, F.No.7, P.No.6, D.No.3/24, 1816, C.R.O.B.

59. Chithis sorted out from the various Rumals of Haribhaktis documents available at Department of History, M.S.University Baroda, acquired from Shri Arvindbhai Haribhakti.

59a. Hari Bhakti Collections, Dept. of History M.S.University, Baroda. These document are uncatalogued so far and are lying in Rumals, so no number could be given.

showed their inability to fulfil their anna commitment there were provisions for his replacement on the same terms. But a new Chithi was to be issued by the ruler in the name of the banker who replaced the anna sharer. Haribhakti being the most prominent of these must be enjoying special rights and priveleges.

A Kalambandi dated 27.3.1807 was issued while appointing Haribhakti as State banker. It listed all conditions governing the appointment of Haribhakti. It was stipulated that (1) revenues of certain mahals would be paid to him, that he should meet all pay orders for the government expenses (2) that he should honour other drafts also not exceeding five lakhs of rupees during the contractual period (3) that he should remit half the bankers fees levied on Government drafts and (4) that the settlement of all his Government accounts was guaranteed by the E.I. Company. In the Kalambandi issued in 1816 all the above stated clauses were repeated, along with this rate of interest, manoti and potedari was also specified. On all government loans his commission or interest was to be 12 annas manoti, 2 per cent vyaj and Potedari 2.5 per cent.

Consequently, Firm of Haribhakti became the most prominent of all banking houses in Gujarat and came to occupy the same place in history of Gujarat as was enjoyed by Jagat Seth in Bengal. His multifarious activities involved, potedari, money lending, banking, coin changing etc.

As the State Potedar all the expenditure incurred on behalf of the royal family was to be met by him. He was supposed

to pay all the perquisites to the members of the royal family and other nobles; pay salary to the pagadars, siledars and sebundies; meet expenditures of Tofakhana, Imarat Khana, Modi Khana, Jamdar Khana, etc.<sup>60a</sup> Account of Haribhakti for the year 1815 is given at the end of the chapter to explain his multifarious transactions as a State Potedar.<sup>61</sup> (See Table No. II)

A perusal of the Bahis (Vahi in Gujarati) preserved in the Haribhakti collection pertaining to the period under study also highlights the multifarious character of business of the firm conducted through its various branches which were scattered in almost all the towns and major cities of Gujarat.<sup>61a</sup> The firm and its various branches kept regular and systematic accounts of their day-to-day financial dealings, showing the well developed system of accountancy. The entries made in these Bahis which varied according to the nature of the business, throw light on the various aspects of market economy and banking, money-lending, nature of interest and commission charged on the money advanced and credit given to the state and clients, financial transaction which took place between the state and the bankers, methods of the recovery of credit, pattern of the payment of credit, role of the intermediaries- Marfatia, Gumastas etc. The entries also throw

60a Daftar No.651, F.No.3, P.No.3, P.No.6, D.No.3124, 1816, C.R.O.B.

61. Daftar No.651, F.No.3, P.No.6, D.No.12, Saba Mayaten (1806); Ibid, F.No.7, F.No.6, D.No.2, Seet Aasher Mayaten (1815), C.R.O.B.; H.S.B.S.R., IV, No.567.

61a. Hari Bhakti collections. Also see article by G.D.Sharma, State and Market Economy in urban Gujarat: 1780-1800. Presented at I.C.H.R. Western Zonal Seminar Bombay, 1988.

light on the business transactions that took place between the bankers. For example, the Bahi No.13 of V.S.1835(A.D.1778) named as Sarviaya Nodh or the balance sheet of the firm has recorded about 66 names of the bankers who operated their business in the various towns of Gujarat and who had financial dealings with the Haribhakti firm. Prominent among them were Ratanji Kahanji, Samal Bacher, Marail Narain etc. The extract of the account of credit and debit of some of the bankers are cited below:

Khatu Rajshree Mairai Narain : margh Sudi 7 to Asoj vadi 15

CREDIT		DEBIT	
Rs. 1623039-14-3		Rs. 695955-13-3	
927084-0-0		927081-00-00	Baqi Dav
		1623039-13-00	
Khatu Kamavisdar Samaldas Bhaktidas (as above)			
Rs. 1188728-03-03	11	Rs. 1499187-8-15	
310459-00-04	11 Baqi Lane	310459-0-4	11 Baqi Lane
		1499187-8-15	
Khatu Parikh Samaldas Bacherdas (as above)			
Rs. 717708-0-4	111	Rs. 817487-0-2	
129779-0-22	1 Baqi Lane	129779-0-22	1 Baqi Lane
Khatu Mangaldas Sakhidas parikh (as above)			
Rs. 281797-8-3	1	Rs. 282103-4-22	
305-12-197	11 Baqi Dav	305-12-19	11 Baqi Lane
		282103-04-22	11

In all these, there are similar entries of credit and debit in this Bahi, of the bankers who had money transactions with Haribhakti. Besides the bankers it records the accounts of many political elites of the Gaikwad nobility. The troops were also financed by the firm as seen by the fact that Rs.24535-01-00 are shown under Pag Kharach Khate. The firm also maintained an account of the credit and debit of the Sarkar Shreemant Anandrao Gaikwad, the details of which were made in different account Books. The final account of the Sarkar has been shown below:

<u>CREDIT</u>	<u>DEBIT</u>
Rs.28065876-12-02	Rs.4830696-04-01
2024119-06-03 Baqi Lane	2024119-06-03 Baqi Lane
4830696-04-01	2427356-06-03 Lane
	3237-00-00 Dav

It seems that the Haribhakti firm had widened its scope to a great degree as the amount of the debit and credit constitutes an attractive figure. The sum standing for collection by the firm in V.S.1835 was Rs.8,47,436/-.

The activities of Haribhakti also extended to the collection of revenue on behalf of the Government. An instance could be cited of 1817 when they collected additional revenue levied on various parganas. Revenue worth Rs.2,60,046 was collected on this account. For example Rs.4000 from Viramgam, Rs.7000 from Sair Kotha of Baroda, Rs.10126 from pargana Valser, Rs.50,000 from pargana Baroda and so on. So, it is to be kept in mind that

---

62. Daftar No.648, F.No.4, P.No.6, D.No.61 Saman Mayaten (1819)  
Daftar No. 645, F.No.1, P.No.6, D.No.50/4 Khamas Tesain,  
 1794, C.R.O.B.

all this amount was not in a form of a loan. Haribhakti used to receive or sometimes even collect revenue from the parganas belonging to the Gaikwads and many of the expenditures were to be defrayed from that amount. That is to say that Gaikwads did not enter into any transaction whether regarding a receipt or a payment, directly. They acted through Haribhakti. It was he who received all government revenues, dues, etc. and it was he who made all payments on behalf of the Gaikwads. The government simply used to issue Chithis and sometimes even Yaadis pertaining to the sum that was to be defrayed, to the firm of Haribhakti and to others like Samal Bechar, Mangal Sakhidas, etc. with whom they had such a settlement. We have a number of instances whereby chithis worth 20 to 30 lakhs of Rupees were being issued to the firm. In 1813 Chithis amounting to Rs.1843141-4 were issued<sup>63</sup>; in 1813 hundis worth Rs.35,87,785 were again sent to Poona on receiving Chithis related to that amount<sup>64</sup>. Out of this Rs.2,89,498 were on account of payment of revenue due to the Peshwa from Ahmedabad. In 1817 too, Chithis received were of Rs.29,16,093 of which Rs.59,276 were on account of Taluqa<sup>65</sup> Ahmedabad and Rs.6,47,500 were to be paid to the British. An account of Chithis issued in the year 1807 to Haribhakti<sup>66</sup> is being given below to highlight the extent of the involvement of bankers in state transactions.

---

63. Daftar No.660, F.No.6, P.No.16, D.No.1, C.R.O.B.

64. Daftar No.650, F.No.6, P.No.6, D.No.3, Arba Aasher.

65. Daftar No.646, F.No.2, P.No.6, D.No.4.

66. Daftar No.648, F.No.4, P.No.6, D.No.23, Saman Mayaten (1807)

Amount	Months
6654-52	Jyeshth
53788-6	Aashad
31729-15	Shravan
77433	Bhadrapad
12818-12	Ashwin
11542-4	Kartik
148246-1	Margsharsh
1263854-1	Magh
668582-15	Magh
116238-12	Falgun
613993-15	Chaitra
53984-4	Vaishakh
315848-44-8	Vaishakh
3373846	

It could easily be seen that duties of Haribhakti as a State Potedar were varied and of tremendous importance. He exercised so much influence at the court that he infact became mediator between Gaikwads and Peshwas, conveying Gaikwad's messages to Peshwa and his ministers. At one instance he was asked by Baroda Government to request Nana Fadnis to instruct Aba Shelukar to stop creating trouble in Ahmedabad.<sup>67</sup>

It was not only at Baroda court but at Peshwa's court also Haribhakti was given due respect. Haribhakti had a branch at Poona which had links with the Poona Darbar and its Ahmedabad branch. Due to his multifarious activities viz. providing loans, farming, standing as surety etc. he had carved out an important place for himself at Ahmedabad. This could be substantiated by citing various examples from the modi documents. For example in 1798 Haribhakti acted as a guarantee for the payment of revenue

---

67. H.S.B.S.R., Vol.III, No.,71 and 75.

✓ from Kathiawar and for the fulfillment of that commitment he even advanced rupees 1,12,200.<sup>68</sup>

On account of pargana Daskrohi on various accounts, loans were extended through many of his agents or other bankers operating at mauza level. Table No. II, furnishes details regarding these operations. In a single year about Rs.17401-8<sup>69</sup> were given in loans.

In Dholka, Parantij and other parts of the district too, money was advanced by Haribhakti for varied purposes viz. for paying Rasad or Nazrana, for payment of Sebundis etc. It's not possible to cite all such transactions, however some of them have been listed below:

70

Loans given by Haribhakti in Ahmedabad District

Year	Amount	Remarks
1793	27000	Nazrana from Dholka through Marfatiye Laxmanrao Dharapur
1794	100000	For Rasad of Dholka
	17000	Sebundis
1800	200000	Rasad, Ahmedabad new bhag
	4000	Virangan
1802	32000	Dholka Hundi sent to Poona.
1803	32677	Parantij
	130050-3	Ahmedabad (Gaikwad Bhag)
	100000	Ahmedabad Navin Bhag
1813	72000	Virangan
	102445	Ahmedabad, Navin bhag
	17345-8	Gaikwad's Share
	34077	Parantij
1813	400000	On account of Taluqa Ahmedabad

68. Daftar No.646, F.No.24, P.No.3, D.No.6/1 Tisa Tisain (1798)

69. Ibid.

70. Daftar No.645, F.No.1, P.No.6, D.No.36, 1793  
Daftar No.646, F.No.1, P.No.6, D.No.4, 1794  
Daftar No.647, F.No.3, P.No.6, D.No.22, 1800  
Daftar No.650, F.No.6, P.No.6, D.No.22, 1800;  
Ibid, D.No. 23, 180.

Haribhakti held great influence in urban centres too by holding ijara of various Nakas (in Ahmedabad, Viramgam) and Zakat Taxes (in Baroda). In Viramgam, Narharbhakti held ijara of Rahadari, Faujdari and Nakas of Dagadre and Vadvaje. In 1812 he deposited Rs.409-15 on account of Rahadari, 415-11 for faujdari Rs.105-13 for Naka Vadvaj and Rs.107-13 for Dagadre. On account of Chungi collections, he deposited in state treasury <sup>71</sup> Rs.30. In 1817 too, only in the month of Shravan on the above mentioned accounts Haribhakti deposited Rs.663 into state treasury. Similarly regarding Ahmedabad city too, we have some references of money being collected from Nakas by Adatiyas of <sup>72</sup> Haribhakti.

All the above cited instances speak volumes regarding the important position being held by the bankers in the economy of this area. They had infact become part and parcel of the whole of the economic set up, providing oxygen (credit) for its sustenance and growth.

For the clearing of the debts i.e. "Rad Karz Bharna" various Barats were being issued in favour of the Bankers to the Kamavidars. In Barats various territories were mentioned from where the loans were to be paid back. For instance a document of 1800 states that the money due from the various parganas on account of Nazrana was to be collected by Haribhakti. The Nazrana due amounted to be Rs.1,37,200 - Rs.15,000, from Dholka Rs.10,000 from Ahmedabad, Rs.7400 from Nadiad, Rs.4000 from Surat Bunder and so

71. Daftar No.283, F.No.10, P.No.39, D.No.5, Salas Aasher; Ibid, P.No.41, D.No.41, D.No.1, Saman Aasher (1817) C.R.O.B.

72. G.D.Sharma and M.A.Patel, op.cit.

on.

An Agnyapatra of 1803 from Anandrao Gaikwad stated that Rs. 72,000 were taken from Mangal Sakhidas and other Parekhs for paying an instalment due to Peshwa from the new part of Ahmedabad for the year 1802 and 1803. <sup>74</sup> Rupees 2,160 were allowed for manoti at the rate of 3 per cent and Rs.2619 for vyaj and Rs.465-12 for Sirpao. So the total amount due was Rs.77,244-12. This amount was to be repaid from the revenues of the different parganas as under:

Petlad	Rs.38,859-6
Panchmahal	Rs.15,543-1
Virangam	Rs.3,885-15
Parantij and Modasa	Rs.3,885-15
Kathiawad	Rs.15,069-12
	<hr/>
	Rs.77,244-12

Many a times various villages were given to these Parekhs in Inam. Under Marathas these villages were popularly known as dumala gaon (nature of these grants has been discussed in chapter II) A yaadi of 1803 A.D. related to dumala gaon states that Rs.5,000 from Mauza Garpad was granted to Haribhakti Parekh; and Rs.6,448 from Mauza Udera to Mukund Seth. Same information is given in a Yaadi of 1808. So, it could be postulated that in lieu of services furnished to the state or for the payment of some outstanding loan, revenue from some dumala villages was granted to the Parekhs. Even in the documents of later period, a Yaadi of 1824, mentions the payment of Rs.1,800 to Gopal Meiral, Rs. 5325 to Haribhakti, Rs. 8,248 to Prabhaseth, Rs. 4,000 to Arjun Nathji

73. Daftar No.647, F.No.3, P.No.6, D.No.41, Ihide Mayatin (1800) C.R.O.B.

74. Daftar No.268, F.No.10, p.44, No.2 (1803), C.R.O.B.

Rs. 1,000 to Samal Bechar, from the revenue of Dumale gaon.

It can't be said whether the villages were granted in the perpetuity or not, but at least for the grant of couple of years (five-six) we have documental proofs.<sup>74a</sup>

Many a times the Kamavisdars were asked to repay the loans from the amount of rasad or arrears of Jama due to them. Kamavisdar of Daskrohi, Mukundrao Gaikwad was supposed to pay 1,00,000 rupees in rasad for the year 1802. Expenditures to be defrayed from this was Rs.50,000 Radkarz to Khushal Chand, Ambaidas Parekh and Mangal Sakhidas from whom a loan of two lakhs, Rupees was taken and Hundis were sent to Poona.<sup>75</sup> In this very year Barat was issued for the sum of Rs.15,000 in favour of Khushal Chand by whom hundis of 20 lakhs Rupees were sent to Poona (formerly 9 Barat of 3 lakhs Rupees were issued, which somehow could not be paid up so in lieu of that, a fresh Barat of Rs.15,000 was issued.). In the year 1799 Barats were issued by Ramrao Annaji Kamavisdar of Duskrohi, for the sum of Rs.17,000 to Mangal Sakhidas and Rs.8,000 to Samal Bechar on account of expenditures incurred by them on Sebundis.<sup>76</sup> A sum of Rs.50,000 was paid to Khushal Chand Ambaidas and Mangal Sakhidas for the hundi of 2 lakhs Rupees sent by them to Poona.

In 1797, Annaji Bapuji Kamavisdar was required to pay a Rasad of 1,00,000 .<sup>77</sup> From it he was asked to pay Rs.50,000 to

---

74a. Daftar No.731, F.No.1, P.No.6, D.No.28, 1803; Ibid, D.No.29, Nishani 3, 1808; Daftar No.732, F.No.2, P.No.6, No.4, 1824. C.R.O.B.

75. Daftar No.267, Ferist 10, Pudka 22, D.No.3, C.R.O.B.

76. Daftar No.267, Ferist 10, Pudka 22, D.NO.3, C.R.O.B.

77. Daftar No.268, F.No.10, P.20, no.1, S.S.1198, C.R.O.B.

Hari Bhakti for the settlement of the loan taken from him a year before. A barat of Rs. 24,000 was also issued in favour of Khushalchand Ambaidas on account of a hundi of Rs.2,00,000 sent to Poona (already mentioned in the preceeding paragraph). On many occasions certain mahals were mortgaged to Sahukars as surety for the sum loaned as per Chithis.

78

In 1754, Chithis amounting to Rs.8,40,000 were issued by Damaji Gaikwad to the following bankers Rs.3,62,000 Keshav Bhat Karve and Gopal Keshav; Rs.2,40,000 from Bhukan Hari dutt; Rs.1,19,000 Ramji Naik Daftar.

79

In lieu of the above mentioned loan following mahals (i.e. a part of revenue from them) was mortgaged to the Bankers :-

150000	Pargana Petlad
120000	Bharuch and Koral
55000	Vasrai
60000	Vekdi;
6000	Chikhli
50000	Kanvareze and 25000 from Matar.
150000	Beksar
65000	Sevade
60000	Nadiad

Interest of 1.5 per cent per month and manoti of 4 per cent was allowed to the Sahukars. In case the commitment was not fulfilled the Sahukars were allowed to confiscate the above mentioned mahals and recover their dues. Even if they failed to recover the amount Peshwa guaranteed the payment of the loan.

Hundis - On receiving Chithis, the payment was made by the sarrafs through Hundis. At all the levels the cash nexus was controlled

78. S.S.R.P.D., 3, 180, pp.126-27.

79. H.S.B.S.R., I, 64, pp. 72-73; S.S.R.P.D., VII, No.439, p.27.

by financier merchants organising payments and transfer of money through the system of Hundi or bills of exchange. However, small or however large the payment might be or however short distance might be the credit instrument was usually Hundi.

Hundi was a bill promising payment at a particular place after a specific period, usually 2 months or less. It was fully saleable or any one who had cash at hand for a short time could invest it by discounting hundis. So brisk had sales of hundis become that in Gujarat commercial payments were made in these bills of exchange and only seldom in cash.

Lack of fast modes of conveyance and the risk involved on the roads from Kolis and other free booters in the absence of any insurance companies must have made the hundis most reliable instrument of credit.

There were three types of Hundis viz. Nishanee Jog, Shah Jog, and Nam Jog.<sup>81</sup> As is explicit from the name, the Nishanee Jog hundi was payable to a person bearing a particular mark or sign (as mentioned on the hundi) and was not transferable. Nam Jog was payable to a person bearing the name written on the hundi and was transferable. Shah Jog hundis were payable to the bearer and were also transferable.

Sarrafs of Ahmedabad, Baroda, Poona and various other big cities specialised in dealing in hundis by which means they financed commerce to a considerable extent. Discount charged on

80. Mirat, 389; Jamav, R.No.45, D.No.1, 1784.

81. Daftar Number 14, Vol, 30, C.R.O.B., P.152

the bills concerned included not only the interest but also the cost of insurance and of the transmission of money.<sup>82</sup>

Hundis amounting to about Rs.50 lakhs a year were usually sent to Poona from Ahmedabad and Baroda. Some sort of an intricate network of financial relationships must have evolved, enabling huge payments to be transferred between distant centres. These sarrafs had a broad net work in other parts of the world too. Their Adatiyas or Marfatiyas (i.e. brokers and agents) were present in various countries, as far as Constantinople.<sup>83</sup> Ahmedabadi hundis could be encashed in any part of India and Hundi from any other part could be credited easily in Ahmedabad. In 1612, Mandelslo remarked on the ease with which foreign bills of exchange could be procured in Ahmedabad. Even Marathas while on their plundering in roads preferred Hundis in comparison to cash from the Gujarati villages. Most of the Bankers had branches in other parts from where they carried on trading links. For example Mangal Sakhidas had branches at Baroda, Ahmedabad and Surat. Haribhakti had branches at Baroda, Ahmedabad and Poona. However, their adatiyas were active in most of the places to help in debiting and crediting of hundi.

Under this system there was not much need of maintaining balance between actual shipment of coin as tribute and taxation and the despatch of hundis or maintaining a commercial status

82. Irfan, Usuary in Medieval India, pp.14-15.

83. M.S.Commisariat, Mandelslo's Travels, P.28.

84

quo. System of hundi had advanced so much that the money in distant regions often reached Poona through a chain of hundi dealers. A major part of revenue was remitted by hundis. It was usually remitted from the village to the local banker or money lender. By the latter it was transferred to the mamlatdars who took hundis from the Sahukars operating at urban centres drawable upon Sahukars in Poona, from whom the amount was recovered or paid to the Poona Government. Barats were issued in favour of the financiers who had made payment at Poona and money was recovered by them from the people on whom Barats were drawn.

Thus mediation of Sahukars became indispensable for the revenue collection. An example could be given here to show as to how a rasad of 90,000 rupees was transferred from Petlad to Poona by hundis and also how the whole network of bankers worked in an organised way to transmit payments.

85

Total amount	No. of Hundis	Drawn by Bankers at Baroda	Drawn on Bankers at Poona
3600	4(600,600,1400,1000)	Jawahar Laxaichand	Hari Karn Ravi Karn
9450	3(3000,3200,3250)	Samal Bechur	Manohardas Dwarakadas
7300	3(3000,2300,2000)	Nanabhai Nagdas	Vrijlal
11775	6(1000,2000,1775, 2500,1500,3000)	Kishandas Dulabhadras	Harikarn Ravikarn
3600	2(1600,2000)	Trimbak Nath	Pantram soti Chand
8500	2(4000,4500)	Sundarbhai Das	Vrijlal Dullabh
5700	2(3000,2700,3000,2700)	Mandlal Bhagvan	Vrijlal, Jawaharchand
4000	3(1000,1000,2000)	Laxmidas	Pantram motichand, Vrijlal
11325	6(400,3000,2025,2500,3400)	Abhairam, Gokul	Haribhakti, Atearam
1000	1	Kuberji, Vrijlal	Daulatram, Gambheer
5000	2(2000,3000)	Gokuldas Rawaram	Hari Karn Ravikarn
17950	6(3000,7200,3150,1600,2000,1000)	Jogidas, Vakhatchand, etc.	Haribhakti, Manohardas, etc.
90,000	40		

84. cf. Frank Perlin, Money use in late Pre Colonial India and the internal trade in currency, in J.F. Richards ed. Imperial Monetary system; in Early Modern India.

85. Daftar NO.268, F.NO.10, P.52, No.4.

From the above cited example not only do we get a clear idea about the penetration of cash nexus but also about the tremendous coordination that existed among the different banking houses operating in different regions. Under system of remittance (or hundis) all the bankers maintained accounts of other bankers in their bahis. For example Vakhat Chand drew a hundi of Rs.7,200 on Hari Karn. So in his bahi Vakhatchand would put this amount on the credit side under the name of Hari Karn. On the other hand Hari Karn on his part would put that amount on the debit side against the name of Vakhatchand in his bahi. On studying the bahis of the firm of Hari Bhakti, it was found that it was a general practice in those days for a banker to maintain a bahi with accounts of all other trading and banking partners (i.e. accounts of those person with whom he had financial dealings). Daily accounts were kept as to, how many hundis were issued, its amount, name of the banker on whom it was issued and Hundis received by him from other places and discounted by him, etc.

Dealings in Hundis were quite profitable to the Sahukars. Huge profits were made from hundnaval (a commission on hundi). A Yaadi of 1794 states that Haribhakti Parekh received Rs.3,31,000 in form of hundnaval. <sup>86</sup> Rate and the amount of hundis are detailed on the next page.

---

86. Daftar No.559, F.No.1, P.No.6, D.No.54.

Date of Despatch	Hundi	Rate	Hundnaval
Bhadrapad	200000	6	12,000
Vadya Dwitiya		1-8	3,000
Bhadra Pad '5	600000	5-8	48,000
Ashwin V '9	300000	7-8	22,500
Marg Sheersh S '9	600000	9	54,000
Marg Sheersh V '7	350000	7	31,500
Kartik S '8	2000000	8	160,000

The Kamavisdars of various parganas were also allowed hundnaval on the loans sent to Poona through Hundis. It was in the form of Rasad.

Hundnaval	Rasad	Rate	Kamavisdar
700	35000	2	Narhargopal, Mahal Sair
500	25000	2	Vithal Raghunath, Mahal Kot
1655	52000	3-8	Balaji Babji
405	27000	1-8	Balaji Babji
506-4	25000	1-10	Balaji Babji
900	40000	2-4	Harisingh Ram and Ramchandra Gopal, pargana Duskhrohi
1237-8-	45000	2-12	Khambayat
210	12000	1-12	Jaganath Rao laxman
20	1000	2	Jaganath, Dhandhuka
397	9939	4	Koner Raghunath.
390	13000	3	Anand Rao Vasudev, Gogha.

Along with hundnaval, they also charged vyaj at 1 to 1.5 per cent, from the Government. All this formed a part of Rasad Mushahira.<sup>87</sup> The purpose behind it was that most of the amount given in advance was borrowed by Kamavidars from Sahukars and they also had to pay hundnaval, vyaj and manoti to Sahukars. Expenditure incurred by the Government on behalf of loans taken from Sahukars was denoted as Evjaas Kharch<sup>88</sup> which also included vyaj, hundnaval, manoti, bata (commission for changing the currency) and sometimes even Sirpav (for the Sahukars and his Gumashta). These five heads were also categorised under Sahukari Kharch. A statement of Sahukari Kharch is given below along with the amount sent by hundis-<sup>89</sup>

Year	Banker	Amount	Hundnaval	Vyaj	Manoti	Bata	Sirpav
1795	Hari Bhakti	4000000	---	---	---	200000 (5%)	
1796	Hari Bhakti	300000	6000 (2%)	3000 (1%)	12000 (4%)	---	1500
1797	Sawal Bechur	200000	12050 (6%)	---	8000 (4%)	---	1850
1798	Mangal Sakhi	270000	5400 (2%)	2260 (1%)	5400 (2%)	---	
1798	H. Bhakti	1122000		11220 (1%)	44000 (4%)	---	700
1800	Sawal Bechur	200000	12050 (6%)	---	8000 (4%)	---	---
1802	Sawal Bechur	1042005	66223 (6%)	76076 (7%)			
1803	H. Bhakti	50000				2500	
1804	Sawal Bechur	1037723		10377 (1%)	31131 (3%)		
1814	H. Bhakti	610160			6101 (1%)		
1814	D. Bhukanji	200000	14000 (7%)				

87. Ajmas, R.NO.50, D.No.9. Arba Samaneen (1783).

88. Ibid.

89. Daftar No. 268, F. No. 10, P. No. 7.

From the above figures, it could be deduced that Sahukari Kharch ranged between 7 to 14 per cent of the sum advanced. There was actually no rule regarding the Hundnaval. Hundnaval on hundis, for few hundreds of rupees could be much higher than that charged on Hundi of thousands or even lakhs of Rupees. It only depended on terms and conditions settled before the transaction. Vyaj was usually between 1 to 1.25 per cent called Savotra (in 1794 Peshwa reduced it to only 1 per cent on all government borrowings). Manoti was generally 3 per cent. Thus one point that emerges very clearly is that Marathas were very heavily dependent on this class of Sahukars and Sarrafs. This class minted money under the auspices of the war economy of the Maratha. Table given below would further substantiate this point because it shows the kharch figures indicating that, of the whole kharch i.e. expenditure of the state, about fifty percent was spent on

90

repaying the loans of the bankers.

	Jama	Mahal Maj- Koor Kharch	Dunale gaon	Varata Salabadi	Bharna Haribhakti	Bharna Ratanji Manikchand	Total Kharch	Baqi
Baroda	1,300,000	118959-4	213,967	338,281	528793-12	100,000	1,300,000	0
Petlad	624,001	42,000	59,201	69864-8	432513-6	100,000	624,001	0
Rajpipla	76,001	9,850	22,555	00	63,895	-	-	0
Ahmedabad	1,650,001	110,002	60,000	19,000	150,399	-	-	0
(and so on)	-	-	-	-	-	-	-	-
Total	6025657	833319	525232	878234	3323894	465100	6025782	0

(55.16 p.c.  
of 1)

Bankers of Ahmedabad had played a significant role as Potedars or money changers, traditional role being assigned to the Sarrafs, etc. Over the years when they could identify themselves as a class, the scope of their activity also widened. In the early years of the 18<sup>th</sup> century they unanimously gave currency to rupees of less weight. They gave rupees at a discount of less weight and accepted rupee from poor people two and three tankas more per rupee. Poor therefore, suffered losses. A royal order was issued for the Nazim and Diwan to take a bond from the bankers that a rupee which weighed eleven mashas and two ratia should be made current. They should not give currency to a rupee of less weight. But the shortage of silver made the things difficult for the bankers and made them invent a unique currency called Anth.<sup>91</sup>

The author of Mirat, explains the nature of anth as under, "For example, a person deposited a fixed sum with a sarrafs at Surat Port. He brought a hundi, which in Persian was called Saftan,<sup>92</sup> to his partner or his gumastha in Ahmedabad. If he wished to take cash money, he will deduct the current or not. If another person had demanded a hundi of the same amount from the bringer, he gives it to him and thus he frees himself from the obligation. Similarly, he gives it to another person. In this way, the person from whom the hundi was demanded gradually becomes free and his responsibility is over. There is no cash in between."

---

91. Mirat, 299

92. Mirat, 363; R.D.D., 1804, No.41, P.410

Efforts were made by Diwan Mahatrim Khan to bring down this unpleasant practice. Appeals were made to Kapur Chand Bhansali Sheth and other Sarrafs of the city. Kapur Chand agreed to obey it, but Hari Ram, Gumashtha of Madan Gopal<sup>93</sup> who was greatest sarraf refused for the sake of profits. A great quarrel took place between the two parties. Peace was restored after the intervention of higher authorities and ultimately anth was abolished.

However, when the Ahmedabad mint closed down in 1780, anth was revived. Consequently the sicca rupees became extremely scarce and the merchants were obliged to resort to transfer in each others books, as the only means of carrying on their business and this was called dealing in Anth, which soon became the standard of value and siccas subsequently rose and fell in comparison with this nominal currency as the demand for them happened to be well or ill supplied from the mint.<sup>94</sup>

This system of anth transfers subjected strangers and persons residing out of the city in particular to all sorts of imposition. No body fixed the price of anth, it varied from person to person. In consequence the rate at which debts and credits were made were different, from the price at which any person would consent to buy. All the transactions were managed without any intermediate communication between the parties the credits

---

93. Madan Gopal was one of the leading banker of the city in the first quarter of the 18th century. he had opend a big banking shop in Ahmedabad. Mirat, 356.

94. Financial Department Volumes, (henceforth F.D.V.), 1825, No, 3/22/1825, M.S.A.B.

and debits were made almost at whatever rates the legend himself choose, so that the whole course of Exchange and the general trade of the country was effected by this system. Moreover, by the beginning of the 19<sup>th</sup> century the original purpose of this institution had been completely subverted and that at first intended as an accomodation to trade and fair dealing became perverted (from the arbitrary fluctuations in the value of anth) into a kind of destructive gambling to effect the character of the people engaged in it in particular and whole credit system in general. It was witnessed by the Collector, Mr. Dunlop that every evening crowds of people assembled in the anth bazar and a person who had not 500 Rs. worth of property in the world, would engage to pay or receive the difference on half lakh or a lakh of rupees of anth between the rate for that date and any future as the parties may please to fix on.

The principle mercantile concerns in the city being transacted in anth, speculation which would have been beneficial both to the individual and the community were rendered ruinous by the fluctuation in its value. Although it was not actually regulated by any particular person but much effected by the understanding of the general trend of money market.

Various petitions were sent to higher authorities by the merchant for putting an end to this system. In the year 1806 an appeal was made to Kakajee, the Gaikwad Subhadar for the abolition of the anth system and the resumption of money payments. The practice was accordingly prohibited for the future and all anth transactions were ordered to settle 106.25 sicca Rupees for anth. This rule was observed till Kakajee was there.

On the appointment of the new Subhadar by Gaikwad, the bankers revived the practice and again in 1815 it was put down by the Peshwa's Subhadar Narain Rao Takte. Takte struck money in the 'Halee' currency. However, on the inception of the company's rule in Ahmedabad, it was discontinued.

Again in 1824, a petition was filed by some of the merchants viz. Phoolchand Patel, Jethabhai Laxmichand and others for the abolition of this destructive system<sup>95</sup>. It was stated that it was most prejudicial to the merchants who at that time lost there by 42.5 per cent. It had practically become impossible to borrow money from the bankers at the rate of anth quoted above and this had led to great falling of trade.

Steps were finally taken for the abolition of the system. In 1846 it was prevalent only at Dhollerah, at other places it was discontinued. However, gambling in Anth had increased to a considerable level. Various bazars or Sattas were established for the gambling and inspite of passing regulations for prohibiting<sup>96</sup> it, the practice still continued.

---

95. F.D.V., 1824, No. 5/18, P.265, M.S.A.B.

96. H.G.Briggs, Cities of Gujarashtra, p.353 "— He is certainly the most enterprising and speculatiove to a degree amounting to unscrupulousness. The spirit of Gambling appears to act as a blight upon his race, smothering every generous emotion: it is not confined to opium transactions nor the anticipated tendency of Exchange within a defined period but even litigious suits are filed upon the most chimerical pretences, only to discover their issue." Also see Ahmedabad Gazetteer, p.67, "A large amount of the professionally owned capital of the district is diverted from the legitimate operations of trade to speculation, or more correctly, to gambling by means of anticipation bargains or vaida (or waeeda)."

By the middle of the 18th century there were about 100 Pedhis of Sarrafs, yet it's quite strange that inspite of having so many Sheths and Sahukars with so much of capital at hand no attempt was made to institutionalise their transactions in form of establishing a proper Banking system, whereas initial steps had been taken a long time back in 1786 by the establishment of General Bank in Calcutta. The Articles of Association of the Bank contained remarkably modern features and it is interesting to note that they purported to limit the liability of the shareholders to the face value of their holdings. However, following the monetary crisis created by the Mysore War it went into voluntary liquidation in March 1791.<sup>97</sup> Soon Bank of Bengal was formed in 1809. For the next 23 years it remained the only banking company in the country and continued to exist until its identity was merged in that of the imperial bank of India on 27th January, 1921.<sup>98</sup> However, no such attempt seems to have taken place in any part of Gujarat.

It was only in 1862 that Bank of Bombay opened its branch in Ahmedabad. Royal Bank and Central Bank followed it. But all the three banks could not operate properly and had to be closed down. In 1870 New Bank of Bombay (later on name was changed to Imperial Bank of India) opened a branch in Ahmedabad. However, even at that time the Sarrafs were strong enough to compete with it and carried on their traditional business as before.

---

97. Read H.Sinha, Early European Banking in India, PP.25-30 and D.H.Buchanan, "The development of Capitalist Enterprise in India", 1934, 32-33.

98. Ibid.

So, it could be concluded that regarding banking no major step was made in this Collectorate during the period of our study to institutionalise it. Guarantees given to the major bankers (viz. Mangal Sakhi das and Samal Bechar etc.) by British in the early years of the 19<sup>th</sup> century (1803)<sup>99</sup>; on the one hand secured their position while on the other they were given a big jolt by the abolition of revenue farming. As has been mentioned earlier many of these bankers were revenue farmers of various villages.

As per the practice of those days, the bankers and merchants used to maintain about six different kinds of Bahis, mainly at the Headquarters of the firm, although their number was dependent on the management of the business and its requirements. The cash book or Rojmal recorded the dealings of cash credited and debited during the entire day with opening and closing balances. Another Bahi known as Nodh Bahi recorded the transactions other than the cash of the entire day. A Khardo or Avro was a Bahi which contained all the items entered in the Rojmal and Nodh and posted them to the respective accounts which were prepared fortnightly or at the end of the month. A Khata Vahi or Khat-vahi (ledger) relating to the transactions exhibits the account of each and every customer of the whole year. Sometimes Avaro-Khatavahi used to be prepared to tally the account of Khata-vahi and Avaro at the end of the month. The bankers were also in practice of maintaining the account of transactions showing cash, Nodh and

---

99. Political Department, Letter No.38, 1851, P-6, N.A.I.D.; Political letter to Bombay dated 2nd July (No 13) 1840, Micro Film, N.A.I.D.

other dealings displaying the Avaro items in order to tally both and to avoid mistakes. Those who had transactions beyond their frontiers, like Haribhakti, used to maintain Betha-Khatu containing the detailed information of the items. The interest book (vyaj Vahi) referred to the sum of interest charged on the loans advanced to the clints. The acknowledgement book or Sama-dastak or Than-khatu maintained in separate pages registering entry of the time of the dealings and containing the signature of customers for the account paid and balance left. Another Vahi or Register known as Hundi-ni Nodh recorded registration of all the Hundis issued and discharged. With such a advanced and scientific account keeping, the firm like Haribhakti enabled itself to cope up with the increasing volume of their business.

Inspite of such organised system of accounting there was much room for corruption and fraud. A strange system of depositing the cash of the sarrafs of the city in the public treasury prevailed in the city. It was in vogue since March 1818.

Instead of doing any good to the trading community it encouraged embezzlement of the public money by the head treasurer Oojumsee Vera Mensee. The treasurer had been in the habit of keeping besides the public books of his office a private account current with almost all the sarrafs in the city in his own name, to very large amounts unknown to the Collector and that very little or no ready money transactions had taken place. It was the custom for the Collector to grant warrants on the District treasuries to Sahukars who might require them on the account of the money being

✓ first paid into the Huzur treasury. Actually no ready money was ever paid into the Treasury on account of warrants so granted. The treasurer entered the amount in public books as paid and debited the Sahukar in his private accounts for the same, which was allowed to remain with the Sahukars until such time as bills of exchange or remittances were required. It was also found that the sarrafs also used to receive ready money in some instances to a large amount from the treasury. Nagarseth Hemabhai also received warrants on the districts treasuries from time to time amounting to several lakhs of rupees. Strict orders were passed to put a stop to this practice.

Another custom that attracted attention was that of keeping accounts by Tooneeat, in which balances were not brought forward every month, also encouraged alteration of the accounts on part of the Sahukars. The system of accounting on the whole was such that lot of scope was there for defraud which could make the difference of even lakhs of rupees. The most revealing example of this could be the case of Govind Rao Gaikwad and the Firm of Haribhakti. Two bonds amounting to Rs. 32000 were entered into with the firm by Govind Rao on 22<sup>nd</sup> and 30<sup>th</sup> October 1830. In consequence of this, a claim was advanced on Govind Rao for the sum of Rs.3,63,139-9, being the balance inclusive of compound interest upto 31<sup>st</sup> July 1848 at the rate of 12%. Col. Outram, British Resident at Baroda, believed that Baba Nafra, managing

---

101. Ibid.

102. PP. 1852 /H.C. to 1852 /H.C. M.F., N.A.I.D; P.P.,  
 Vol.10/1 533 Vol.37/1 560  
 H.C. 615 of 1852/3, N.A.I.D.

agent of the firm had substituted a false bond bearing interest for Rs.90,001 in the room of a mere acknowledgement of a balance of debt . This is just one of such several cases that must have taken place.

However, it was not possible for the government to go through the accounts of all the Firms to find out discrepancies and so the custom of Tooneeat continued.

Reviewing the whole situation it could be seen that British as such themselves became co-partners of these banking firms as they also benefitted in safeguarding the interests of these financial magnates. Granting of guarantees to them is a clear example of such a policy. Along with them British also joined the field of making advances to the Marathas at high rate of interest and thus making huge profits.

In the end it would not be out of place to say something regarding the policies followed by the British towards the problem of rural indebtedness. Till then no serious attempt on the part of the State seems to have taken place for the upliftment of the poorer lot apart from the purchase of seed and other implements. It was only towards the middle of the 19<sup>th</sup> century when surveys of the various parganas were undertaken that government officials realized to some extent the magnanimity of the rural indebtedness. However, they did not want to be very harsh upon the village bania whom they considered an indispensable part of the village community, who resided at the

---

103. R.D.D., 1818, D.No. 130, 3597; R.D.D., 1818 132, 3790; Jamay, R.No.41, D.No.14, 1803

same place for generation, amongst the ryots and afforded them facilities for paying their dues to Sarkar and discharge other urgent caste expenses viz. marriages death ceremonies, births ceremonies etc.

According to Hindu law interest should not exceed the principal but this restriction was evaded by the Banias. Obliging their debtor after some limit under the threats of resorting to law (for enforcing immediate payment) to sign fresh bonds for sums made up of the former principal and the interests together and thus a debt kept on increasing an infinite times through the instrumentality of fresh bonds. The creditors profit of interest became so large that it was an object with him not to allow the debt to be paid off entirely. So the British proposed to adopt a system of registration in which sum originally borrowed was to be shown alongwith the successive bonds. Regulation V of 1827, Section XIII of Chapter III prohibited a higher interest on loan than 12%. Thus, it put a check on practice of Dheree and Lowanee whereby bonds were given for 50 and 25 per cent more than what was actually advanced. The usual rate of interest was 18-24 per cent. Thus a ceiling of 12 per cent was indeed a welcome measure. A system of registry of all bonds etc. in public office was started. In case, where land, houses and other such property was made over to him in usufruct he was obliged to give an account of receipts and disbursements; there from all surplus was taken as a set off against the principal amount of the debt. These principles had long back been adopted in Regulation XV. of 1793, Section IX in Regulation XXXIV of 1803, Section IX of the Bengal

code and in Regulation CCCIV, Section IX of 1802 of Madras code.

104

After 1845 they were introduced in Gujarat also.

Thus in the end we can say that during the period under study the economy of the region was highly monetized. The bankers and merchants formed the pillars of the vast Maratha Empire. Their multifarious activities extended not only to towns and cities but also to rural sector. A network of bills of exchange called Hundis spread through out India. A Hundi issued by bankers of Ahmedabad and Baroda could be easily discounted anywhere in India. Bills of exchange became an instrument of commercial credit and usuary, an accepted phenomenon in the market economy. Yet, inspite of the favourable circumstances, an instutionalized banking system could not be established in this part of India till the last quarter of the 19th century.

---

104. R.D.V., 1844, No.107/1664

Ibid., 1845, No.159, p.11.

Chapter VII/Table No.I

105

## RASAD MUSHAHIRA, TALUQA AHMEDABAD

Name of Pargana	Year	Rasad Mushahira	Rate (percent)	Rasad (advance)	Kamavisdar
Gogha	1761	600	4	15000	Mirza Jahal Ali
Daskrohi		1800	4	45000	Gangdhar
Dhandhuka		1636	4	40900	Mureshwar
	1776				
Petlad		6200			Balaji Babji
Khaabayat		1438			Sadashiv Hari
Viraogaa		3330			Amrit Rao Appaji and Trimbakrao Govind
Duskrohi		2000	4	50000	Madhavrav Desai
Vaser. Anne Va Panch Mahal		600	3	20000	Yadavrao Yeshwant
		1400	4	35000	Khanderao Gaikwad

105 Ajeas, R No. 43, 1761; Ibid R NO. 41, D No. 1/5, 1776.

## CHAPTER - VII / TABLE - 2

106

## Account of Haribhakti as State Treasurer, 1815 AD.

Head of Expenditure	Amount Setteled	Chithis issued for Rupees	Less	More
1	2	3	4	5
On account of daily expenes	1,03,000	88,510	14,490	0
Malhar Rao Gaikwad	24,600	24,800	0	200
Kanhojirao	24,000	16,000	8,000	0
Mukundrao	5,000	5,000	0	0
Jwahaar Dagina Murarrao	4,000	4,000	0	0
Jwahaar Dagina	5,000	4,449	551	-
Kapad for Jamadar Khana	1,00,000	1,01,490-10	0	1,490-10
Dharmadaya gosain	10,000	6,251-5	3,748-12	0
Imarat Khana	25,000	1,254-9	23,745-7	0
Parekh's instalment (Haribhakti)	75,000	0	75,000	0
Baj Khana	10,000	10,000	0	0
Pil Khana	10,000	3,120	3,79-12	0
Faras Khana	5,000	3,893-9	1,106-6	-
Ushtar Khana	5,000	1,025	3,975	0
Sistaram raoji	33,000	0	33,000	0
Kirkol Chithya	50,000	73,701-12	0	23,701-12
Pagadar	5,46,228	2,69,770	2,76,451	-
Siledar	2,65,188-5	7,768-12	2,60,419-9	-
Sibundi Tofakhana	7,00,815	6,74,359-6	26,455-10	-
Sibundi Girdanvai	18,191-2	18,191-2	0	0
Sibundi Kile Songad	2,777-12	2,246-1	531-11	0
Modi Khana	1,49,894-7	1,49,010-2	884-5	-
Ashrit Mandli	6,402	6,551	0	149
Vyaj and Manoti for thirty four lakh rupees	6,75,000	0	6,75,000	-

Expenses incurred regarding Poona Government	1,00,000	1,43,653-3	00	4,365-33
	<hr/>			
	29,53,097-2	16,12,046-1	14,10,245-11	69,194-10
	<hr/>			

106. Daftar No. 651, F.No. 7, P.No.6, D.No. 2.

## CHAPTER - VII / TABLE - III

107

Loans given by or through Haribhakti in Pargana Daskrohi

Mauza	Through the agency of	Rupee	Month
Fatevani	Kishore Hari	901	Marg Shesh Mas
Sodlakh	Parbhudas	752	
Sola	Samal Bechar	95	
Bhuvaldi	Ram Bhakti	401	
Shahbazpur	Harchand	447	Posh
Fatehvani	Kosahari	300	
Sodlakh	Parbhudas	640	
	Samal Bechar	2435	
Bhwaldi	Daya Ram bhakti	950	
Kanya	Daya Ram bhakti	1502	
Asnali	Daya Ram bhakti	750	
Baraja	Parbhudas	939	
Idrol	Parbhudas	125	
Shahzpur	Harakhchand	165	
Fatehvani	Kesohari	165	Magh
Sola	Samal Bechar	566	Magh
Kahja	Daya Ram	699	
Asnali	Daya Ram	651	
Sarkhej	Daya Ram	280-8	
Bareja	Parbhudas	113	
Idral	Parbhudas	206	
Shahbazpur	Harakhchand	189-8	Falgun
Sodlakh	Parbhudas	110	

Tarapur	Parbhudas	304-8
Fatehvani	Kseohari	400 Vaishakh
Sola	Saal Bechar	205
Hasole	Saal Bechar	386
Asnali	Dayaram	7-8
Tarapur	Parbhudas	350
Idral	Parbhudas	738
Sarkhaj	Dayarambhakti	11-8
Hasole	Saal Bechar	17 Jyeshth
Idral	Parbhudas	83
Sodlakh	Parbhudas	475 Chaitra
Baraja	Parbhudas	300
Tarapur	Parbhudas	196-8
Kanbha	Dayaram Heemchand	200 Shravan

-----  
17401-8  
-----