

## Introduction

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October 5, 1726, marked a major turning point for the business house of the Jhaveris. Until then, at least two generations of the family enjoyed privileged access to the Mughal court as royal jewelers and bankers. On that day, however, such favorable relations took an irreversible turn. Khushalchand Jhaveri, 46, was summoned to Bhadra Fort located in the old walled city of Ahmedabad near the Sabarmati River. The historic city of Ahmedabad, or Old Ahmedabad as it is known today, was the capital of the Gujarat province of the Mughal Empire. A fertile coastal region situated in western India, the province, or *sh̄ba* as it was known in official parlance, was then overseen by the *sh̄badār* or governor Sarbuland Khan. Khushalchand was a resident of the area and had visited Bhadra Fort on several occasions prior. But this time would prove to be different. Sarbuland Khan needed lots of money to fight off political rivals. Of late, this had morphed into utter desperation as there was no financial help from the reigning Mughal emperor Muhammad Shah, who resided some 1,000 km (620 miles) away in Shahjahanabad, the imperial capital known famously today as Old Delhi. After approaching the towering gates of the citadel in measured steps, Khushalchand, accompanied by a business associate, entered the compound and slowly made his way to the audience hall inside Bhadra Fort.

Ahmedabad was founded in 1411. Political elites erected the Bhadra Fort and its stone rubble perimeter on an elevated plain just off the eastern bank of the Sabarmati River. In those days, walling the city secured protection, while the river's water provided sustenance in the form of food and irrigation. Further east of the impressive fort and within the medieval city's limits was a triple gateway and the main mosque. During the fifteenth and sixteenth centuries, nobles and merchants developed this area into a major center of business activity. It is known today as Manek Chowk. By the time the Mughals arrived in the late sixteenth century, Old Ahmedabad had already grown into a sophisticated urban network spanning 43 acres, comparable to twenty-six square blocks of a major American city. Accentuated by numerous gates and



Figure 0.1. The Bhadra Fort in Old City, Ahmedabad.

Author photograph, 2022.

roads leading in and out of the city, it was to this dense world of political and mercantile activity that Khushalchand belonged.

Having entered Bhadra Fort from the Teen Darwaza gate pictured in Figure 0.1, Khushalchand and his partner passed the fish market on their right and crossed the central plaza towards the governor's main chamber. They exchanged apprehensive glances as Sarbuland Khan's mounting irritation was audible across the way. As they entered the echoing hall, the large gathering of government officials and elites of the city came into clear focus. Mughal officials stood erect and silent, and even more fretful looking were the other merchants of the city, several with their backs glued to the wall. Of the moneyed merchants present, two of them had just refused loans to Sarbuland Khan, and the irate politician in need had them thrown behind bars in the tower prison of Bhadra Fort seen above. Khushalchand, at the time one of Ahmedabad's wealthiest citizens, was his last hope. Yet, there was a problem.

Khushalchand had already provided several loans to Sarbuland Khan's government in weeks prior. These totaled into several hundred thousand rupees, and there was no indication that the state's representative was planning to repay the large sum.<sup>1</sup> For Khushalchand, making any further

<sup>1</sup> In a mainly agrarian economy, the price of wheat is a good indicator of rupee values. For our period and region, the price of 10 kilograms of wheat was roughly 1 *rūpiya* or rupee. Other common prices include 5–16 rupees for 25 kg of processed indigo, to 1–3 rupees

advances would be inopportune if not outright foolish. Sensing this appropriate hesitation in Khushalchand, the Mughal governor became enraged and suddenly turned violent. Picking up his long leather whip, Sarbuland Khan brutally lashed Khushalchand. The banker cowered in terror as his first beating from a Mughal official continued in full view. Groveling on the floor, Khushalchand shuddered and shivered. This was the first time that he had been subject to extortion of the most intrepid kind. It was even more humiliating as state officials and elites of the city stood witness. Sarbuland Khan capped the beatdown with an injunction, that Khushalchand immediately hand over any “hidden money and wealth, located either at home or buried elsewhere.”<sup>2</sup>

Under immense duress and without any choice, Khushalchand gestured his company associate to accompany several of Sarbuland Khan’s men to his large mansion. The home was situated in the heart of *jhaveriwāda*, or the Jeweler’s Quarters located on the other end of the medieval walled city. The occupational namesake of the family, the residential manors of the famed Jhaveriwada contained the largest concentration of private wealth in the city. Eager to recover all that Khushalchand possessed, Mughal officials dug deeply, both in and around his large home. They found priceless jewels and hoards of silver and gold money. They confiscated these personal possessions along with many other valuable items that belonged to Khushalchand’s family members. Khushalchand was then held as prisoner in the fortress without bail. Three days later, and still not satisfied with the wealth brutally mined from the Jhaveri family, Sarbuland Khan “once again lashed Khushalchand the banker with his own hands and exacted 200,000 silver rupees from him.”<sup>3</sup> Khushalchand was subject to further beatings and merciless extortion for twenty-one additional days. Finally, on October 28, Sarbuland Khan sentenced Khushalchand to “prison confinement until death.”<sup>4</sup>

This was the first time in recorded history that a member of the Jhaveri family was brutalized at the hands of a Mughal official. In earlier times, members of the family were considered close friends of the court. Such favorable relations were transforming into theatrical-level hostility as the

for the buying and upkeep of slaves. One silver rupee equaled 40 copper *dāms*. In the early seventeenth century, common wages were: ordinary laborer (2 *dāms* per day), carpenter (3–7 *dāms* per day), and personal servants (3–4 rupees a month). See Tapan Raychaudhuri and Irfan Habib, eds. *The New Cambridge Economic History of India, c. 1200–1750*. Cambridge: Cambridge University Press, 1982, 360–81, 464.

<sup>2</sup> I’timad ‘Ali Khan. *Mirāt-ul Ḥaqā’iq*. Fraser Collection, MS 124. Bodleian Library, Oxford University, f. 452b.

<sup>3</sup> Ibid, f. 453b. <sup>4</sup> Ibid, f. 461a.

Mughal state's need for money grew rapidly, and as the royal family's political footing in Gujarat, and really across much of the subcontinent, was being challenged by rivals. Yet, unpredictable physical torture and erratic imprisonment for confiscatory sums was no way for the city's top bankers to live. Violence was disruptive. Plus, Ahmedabad's businessmen could hardly match the physical strength and tenacity of seasoned military officers like Sarbuland Khan, who were willing to risk their own lives and sacrifice others to remain in power.

How then did Khushalchand Jhaveri overcome the political instability that threatened his personal safety and the fortunes of his family, which were built up over several generations? The answer lies somewhere in the intrigue involved with moving and manipulating capital. He was intimately familiar with the art of playing with money. He saw immense opportunity in deploying personal finance given the growing impoverishment of Mughal elites on the one hand, and the increasing presence of new money-hungry aspirants to power on the other. The changing contours of how financial and political elites interacted with each other during the high and low periods of Mughal rule between the seventeenth and eighteenth centuries forms the subject of this book. As we shall see, a dive into political-capital relations brings into better focus the evolution of state function and state capacity in South Asia during a moment of great upheaval.

*Bankrolling Empire* centers around the remarkable experiences of the Jhaveri family across four generations. In doing so, it advances two key arguments about money, power, and politics in the Indian subcontinent. First, the dissolution of the Mughal Empire starting in the 1680s firmly fits global patterns of military-logistics overstretch, that is, pushing ambitions of conquest further than what the Mughals could manage and pay for. The Mughal state relied on commodity-backed silver as its primary currency. Much of this raw silver came to India from South American mines through trade. Unlike modern times, the Mughal state could not simply print more coin to resolve its financial woes. To overcome this, provincial governors, including Sarbuland Khan, began borrowing heavily from prominent businesspersons, especially members of the Jhaveri family. This seemed reasonable enough at first, but the practice quickly became violently unsustainable as money streams ran dry.

The second argument focuses on how Mughal financial troubles both coincided with and further engendered massive political crises from within the ranks of the Mughal bureaucracy, unleashing regional forces that led to the empire's gradual dissolution. As central ministers and provincial governors realized that the organization from which they derived a sense of power, social belonging, and their income was going

bust without recovery, they sought to extract all that they could from a crumbling Mughal edifice in the locality. Many even tried to establish their own areas of independent control, often involving surprising alliances with rivals against whom they fought spirited battles in years prior. Such scrambles by political elites to preserve older forms of leadership and establish new state machinery provided significant opportunities for financial entrepreneurship that members of the Jhaveri family astutely identified and tried to exploit.

With the advantage of historical hindsight, this book traces how the Jhaveris of Ahmedabad became central to political dispensations emerging in the wake of Mughal dissolution. By analyzing the family across several generations, we see how they combined political awareness, personal capital, and unusual courage to adapt their businesses to the need of the hour. A long-term trend inaugurated during the crisis of the Mughal Empire by the early eighteenth century was the growing reliance on private capital and debt by political actors to fund projects of statecraft. Unlike pre-Mughal and Mughal India during the sixteenth and seventeenth centuries, when the strength of sovereigns and their governors determined the nature of political authority and organization in the locality, eighteenth-century India marked a critical turning point in that political power was starting to be brokered through principles of financial diplomacy. As we shall see, this would not have been possible without the money and services provided by economic elites like the Jhaveris, whose initial forays into the exciting world of the Mughal court trace back to the seventeenth century. But first, who were the Jhaveris and where did they come from?

### **The Jhaveris of Ahmedabad**

Towards the end of his reign in 1626, the Mughal emperor Jahangir ordered that his favorite diamond dealer, Shantidas Jhaveri, be placed under the protective arm of the Mughal state. Shantidas was the illustrious grandfather of Khushalchand, the daring banker we met earlier. Imperial officials were given strict instructions not to interfere with the jeweler's trading activities in and around Ahmedabad, especially routes across Gujarat that connected the large province to the imperial capital in northern India. By then, Shantidas had become an indispensable link in sourcing rare goods from all over the world for the royal court. In exchange for such prized immunity, Shantidas was expected to regularly submit gifts, presents, and every kind of jewelry that he procured from overland trade and oceanic commerce through the ports of Gujarat to the emperor's treasury. Emperor Jahangir was particularly fond of

large diamonds, bright pearls, deep rubies, and transparent emeralds.<sup>5</sup> Skilled in gemology, Shantidas had developed an eye for scintillating cuts, polished gems, and uncut rarities. He relied on his unique abilities as a jeweler to ingratiate himself with Mughal elites and members of the royal household, thereby growing his fortunes to great heights.

The early history of the Jhaveri family cannot be entirely verified and is therefore imprecise. But here is what we know: The family's origins can be traced with certainty to Osian, a medieval village of temples located in present-day Rajasthan some 75 km (35 miles) north of Jodhpur. Osian was settled between the eighth and twelfth centuries and became a prosperous town and pilgrimage site for members of the Hindu, Jain, and Buddhist communities. As testament to such a long heritage, the temples of the area, which still stand today, depict incarnations of Hindu gods, Jain iconography, and Buddha figurines. In addition, the decorated friezes of these temples highlight men and women adorned with ornaments, cosmetics, costumes, arms and armor, musical instruments, and jewelry. These convey aspects of quotidian elite life in earlier times.<sup>6</sup> In the sources of the time, followers of the temple culture of Osian would come to be known as Oswal. As adherents of the Jain *dharma* or faith, the Jhaveri family belonged to the Oswal Jain religious community. From an occupational point of view, the Jhaveris belonged to the Vania or Banya caste, referring to those traditionally involved with business activities such as banking, moneylending, trading, and shopkeeping. Osian was a prosperous town in the middle of a desert, and individual entrepreneurship was closely tied to its temple and pilgrimage economy.<sup>7</sup>

Based on extant evidence, Shantidas's forefathers migrated to Ahmedabad sometime in the 1480s. It was during this time that the then-sultan of Gujarat, Mahmud Begada, established Ahmedabad as a new walled city and capital. It became famous for its lively bazars and populated streets. Situated on an elevated plain next to the flowing Sabarmati River, Ahmedabad and its fertile environs provided far greater

<sup>5</sup> Nur-ud-Din Muhammad Jahangir. *The Jahangirnama: Memoirs of Jahangir, Emperor of India*. Translated by W. M. Thackston. New York: Oxford University Press, 1999, 96, 143, 188, 273. See also Kim Siebenhüner. "Precious Things in Motion: Luxury and the Circulation of Jewels in Mughal India." In *Luxury in Global Perspective: Objects and Practices, 1600–2000*. Edited by Karin Hofmeester and Bernd-Stefan Grewe, 27–54. Cambridge: Cambridge University Press, 2016.

<sup>6</sup> Devendra Handa. *Osian: History, Archaeology, Art and Architecture*. Delhi: Sundeep, 1984, 175–208; Asha Kalia. *Art of Osian Temples: Socio-Economic and Religious Life in India, 8th–12th Centuries*. Ajmer: Abhinav Publications, 1982, 1–11, 145–54.

<sup>7</sup> For Oswal origin myths, see Lawrence Babb. *Alchemies of Violence: Myths of Identity and the Life of Trade in Western India*. New Delhi: Sage Publications, 2004, 164–71.

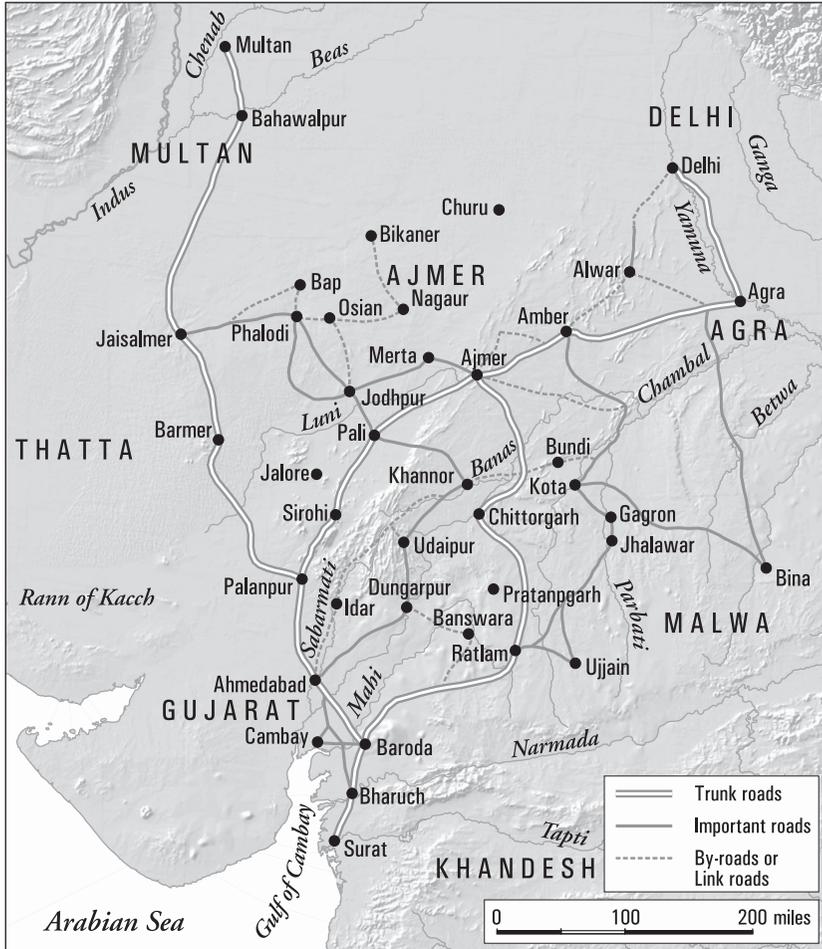
opportunities than those of an arid Osian.<sup>8</sup> In addition, the relative social stability that emerged as an outcome of the politics of the Gujarat sultans (1407–1573) turned the walled city into an epicenter of commercial activity. Resident and itinerant merchants in the area developed the trade of local wares for horses and pearls, which made their way into the subcontinent through the vibrant commerce of the Indian Ocean littoral. The Jhaveris likely tapped into this emerging cosmopolitan world of lucrative exchange represented in Map 0.1 to grow their own power and influence.

Specific details about the early years of family patriarch Shantidas Jhaveri are also hazy. It is only during his later years of fame that we can rely on solid evidence to weave aspects of his life and business activities together.<sup>9</sup> Shantidas was born sometime in the 1580s, most likely 1584, into a family of jewelers residing in the Jhaveriwada neighborhood of Old Ahmedabad. They were a small and unremarkable family that over the years became exceptional by developing close ties with powerful people at the Mughal court. It was only a few years prior to the jeweler's birth that the Mughal emperor Akbar conquered Gujarat, incorporating the entire walled city of Ahmedabad and key fertile districts and strategic ports of the region into the imperial domain. Figure 0.2 presents a fancy portrait of Shantidas currently displayed in a public Jain rest house in Jhaveriwada.

By the time Shantidas came of age, the Mughals had established paramount sovereignty across much of the subcontinent excepting the south. As royal appetites for luxury goods grew, Shantidas astutely leveraged his early training in gemology and jewelry, facility with metallurgy and the minting of coins, and experience in the general trade between Ahmedabad and Gujarat's global ports to build his wealth and social influence. He acquired this specialist knowledge by apprenticing with his father Sahasra Kiran, and perhaps even his grandfather Vaccha,

<sup>8</sup> Outmigration of financial specialists from Rajasthan was common between 1500 and 1800. See G. N. Sharma. *Social Life in Medieval Rajasthan, 1500–1800*. Agra: Lakshmi Narain Agarwal, 1968, 336–44.

<sup>9</sup> So far, scholars have noted Shantidas's influence in the politics of temple management, promotions of monks within Jain ecclesiastical orders, and his key abilities to obtain certain favors such as the banning of animal slaughter and pilgrimage taxes to sacred sites in Gujarat. See Malti Shah. *Nagarsheth Shantidas Jhaveri*. Ahmedabad: Gurjar Prakashan, repr. 2013; Mangilal Bhutoriya. *Osva (Osva Jati ka Itihas), A History of the Osva Caste*. Vol. 1. Calcutta: Priyadarshni Prakashan, 1995, 340–44; Makrand Mehta. *Indian Merchants and Entrepreneurs in Historical Perspective*. Delhi: Academic Foundation, 1991, 91–114; M. S. Commissariat. *Studies in the History of Gujarat*. Ahmedabad: Saraswati Pustak Bhandar, repr. 1987, 53–76; M. S. Commissariat. *A History of Gujarat, Including a Survey of its Chief Architectural Monuments and Inscriptions*. 3 vols. Bombay: Longmans, Green & Co., 1938–80, 140–50.



Map 0.1. Routes connecting cities of Gujarat and Rajasthan to Delhi, 1600–1750

both mentioned cursorily in the sources as jewelers.<sup>10</sup> Shantidas died in 1659, and his sons and grandsons inherited the family business, and

<sup>10</sup> Evidence in the form of a rare will drafted by Shantidas and ratified by Mughal officials in 1657 confirms that his father Sahasra Kiran and grandfather Vaccha were also jewelers. See Shantidas Jhaveri. *Waṣīyat-nāma* [The last will of Shantidas Jhaveri, 1657]. Persian text reproduced and translated by Chaghatai. “A Rare Historical Scroll of Shah Jahan’s Reign.” *Journal of the Asiatic Society of Pakistan* 16, no. 1 (1971): 63–77.



Figure 0.2. The jeweler-banker Shantidas Jhaveri, 1584–1659.  
Author photograph.

along with it some of the specialist knowledge requisite to conduct business adroitly in the world of high-stakes imperial politics.

Of Shantidas's five sons, only Manekchand and Lakshmidhand were involved in the family business. Unfortunately, we are without any real biographical information such as birth years or details about their

professional dealings. We know that they were close associates of their illustrious father, for their names are mentioned in a few Mughal royal orders examined in Chapter 3.

It is Khushalchand – Shantidas's grandson and Lakshmichand's son – who emerges as a major character in the story of Mughal dissolution and regional revival in Gujarat. As a man of money and political acumen, Khushalchand (1680–1748) became a controversial individual in the financing of Mughal banditry, statecraft, and authority in the 1720s. He also served as the business fraternity of Ahmedabad's chief representative to political leaders of the day, a title known in the Gujarati language as *nagarśeṭha*. When compared to his relatively obscure father, Khushalchand is certainly much better documented across both Persian and Gujarati sources.

By the mid-eighteenth century, Khushalchand's sons Nathushah (1720–93) and Vakhatchand (1740–1814) built on their family's legacy by becoming prominent bankers involved in supporting new forms of state power in the wake of Mughal dissolution, especially that of the Gaekwads of Baroda, and soon after the nascent authority of the British East India Company. Our evidence for Nathushah and Vakhatchand is also limited, but what we have strongly suggests major shifts in not only how the Jhaveri family connected to sources of political authority, but how the commercialization of political power more broadly in the eighteenth century allowed for new groups to participate in state, society, and economy in ways that went beyond being just imperial subjects. From this point of view, while it was regime crisis that initially brought capitalists into the world of political financing by the late seventeenth century, it was capitalists themselves who shaped the nature of new state formations and their financial underpinnings in the aftermath of Mughal collapse.

*Bankrolling Empire* focuses on the experiences of four successive generations of the Jhaveri family as a way to explore money, power, and politics during the growth and dissolution phases of the Mughal state. By relating the experiences of each generation of the banking family alongside political developments in Gujarat, we can better track the role of capital and capitalists in the sustaining and eventual replacing of the Mughal state by other forms of paramount authority in the Indian subcontinent. A multi-generational approach which is quite unusual for historical work on this period helps to visualize such transformational changes in a much more panoramic and processual way.

Finally, a word on naming conventions. Jhaveri is a derivative of the Persian word *jauhar* referring to jewel, gem, or pearl. A *jauharī* is a jeweler and this word has been adapted into the regional Gujarati

language as *jhaverī*. What modern conventions have identified as the family surname “Jhaveri” actually corresponds to a generic occupational and residential namesake of many other families involved in the trading of precious gems and jewelry. However, given the prominence that Shantidas and his descendants achieved, original language sources and scholarship from the Mughal and post-Mughal eras clearly identify and refer to the family lineage as *The Jhaveris*. I, too, will refer to Shantidas and his heirs in this way, although regrettably there is hardly any evidence about the women of this illustrious lineage, who no doubt performed a key role in the biological reproduction and social survival of the household.

### The Setting

The primary geographical focus of this book is the Gujarat region in western India as captured in Map 0.2. Spanning a coastline that covers 1,600 km (1,000 miles), the region has an equally varied hinterland ranging from dense forest areas in its southern parts to dry, semi-arid desert tracks in the north. Given its prominent position along the Arabian Sea, Gujarat has attracted migrant populations from early historical times. Its own natives have also been enterprising and have crossed gulfs and seas to adventure and improve their lives. Archaeological digs across the region have revealed pottery and coins from Persia, Rome, and Greece. This strongly suggests Gujarat’s early importance as an ancient commercial zone. Despite ancient evidence of human activity, the name Gujarat is derived from the Gujar tribes who settled in the area from 550 C.E. These groups entered northern India via overland routes coming from Persia. However, these paths were treacherous. Even if caravans could traverse the snowcapped mountains of the Hindu Kush, they would face lethal conditions in the Thar desert, with scorching temperatures between 40–50 degrees Celsius. After crossing the Thar, travelers would be slowed by the vast salt marshes of the Rann of Kacch. As a result, the less hampered oceanic routes that led to one of several ports along Gujarat’s long coastline became the preferred mode of reaching the area. By the eighth century, Arab seafarers from Sindh made regular trips to Gujarat, marking some of the earliest interactions by Muslims with the Indian subcontinent.

Equally dynamic is Gujarat’s interior landscape, comprising drylands, salt marshes, and rich alluvial hinterlands watered by several flowing rivers. The Tapti River exits at the port of Surat after flowing westward from its origins in Madhya Pradesh. Moving north, the Narmada is the longest west flowing river in India that also originates in Madhya Pradesh



Map 0.2. The Gujarat region with modern boundaries

and empties at Bharuch. The Mahi flows through Rajasthan and after passing near Baroda, empties out on the eastern seaboard of the Gulf of Cambay. And the Sabarmati, which originates in the Aravalli hills of Rajasthan, passes through Ahmedabad before emptying directly into the Gulf of Cambay. Much like the Punjab region with its iconic five rivers, Gujarat's riverine routes bifurcate the vast region into dry, temperate, and wet zones moving from north to south. Moreover, that the rivers culminated at the Gulf of Cambay created, especially by early Mughal times, a natural destination for people and products. Today, the Gulf of Cambay has silted. As I stood on its shores during my last visit to the city in 2016, the horizon of the sea was at a distance far beyond what could be seen by the naked eye.

Until the early fourteenth century, Gujarat was controlled by Hindu regional kingdoms such as the Maitrakas, Gurjara-Pratiharas, the Chaulukya, and Vaghelas. This did not preclude other groups from establishing homes in the area. Epigraphic evidence also confirms the presence of Persians, Ismailis, and other Islamic sects drawn into the trading orbit of Gujarat. By this period, several generations of soldiers from central Asia had already established ruling territories in northern India under the catchall banner historians call the Delhi Sultanate. While Gujarat was certainly exposed to Islamic military pressure from land routes, starting with Sultan Mahmud of Gazna's sacking of Somnath temple in 1025–6 and continuing with Mohammad Ghuri's raids into the area in 1178, it was not until the fourteenth century that these military commanders annexed Gujarat as part of an empire-building exercise that connected northern Indian to this coastal province of the west. Mohammad Tughluq, who was in Gujarat between 1347 and 1351, introduced Persian court culture, administration, manners, and language to a region that was more accustomed to external stimulation in the form of coastal trade and profit.

By 1407, a former vassal of the Tughluq dynasty named Zafar Khan defected from the imperial banner at Delhi and assumed leadership of Gujarat. As sultan, he inaugurated his own dynasty that would rule over the region relatively uninterrupted until the Mughals made inroads starting in 1572. Zafar Khan's grandson, Mahmud Begada, would go on to establish Ahmedabad as a major city and regional capital, while later descendants increased state capacity by collecting taxes from merchants and systematically harnessing land revenue from peasants. Hindus and Jains were the most prominent business groups in the region, although we have much better documentation for the Jains. The Jains were actively involved in projects of public works, and established roads and temples that morphed into major pilgrimage routes across Gujarat and into the dry areas of Rajasthan on its northern side. Jain religious elites, as we shall see in the chapters to follow, took greater care in documenting their own activities as well as those of prominent patrons and members of their community such as Shantidas Jhaveri.

During the fifteenth century, the sultans of Gujarat were self-sufficient, and external contact was restricted to neighbors in Malwa and Khandesh to the east, and the Deccan towards south India, where other sultans had also developed their own spheres of authority. The early decades of the sixteenth century marked a watershed. Supreme commanders of the sea, the Portuguese arrived as fleets of warships and began controlling the choppy waters off Gujarat's long coast. Lacking naval aptitude, Gujarat's sultans turned inward and focused on their land-based

enterprises. Their conciliatory approach to early European presence is highlighted by Sultan Bahadur Shah (r. 1526–37) who ceded the Port of Diu to the Portuguese in 1537. For the Portuguese, Diu provided new access to commercial activities in the northern part of the subcontinent where they sought to establish a stronghold. Members of the reigning nobility of the sultans faced immense pressure from both the naval squadrons of the Portuguese and from early Mughal commanders Babur and Humayun, who were beginning to establish their political footing in northern India by land. This kind of sandwiched political pressure resulted in major infighting among the nobility of the Gujarat sultans, culminating in the last Sultan Muzaffar III being overrun by Akbar, Humayun's son and the third major Mughal emperor, in 1572–3. The Mughal conquest of Gujarat, explored in greater detail in the subsequent chapter, provided new business opportunities for entrepreneurs like the Jhaveris and for local administrators who sought upward mobility as Mughal bureaucrats.

Gujarat became an important node in one of the most viable early modern global trade routes by the time the Mughals annexed the region. Tome Pires, a Portuguese official at Malacca, wrote in the sixteenth century, “Cambay stretches out two arms. With her right arm she reaches toward Aden and with the other towards Malacca.”<sup>11</sup> Another chronicler, Duarte Barbosa, noted the merchants of the area importing beautiful horses from the Middle East, elephants from Malabar, and other choice items into Gujarat, while listing the area's exports as ranging from cotton and silk textiles to spices and aromatics, and especially the coveted cash crops opium and indigo.<sup>12</sup> Gujarat's traders were keenly interested in importing horses, precious stones, and bullion. According to one telling account, Sikandar Lodi, who ruled in northern India from 1489–1517, was quite jealous of Gujarat's riches, lamenting that the “support of the throne of Delhi is wheat and barley” but “the foundation of the realm of Gujarat is coral and pearls.”<sup>13</sup>

It is certainly no surprise then, that Gujarat would develop into the primary commercial zone for the Mughals, and into an area that constantly supplied the royal court with top quality jewels, gold and silver bulk metal, and other precious items desired by political elites. Increased trading activity by Persian merchants, Arab sailors, and officials of the

<sup>11</sup> Tomé Pires. *The Suma Oriental of Tomé Pires and the Book of Francisco Rodrigues*. Translated by Armando Cortesao. London: Hakluyt Society, 1944, 42.

<sup>12</sup> Duarte Barbosa. *The Book of Duarte Barbosa*. Translated by M. Longworth Dames. 2 vols. London: Hakluyt Society, 1918–21, 108–58.

<sup>13</sup> E. C. Bayley. *The Local Muhammadan Dynasties: Gujarat*. London: W. H. Allen, 1886, 20.

various European East India companies starting in 1600 also contributed to enriching local Gujarati merchants like the Jhaveris. Such prosperity was especially visible across Gujarat's ports of Surat, Bharuch, and Cambay, and in major hinterland areas such as Ahmedabad and Baroda, which became key nodes connecting Indian rulers to the exciting frenzy of the emerging global economy.

After ruling for over a century, the Mughals began losing control of their key holdings in Gujarat to an upwardly mobile warlord lineage coalescing around the label Maratha. Emerging from the Deccan countryside towards southern India, these peasant-soldiering elites began raiding Gujarati cities on a regular basis starting in the 1660s. Given its mercantile wealth, which steadily grew during the early seventeenth century, Gujarat became a key target for the Marathas, who relied on tactics of plunder to build resources. Organized as a loose confederation of bandit groups, the Marathas made more definitive inroads into Gujarat during Mughal expansion efforts into the Deccan. Starting in the 1680s, the Deccan Wars represent more than two decades of major expansion efforts into southern India. These campaigns were led by the last major Mughal emperor Aurangzeb (1618–1707). Disproportionate time and resources invested into this unending military expansion impacted the Mughal state, including administrative neglect of its Gujarat *sh̄iba*. By the early decades of the eighteenth century, this catalyzed a fragmentation of Mughal power in the province, resulting in the birth of several smaller states in its wake.

These major and minor nodes of authority that emerged in the aftermath of Mughal decline are more widely known as India's native or princely states, and after 1750 these were given further impetus by early British colonial administrators, who sought to demilitarize western India and permanently settle land revenues and administrative divisions.<sup>14</sup> By 1818, after nearly twenty-five years of repeated military conflicts and financial finagling, the British East India Company defeated the Marathas and their lands were divided between the Company, the Maratha Gaekwad family, and other small patrimonial estates across the Kathiawar and Kacch regions.

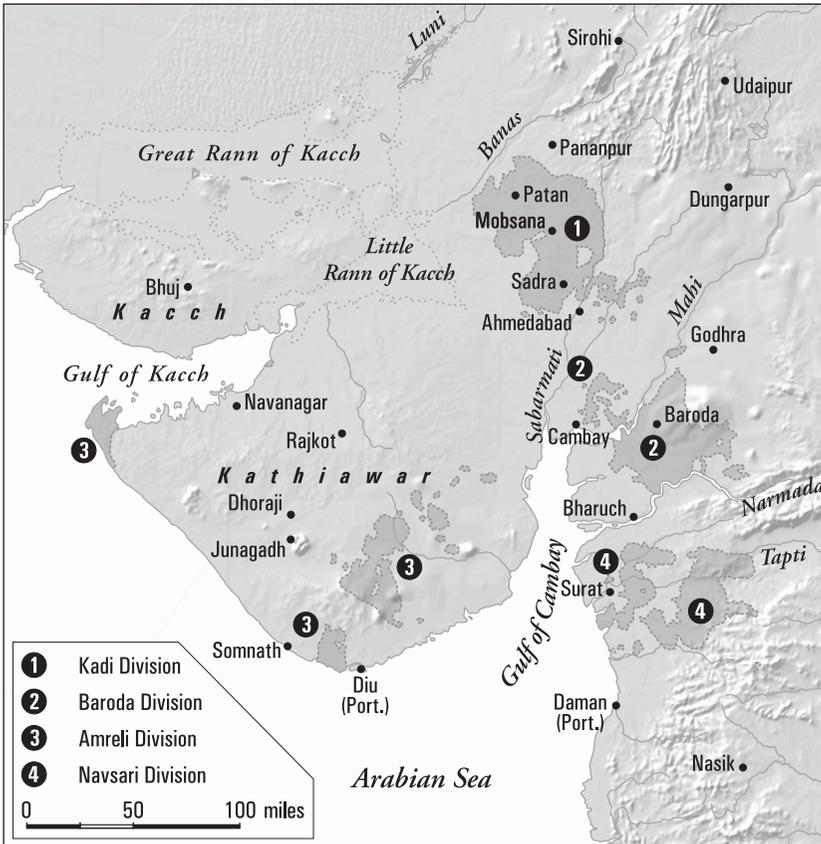
By the early nineteenth century, the only obvious vestiges of Mughal power that remained in Gujarat were those small princely states headed by former Mughal governors such as those at Cambay and Junagadh. In its place, the Gaekwads became a prominent source of political authority, and this was made possible by the support of indigenous

<sup>14</sup> Barbara N. Ramusack. *The Indian Princes and their States*. Cambridge: Cambridge University Press, 2004.

bankers like the brothers Nathushah and Vakhatchand Jhaveri, the great grandsons of Shantidas Jhaveri. Nathushah and Vakhatchand not only served as bankers to members of the Gaekwad family, but also became guarantors of complex financial transactions brokered by British colonial officials as they sought to establish paramountcy in the region. To grow their sovereign presence, the British demilitarized Gujarat and became the lynchpin of a new and quite complex web of financial and diplomatic relations spanning various sources of credible political authority.

After 1818, the Gaekwads's share of Gujarat amounted to roughly 21,000 square km (8,160 square miles, the size of El Salvador). This became known as the Princely State of Baroda. The remaining areas fell under colonial jurisdiction, and this amounted to about 26,000 square km (10,000 square miles, the size of Rwanda). These boundary negotiations were not based on ease of territorial administration, but rather on the British East India Company's calculation of land revenue, income from various levies, and a desire to control strategic cities. As a result, Gujarat's political geography in the nineteenth century resembled a jigsaw puzzle in which the Gaekwads's four major districts of Kadi, Baroda, Amreli, and Navsari were not contiguous. Captured in Map 0.3, the arbitrary borders of these four regions cut across distinct ecological, cultural, and linguistic zones in Gujarat. These areas were only reintegrated with surrounding territories when princely forms of localized government were entirely abolished in 1949, two years after India's independence from British colonial rule and in the initial years of its nascent democracy.

Today, Gujarat is one of the wealthiest states in India, home to some of the biggest industrial groups in the country. In fact, the modern-day descendants of the Jhaveris run Arvind Limited, one of India's most recognized Fortune 500 companies that specializes in textile manufacturing and branding. Gujarat also plays host to prominent institutions of higher learning, including the Indian Institute of Management at Ahmedabad, India's premiere business school. Farmers are hard at work producing cotton, tobacco, and groundnuts, which are harvested across more than one-half of the total state's area. The trade in precious jewelry, especially gold and diamonds, are major industries in Ahmedabad and Surat. Estimates suggest that more than 90 percent of global diamond polishing takes place in Surat, underscoring Gujarat's importance in the world market even today. Yet, as we shall see, Mughal elites were chief consumers of precious stones passing through Gujarat long before our own times, and it was this insatiable appetite for luxury and wealth that catapulted Gujarat into a region much coveted by Mughal emperors, princes, and governors.



Map 0.3. The Gaekwad state of Baroda in the nineteenth century

**The Field of Study**

The evidence and analysis presented in this book contributes to three areas of research in South Asian history, and to broader themes in the global history of capitalism. The first pertains to the causes of the Mughal Empire’s dissolution by the early eighteenth century, and the processes by which regional successor states consolidated influence in its wake. The second relates to the relationship between commercial agents and the state, especially whether they occupied parallel universes, or whether there was significant mutual conditioning or even some kind of dependency. The third focuses on Mughal studies more broadly, and the intellectual possibilities unleashed by combining rigorous multilingual

research with new conceptualizations of state power as not all encompassing, but rather processual and always in flux.

Let us turn to the first major area of concern, that is, the causes of Mughal decline. An earlier generation of colonial commentators and Indian historians explained decline in terms of the personal qualities of emperors and their nobles.<sup>15</sup> Jadunath Sarkar, in his well-known work on Aurangzeb, also advocated the emperor's religious bigotry as driving a wedge between Hindus and Muslims, undermining the collaborative nature of the Mughal state.<sup>16</sup> These arguments have taken on renewed significance in modern India, as political leaders turn to history, both real and imagined, to mobilize groups along Hindu-Muslim fault lines to rally votes.<sup>17</sup> In recent decades, the work that has catalyzed immense interest in the nature of Mughal power and its demise is Irfan Habib's landmark study *The Agrarian System of Mughal India* published in 1963. Drawing on royal chronicles and state revenue documents, Habib argued that the Mughal state extorted the entire surplus produced by peasants, reducing them to low levels of subsistence. As a response, peasants revolted leading to the birth of new regional polities across the subcontinent.<sup>18</sup>

Over the past sixty years, various scholars have responded to Habib's contention. Historians of Mughal India have offered new theories of imperial crisis largely focusing on key failures. These range from the Mughal failure to maintain the imperial ranking system of *jāgīr-mansāb* (Chandra), to resolve clashes with elite landed peasants called *zamindārs* (Hasan), to curb corruption among the nobility (Athar Ali), to overcome financial woes brought on by wars (Richards), to advance technologies in firearms (Khan), and to maintain healthy political competition at the court (Faruqui).<sup>19</sup> Others have rejected the decline thesis altogether,

<sup>15</sup> William Irvine. *Later Mughals*. 2 vols. Calcutta: M. C. Sarkar & Sons, 1921; Jadunath Sarkar. *Fall of the Mughal Empire*. 4 vols. Calcutta: M. C. Sarkar & Sons, 1932–50.

<sup>16</sup> Jadunath Sarkar. *History of Aurangzib*. 5 vols. Calcutta: M. C. Sarkar & Sons, 1912–24.

<sup>17</sup> Two recent biographies of Mughal emperors demonstrate how contemporary views about an emperor's religiosity condition sectarian violence across South Asia today. See Audrey Truschke. *Aurangzeb: The Life and Legacy of India's Most Controversial King*. Stanford, CA: Stanford University Press, 2017 and Supriya Gandhi. *The Emperor Who Never Was: Dara Shukoh in Mughal India*. Cambridge, MA: Harvard University Press, 2020.

<sup>18</sup> Irfan Habib. *The Agrarian System of Mughal India, 1556–1707*. New Delhi: Oxford University Press, repr. 1999.

<sup>19</sup> Satish Chandra. *Parties and Politics at the Mughal Court, 1707–1740*. New Delhi: Oxford University Press, repr. 2002, 29–33; S. Nurul Hasan. "The Position of the Zamindars in the Mughal Empire." *Indian Economic & Social History Review* 1, no. 4 (1964): 107–19; M. Athar Ali. *The Mughal Nobility under Aurangzeb*. New Delhi: Oxford University Press, repr. 1997, 171–4; John F. Richards. *Mughal Administration in Golconda*. Oxford: Oxford University Press, 1975, 132; Iqtidar Alam Khan. *Gunpowder and Firearms: Warfare in Medieval India*. Oxford: Oxford University Press, 2004, 195–6; Munis D. Faruqui. *The*

especially Muzaffar Alam, Chetan Singh, and Farhat Hasan, who have argued that the Mughal state enabled new political possibilities, especially regionalization, localization, and economic growth.<sup>20</sup> These views have been supported by additional studies on the late Mughal period in Banaras, Maharashtra, Khandesh, and Bengal.<sup>21</sup> Opponents of the decline thesis suggest that although social developments by the late Mughal period enabled regional economic growth, it also expedited the Mughal Empire's eventual demise.<sup>22</sup>

The second body of literature this book contributes to is on relationships between commercial agents and state power. In Mughal studies, an initial influential view was advocated by M. N. Pearson and Ashin Das Gupta, who both suggested that merchants and rulers occupied largely parallel worlds. In their view, the arrival of Portuguese, Dutch, and English merchants, and even Akbar's conquest of Gujarat by 1573, did not significantly impact merchants in the region.<sup>23</sup> They contend that Indian merchants were not mere peddlers, but commanded significant resources including owning vessels, controlling money markets, and adjudicating disputes.<sup>24</sup> Furthermore, the Mughal state did not impinge

*Princes of the Mughal Empire, 1504–1719.* Cambridge: Cambridge University Press, 2012, 311–25.

- <sup>20</sup> Muzaffar Alam. *The Crisis of Empire in Mughal North India: Awadh and the Punjab, 1707–48.* New Delhi: Oxford University Press, 1986; Chetan Singh. *Region & Empire: Panjab in the Seventeenth Century.* Delhi: Oxford University Press, 1991; Farhat Hasan. *State and Locality in Mughal India: Power Relations in Western India, c. 1572–1730.* Cambridge: Cambridge University Press, 2004.
- <sup>21</sup> C. A. Bayly. *Rulers, Townsmen and Bazaars: North Indian Society in the Age of British Expansion, 1770–1850.* Cambridge: Cambridge University Press, 1983; C. A. Bayly. *Empire and Information: Intelligence Gathering and Social Communication in India, 1780–1870.* Cambridge: Cambridge University Press, 1996; André Wink. *Land and Sovereignty in India: Agrarian Society and Politics under the Eighteenth-Century Maratha Svarājya.* Cambridge: Cambridge University Press, 1986; Stewart Gordon. "The Slow Conquest: Administrative Integration of Malwa into the Maratha Empire, 1720–1760." *Modern Asian Studies* 11, no. 1 (1977): 1–40; and Abdul Karim. *Murshid Quli Khan and his Times.* Dacca: Asiatic Society of Pakistan, 1963.
- <sup>22</sup> Ghulam Nadri. *Eighteenth-Century Gujarat: The Dynamics of its Political Economy, 1750–1800.* Leiden: Brill, 2008; Muzaffar Alam. "Eastern India in the Early Eighteenth Century 'Crisis': Some Evidence from Bihar." *Indian Economic & Social History Review* 28, no. 1 (1991): 43–71.
- <sup>23</sup> M. N. Pearson. *Merchants and Rulers in Gujarat: The Response to the Portuguese in the Sixteenth Century.* Berkeley: University of California Press, 1976; Ashin Das Gupta. *The World of the Indian Ocean Merchant, 1500–1800.* New Delhi: Oxford University Press, 2001.
- <sup>24</sup> The idea of Asian traders as "petty" was put forth by J. C. van Leur. *Indonesian Trade and Society.* The Hague: W. Van Hoeve, 1955 and Niels Steensgaard. *Carracks, Caravans and Companies: Structural Crisis in the European-Asian Trade in the Early 17th Century.* Lund: Studentlitteratur, 1973.

on their trading activities, an argument also advanced by scholars based on evidence from others parts of the Mughal hinterland.<sup>25</sup>

Yet, economic activities that both Pearson and Das Gupta acknowledge but downplay for want of evidence are the loans and capital that indigenous bankers provided Mughal and European nobles and elites. This significant omission was taken up with great alacrity by Karen Leonard, who boldly connected the role of indigenous business and capital to the downfall of the Mughal Empire. She suggested that when large, autonomous banking firms across the Indian subcontinent withdrew finance from Mughal officials in the late seventeenth century, the Mughal state collapsed.<sup>26</sup> This provided fledgling groups like the Marathas from the Deccan, the Sikhs of Punjab, and European mercantile companies in Bengal and Gujarat amazing opportunities to fill voids left by Mughal institutions. According to Leonard, such regional leaders grew their power by relying on the very same financial personnel that serviced the Mughals.<sup>27</sup>

While highly imaginative and bold in its argumentation, the main shortcoming of Leonard's thesis was the glaring absence of any empirical evidence about banking firms and their activities during the Mughal period. This omission was also noted by her most severe critic, John F. Richards, who argued that the Mughal state was financially secure, and nobles obtained money from official mints in the localities, and not

<sup>25</sup> The story of Banarasidas who wrote *Ardh-Kathanak* in 1641 is telling. Born in 1586 at Jaunpur, he studied various subjects including astrology, Sanskrit, and religion until 1610 when the elders of his community convinced him to ply a trade. With support from his father and a loan obtained against a *hundi* or bill of exchange, he travelled to various Mughal provinces including Delhi, Agra, Allahabad, Awadh, and Bihar buying and selling goods. His account reveals the relative mobility and free choice that characterized itinerant merchants of the empire and reveals the hands-off nature of the Mughal state vis-à-vis commerce. See Banarasidas. *Ardhakathanaka*. Translated by Mukund Lath. Jaipur: Rajasthan Prakrit Bharati Sansthan, 1981. For the career of Banarasidas, see John Cort. "A Tale of Two Cities: On the Origins of Digambar Sectarism in North India." In *Multiple Histories: Culture and Society in the Study of Rajasthan*. Edited by Lawrence Babb, Varsha Joshi, and Michael Meister, 39–83. Jaipur: Rawat Publications, 2002. See also Irfan Habib. *Medieval India: The Study of a Civilization*. New Delhi: National Book Trust, 2007, 255.

<sup>26</sup> Karen Leonard. "The 'Great Firm' Theory of the Decline of the Mughal Empire." *Comparative Studies in Society and History* 21, no. 2 (1979): 151–67. See also Karen Leonard. "Family Firms in Hyderabad: Gujarati, Goswami, and Marwari Patterns of Adoption, Marriage, and Inheritance." *Comparative Studies in Society and History* 53, no. 4 (2011): 827–54.

<sup>27</sup> Variations of this thesis have been articulated by Wink, *Land and Sovereignty*; Alam, *Crisis of Empire*; Sanjay Subrahmanyam and C. A. Bayly. "Portfolio Capitalists and the Political Economy of Early Modern India." *Indian Economic & Social History Review* 25, no. 4 (1988): 401–24.

directly from any private bankers.<sup>28</sup> For Richards, Mughal rulers controlled financial specialists, and not the other way around.

A further consideration of key issues and limitations of the Leonard-Richards exchange is addressed below. For now, suffice to say that *Bankrolling Empire* does not view private capital and its involvement with state power as exceptional and limited. Rather, the evidence in the pages to follow strongly suggests that the money and administrative services of bankers was critical to the functioning of Mughal power in South Asia, and even more relevant for enabling major shifts in society during the eighteenth century as political crisis mounted. As we shall see, capital advances from local financiers became an alluring remedy for both recalcitrant Mughal officials and upstarts from the countryside who sought to challenge Mughal rule and replace it with their own visions of public authority. From this point of view, Leonard is not entirely wrong, but nor is Richards entirely right.

The third body of writings this book adds value to is that of Mughal studies. This has been a large and vibrant area of research in recent decades, and prolific output points to methodological and conceptual innovation in analyzing precolonial polity and society. This book builds on recent trends in micro, regional, multilingual, and processual studies of the Mughal and post-Mughal era, while adding new empirical material and interpretations for colleagues in the field to accept, challenge, or modify. Much of our initial understanding of the Mughal Empire has come from sources produced during the Mughal era itself. Chief among these are court chronicles, royal orders, miniature paintings, foreign accounts, biographical dictionaries, news reports, and statistical data including gazetteers and revenue documents. An earlier generation of scholars used these materials to advocate a structural-functionalist view of the Mughal state.<sup>29</sup>

<sup>28</sup> John F. Richards, "Mughal State Finance and the Premodern World Economy." *Comparative Studies in Society and History* 23, no. 2 (1981): 285–308. See also a final rejoinder by Karen Leonard. "Indigenous Banking Firms in Mughal India: A Reply." *Comparative Studies in Society and History* 23, no. 2 (1981): 309–13.

<sup>29</sup> This broadly designates forms of social science theorizing and history writing that tends to explain society by analyzing how institutions like government, administration, military, law, and currency work together in conditioning human behavior and promoting stability. See W. H. Moreland. *From Akbar to Aurangzeb: A Study in Indian Economic History*. London: Macmillan & Co., 1923; Meyer Fortes and E. E. Evans-Pritchard. *African Political Systems*. London: Oxford University Press, 1940; Talcott Parsons. *The Social System*. New York: Routledge and Kegan Paul, 1951; A. R. Radcliffe-Brown. *Structure and Function in Primitive Society*. London: Cohen and West, 1952; Nilakanta Sastri. *The Cholas*. Madras: University of Madras, 1955; Habib, *Agrarian System*; N. A. Siddiqi. *Land Revenue Administration under the Mughals*,

The most prominent advocates of this perspective have been a group of historians from the Aligarh Muslim University, whose writings have come to represent the Aligarh School. Since the 1950s, they have been represented by Irfan Habib, M. Athar Ali, Shireen Moosvi, and John F. Richards, among others. The overall thrust of their work has been to demonstrate the strong, centralized nature of the Mughal Empire, its bureaucratic sophistication, and its technologies of control ranging from money, makeup of nobility, hold on revenue surplus, and alliances with regional groups as a strategy of control. Sometimes, one can detect a nationalist tinge in their views, for example suggesting that Mughal technologies of control and administration were as dynamic as those of their British colonial successor, going so far as to even suggest that European colonialization of India cut short modernizing processes already underway during Mughal rule.

While endorsing the empirical rigor and some of the key observations made by this earlier generation of Mughal scholars, *Bankrolling Empire* departs from such strict understandings of the Mughal state. Instead, it espouses perspectives outlined in a critical introductory essay written some twenty-five years ago for the edited volume titled *The Mughal State, 1526–1750*.<sup>30</sup> In this landmark work, Muzaffar Alam and Sanjay Subrahmanyam dispel the idea that the Mughal state was born mature. Instead, it was fashioned and refashioned across time and geography between 1526 and 1750. State power took on different shades based on the particularities of region, be it Bengal in the east, Punjab in the north, or the Deccan in the south. In the period after 1700, these variations came full circle with the rise of regional states, smaller polities, and eventually the British East India Company replacing the paramount sovereignty of the Mughal emperor.

How should the dynamics of Mughal power across the sixteenth and eighteenth centuries be characterized, and what explains the increase in regional state formation in the long eighteenth century? The task, no doubt a “daunting one,” as Alam and Subrahmanyam point out, requires separating fact from fiction. For the authors, this necessarily entails denationalizing views about the Mughal Empire, understanding its regional variations through non-Persian regional sources, and ultimately seeing eighteenth-century dissolution as part of a much longer process in

1700–1750. Bombay: Asia Publishing House, 1970; U. N. Day. *The Government of the Sultanate*. New Delhi: Munshiram Manoharlal, 1972.

<sup>30</sup> Muzaffar Alam and Sanjay Subrahmanyam. “Introduction” to *The Mughal State, 1526–1750*. Edited by Muzaffar Alam and Sanjay Subrahmanyam, 1–71. New Delhi: Oxford University Press, 1998.

the evolution of state capacity in South Asia. In other words, leaving value judgments aside, the dissolution of the Mughal Empire by the early eighteenth century was made possible by both conditions within the Mughal state, but also by new developments in the military labor market, formation of ethnic and regional consciousness, problems with imperial succession, new dynamics of trade, including increasing European penetration, and the overall commercialization of political power enabling more groups to participate in the politics of public authority. Viewed in this manner, Mughal state power in South Asia emerges dynamic, varied, and punctuated at key nodes, such as urban centers and oceanic ports, and not more all encompassing like the reach of the later British colonial state or the modern Indian nation state.

Recent works have contributed productively to such processual understandings of Mughal power. They also rely on multilingual sources and interdisciplinary approaches to pluralize the Mughal state and key developments in its aftermath. Landmark studies include Farhat Hasan's work on localized iterations of Mughal power in Gujarat, Abhishek Kaicker's analysis of popular politics in eighteenth-century Delhi, and Nandini Chatterjee's recent study of Mughal land and law from the archive of a family of landlords in Malwa.<sup>31</sup> *Bankrolling Empire* contributes to this body of work by demonstrating how a family of merchants, bankers, and financiers responded to shifts in Mughal imperial priorities, sometimes willingly and at other times less so. We see that their capital, and especially their capital know-how, helped them overcome extortion at the hands of Mughal officials to then emerge as key intermediaries in post-Mughal projects of statecraft led by both indigenous agents and their later colonial counterparts. This indicates that the Jhaveris were able to withstand major upheavals in political power, a feature that also explains their survival into modern times. Put succinctly, history helps us see how the emblematic Jhaveris have emerged as more robust than the several forms of state power that have risen and fallen in India since the late sixteenth century.

Finally, given that the Mughal state was a major political power during the early modern period, and that South Asia was part of wider transitions worldwide during that crucial time, the book's conclusion briefly situates the major findings of *Bankrolling Empire* within global comparative history. In short, stately institutions in India had a centripetal effect

<sup>31</sup> Hasan, *State and Locality*; Abhishek Kaicker. *The King and the People: Sovereignty and Popular Politics in Mughal Delhi*. Oxford: Oxford University Press, 2020; Nandini Chatterjee. *Land and Law in Mughal India: A Family of Landlords across Three Indian Empires*. Cambridge: Cambridge University Press, 2020.

on merchants dealing in luxury goods like jewelry or high-value commodities such as indigo, saltpeter, and bullion. With a focus on harnessing agrarian profits from the hinterland, the Mughal state was especially hands-off in coastal regions where traders were long connected to littoral networks of exchange. Yet, once the Mughals annexed Gujarat, they developed new relations with foreign and local traders, and harnessed incoming foreign silver as a critical technology of statecraft. The Mughal land tax, salary payments to officials and soldiers, and the currency demanded by producers and manufacturers were denominated in Mughal rupees.

Due to initial military successes and by establishing control over key agrarian resources, the Mughals maintained a robust treasury and fiscal ecosystem. Unlike French monarchs and English kings during the same period, the Mughal state did not rely on private money to administer its influence. As a result, it never developed a state-led credit and banking system that would have allowed it to expand. It remained a conquest state well into the seventeenth century, one that eventually became victim to its own unsustainable expansion. It was in the vigorous tussles for resources during military-logistics overstretch by the 1680s that private money and capitalists suddenly became essential for attempts to both salvage old political machines and establish new ones. In contrast, and across much of Europe, it was planned acts of government that brought political leaders and financiers into a nexus of state-capital relations. In India, the sudden importance of merchants and bankers for projects of statecraft was an unintended consequence of Mughal failures.

Readers additionally interested in how developments in Mughal India do, and do not, fit patterns identified on the world scene may turn ahead to the Conclusion; the remainder of this chapter turns squarely to the book's key arguments and framing concepts.

### **The Argument**

The key arguments presented in this book are perhaps best understood when framed as a response to the famous Leonard-Richards debate mentioned earlier. To recap, Karen Leonard advocated the Great Firm theory of Mughal decline suggesting banking firms were responsible for the state's demise, while John F. Richards offered a rebuttal underscoring the strength of the Mughal Empire's financial apparatus. In her final rejoinder, Leonard suggested that the state finance theory advocated by Richards exaggerated Mughal accumulation of capital, and did not adequately account for credit systems developed and controlled by

bankers and other commercial agents.<sup>32</sup> Second, she accused Richards of simply repeating idealized versions of the Mughal Empire as outlined in self-sponsored royal chronicles, suggesting that little was revealed in those writings about how money was actually valued, circulated, and deployed. Even strong supporters of Richards's position that the Mughal Empire was a highly centralized and self-sufficient affair acknowledge that financial intermediaries and bankers played a crucial role in imperial administration.<sup>33</sup> Leonard concluded her rejoinder with a valuable critique, that is, even if we accept Richards's view about the strength of state finance, we are still left without a diachronically robust thesis as to why the Mughal Empire faded.

During their own time and even in the years after, the Leonard-Richards interaction has not been settled definitively. This is largely because neither scholar nor later authors have been able to identify a business group that was both key to Mughal politics, and then later continued their services to its successor states. The evidence in *Bankrolling Empire* bridges this significant gap, for Shantidas Jhaveri and his descendants provide an unparalleled opportunity to revisit the nature of state-capital relations both during and then immediately after Mughal times. As we shall see, while the Jhaveris were implicated in Mughal wars of princely succession in 1627 and again in 1658, it was their descendants who further entrenched the family into financing competing projects of statecraft well into the late Mughal and post-Mughal periods.<sup>34</sup>

The research presented in the pages to follow strongly suggests that while Leonard's perspective was innovative, the Mughals did not depend on private finance to run state operations. They were not consistently bankrolled by private capitalists. It was during exceptional crises such as

<sup>32</sup> Leonard, "Indigenous Banking Firms."

<sup>33</sup> A. Jan Qaisar. "The Role of Brokers in Medieval India." *Indian Historical Review* 1, no. 2 (1974): 220–46; Irfan Habib. "Usury in Medieval India." *Comparative Studies in Society and History* 6, no. 4 (1964): 393–419 and Irfan Habib. "Banking in Mughal India." In *Contributions to Indian Economic History*. Edited by Tapan Raychaudhuri, 1–20. Calcutta: K. L. Mukhopadhyay, 1960.

<sup>34</sup> Mehta, *Indian Merchants and Entrepreneurs*, 103–4; Dwijendra Tripathi and Makrand Mehta. "The Nagarsheth of Ahmedabad: The History of an Urban Institution in Gujarat City." In *Indian Institute of Management Working Papers*, 1–26. Ahmedabad: Indian Institute of Management, 1978. From a different region, the importance of the Marwari Jagat Seth family in Patna, Murshidabad, and Calcutta demonstrates the mobility and political power of individuals involved in commerce. For a detailed account of how this family firm developed close ties with various political rulers including the Nawabs of Bengal and officials of the early East India Company in Bengal starting in the late seventeenth century, see J. H. Little. *House of Jagatseth*. Calcutta: Calcutta Historical Society, 1920.

royal succession wars that prompted the borrowing and even extorting of wealth from bankers like the Jhaveris. Despite occasionally lending money to Mughal elites, the Jhaveris did not possess enough strength, financial and otherwise, to decisively dictate the terms of Mughal politics during its strongest phase in the seventeenth century. In this, Richards's thesis stands strong. Yet, Leonard's creative hypothesis that successor states to the Mughals were highly dependent on finance provided by local family firms to establish their authority is also accurate, indicating that the very nature of political power in the aftermath of Mughal rule fundamentally transformed as processes of state formation became subject to extreme commercialization. It was this later commercialization of power that prompted Leonard to anachronistically, and incorrectly, hypothesize a similar dynamic occurring during the high tide of Mughal rule in the seventeenth century. How then, do the interpretations in this book align with and depart from the Great Firm theory of Mughal decline?

Drawing on a wide range of evidence, *Bankrolling Empire* argues that the dissolution of the Mughal Empire is best explained by its sudden and insatiable need for cash. For the better part of the sixteenth and seventeenth centuries, the Mughal agrarian apparatus was robust. Revenues outweighed expenses, and early emperors consolidated authority across vast territories by issuing military stipends. The tail end of Emperor Aurangzeb's reign from 1658 to 1707 was marked by increasing financial crisis. Mughal expansion campaigns in the Deccan drained resources beyond capacity, and provincial governors and members of their entourage began to extort local merchant bankers for vast sums. Such haphazard raising of loans became a stopgap solution for hiring and sustaining military retainers, which were increasingly composed of mercenary forces without any clear political allegiance. Put directly, it was regime crisis of a financial kind that changed the role and extent to which capitalists became involved with the politics of stately rule.

By the eighteenth century, financial uncertainty also contributed to increased factionalism at the Mughal court in Delhi. Rivalries between princes, ministers, and high-ranking governors became too divisive and undermined efforts to maintain Mughal authority across its provinces. To overcome resource scarcity, imperial officials in the locality began relying on fear tactics and extreme violence. They especially targeted moneyed groups for confiscatory sums, engendering two major shifts in the political landscape of late Mughal India. The first change was a new reliance on private money to help propagate a floundering Mughal administration, and the second was the increasing penetration by new militarized groups from the countryside who aspired to control key Mughal territories. As a bankrupt imperial order began losing control

of key territories, these militarized groups sought to establish new nodes of authority where the Mughal state earlier held sway. Members of upstart groups often brokered alliances with dejected Mughal officials, who themselves were beginning to see immense opportunities in defecting from the imperial banner.

Widespread political uncertainty during this period provided new challenges and opportunities for the Jhaveris. Moneylending to political upstarts was risky, yet it was also lucrative as an avenue to deploy capital and earn profits. In addition, gambling capital in politics was also a way to help establish a clear winner and seemed an expedient way to achieve political stability. Such stability was necessary for survival. In the wake of Mughal rule, the Jhaveris and other local financiers began earning profits by implicating themselves in the land revenue administration of nascent states. Political transitions in the eighteenth century, including the expansion of new native states and British power, were made possible by the bankrolling activities of families like the Jhaveris. In return, they received repayments with interest, and more significantly, perpetual tax free land grants. These assets were strategic acquisitions in a political economy where land, and not just the revenues from it, was also becoming a prized commodity. Later in the nineteenth century, ownership of such large tracts of land would help longstanding business families transition to modern industry.

In the canonical literature about the Mughal Empire, and apart from the Leonard-Richards debate, peasant oppression, religious intolerance, princely indolence, and colonialism have been posited as major reasons for why the empire did not survive beyond the late seventeenth century. Departing from such views, the analysis presented in the pages to follow suggests that much can be gleaned about the rise and fall of the Mughal state by following money and groups associated with it. Money was implicated in the politics of state power in two ways. First, its utmost importance in funding military salaries. And second, its role in helping speculators like the later Jhaveris finance revenue-farming contracts obtained from the leaders of new fledgling states seeking to replace Mughal authority. This book suggests that the waning of political authority in Mughal India was tied to the availability of money and credit, and this is best viewed through the perspective of groups like the Jhaveris who specialized in the making and moving of money.

Finally, a word about the language used to talk about financial specialists. Scholarship on early modern society tends to homogenize all professional economic agents as “merchants and bankers.” While the idea of a unified class of mercantile agents is convenient, it is analytically imprecise. Within the sphere of financial services, evidence from Mughal

India down into the early colonial period suggests that there were major differences between the status and function of moneychangers (*ṣarrāf*), moneylenders (*mahājan*, *dhīrnār*), financiers (*seṭh*), treasurers (*potadār*), bankers (*pārekh*, *mahājan*), banking agents (*mārāphatiyā*), and others.<sup>35</sup> We also need to make empirical and analytical distinctions between the establishing and functioning of smaller and larger firms, the role that family organization played in business activities including consolidating credit networks and managing information flows. In addition, we ought to focus on the nature of material objects that facilitated complex relationships between commercial agents and other social actors of the time. Through an analysis of materials related to the Jhaveri family, in some places robust and in other areas unfortunately less so, we should arrive at a more precise characterization of financial agents, key aspects of their business activities, and especially how they related to nodes of political power in times of relative stability and during moments of social upheaval.

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*Bankrolling Empire* advances four major framing concepts that best capture the essence of state-capital relations across the sixteenth through eighteenth centuries in Gujarat. These are represented by the Mughal state and its successors in the region on the one hand, and the Jhaveri family on the other. Drawing on terminology from the field of community ecology, the four key phases are *courtly mutualism*, *political commensalism*, *expedient extortion*, and *competitive coparcenary*. *Courtly mutualism* loosely maps to the period 1573–1658, or until the end of Mughal Emperor Shah Jahan’s rule. During this period, representatives of Mughal authority, especially emperors, princes, and governors, formed reciprocally beneficial relationships with Shantidas Jhaveri, the founding patriarch of the major family under study. As a prominent jeweler, merchant, and banker, Shantidas benefited from the protection of the Mughal state, including receiving lofty titles which enhanced his social standing. In turn, his political patrons enjoyed privileged access to luxury goods and key financial and administrative services provided by the powerful Gujarati merchant.

The second phase, *political commensalism*, corresponds to Aurangzeb’s violent bid for the throne during the final years of Shah Jahan’s rule and

<sup>35</sup> Apart from Irfan Habib’s articles on banking in Mughal India, the only other work that suggests we distinguish merchants, traders, bankers, and moneylenders is Stephen P. Blake. *Shahjahanabad: The Sovereign City in Mughal India, 1639–1739*. Cambridge: Cambridge University Press, 1991, 108–12.

refers to earlier mutualism giving way to the Mughals identifying Jhaveri resources for use during moments of exceptional need, especially succession wars between rival brothers for the throne. I situate this as a feature of mid-seventeenth-century Mughal-capital relations because we have direct evidence of the Jhaveri family's financial contributions to political campaigns of the era.

By the early decades of the eighteenth century, we enter the third phase of Mughal-capital relations, which I call *expedient extortion*. I focus on the period 1719–30, when Shantidas's grandson and heir, Khushalchand Jhaveri, is subject to public humiliation and violent extortion at the hands of Mughal officials in the locality. Local governors turned to Khushalchand for much needed capital and information as they tried to consolidate their own power, sometimes under the Mughal banner and at other times against it. As such, given that emperors were not directly involved with the Jhaveris and that political power during this time underwent what Alam and Subrahmanyam have aptly characterized as “regional centralization,” this phase is also one in which new political actors emerged center stage, suggesting the Jhaveris involvement in a much wider network of actors beyond just representatives of the Mughal state.

The fourth and final phase tracked in this book resembles a kind of resolution, an outcome, or even a culmination of the increasing squeeze on moneyed individuals over time. I call this final phase *competitive coparcenary*, referring to the scenario after 1730 whereby the Jhaveris became part of a very complex tapestry of political and financial actors, one in which claims to resources were managed less by war and haphazard tributary arrangements, as was the case during Mughal times, but rather by contractual arrangements, advance payments, and an eye towards both cooperation and coercion led by the British East India Company and their accompanying technologies of military prowess, information, and bureaucracy. This shift to principles of financial arrangements, keeping certain areas under the rule of native rulers while directly controlling others, became, for the British, a strategy for managing a complex subcontinent with various classes claiming authority and hereditary privilege, while at the same time enabling the colonial aspirant to tap into actual revenues and trade profits as the basis for a new kind of imperialism that sought to overtake the subcontinent.

Broadly speaking, these four phases, from *courtly mutualism* to *political commensalism*, and from *expedient extortion* to *competitive coparcenary*, suggest that as the Mughal state grew in complexity it had to respond to both internal and external challenges, including that of leadership succession, attacks from rival groups from the countryside, and

mounting financial concerns that threatened the integrity of Mughal power. The Jhaveri family example helps us see how, in response to such challenges and opportunities, the Mughals and especially their local representatives turned to expropriating wealth from businessmen to salvage the Mughal state. This led to early forms of commercialization of political power, one that officials of the British East India Company shrewdly identified and improved as a strategy to infiltrate South Asian political economy and pave the way for colonial rule.

### The Sources

Family enterprises like that of the Jhaveris rarely survive beyond three generations. Those that do can outlive empires. The Medicis of Italy, the Fuggers of Germany, and the Rothschilds of England are well-known and classic examples of major business families tied to the politics of their age.<sup>36</sup> Yet, we know remarkably little about how similar families in South Asia lived. This is largely due to the lack of available sources. The easiest explanation for why we lack historical archives is environmental. The humid climate of South Asia is not particularly well suited for preserving paper documentation, a fact lamented by the founder of the Mughal Empire Babur in his memoirs written over five centuries ago. Broadly speaking, this is a reasonable assessment. In my own archival work, I examined documents from as late as the nineteenth century that were in poor and brittle condition. Jute rolls, paper manuscripts, property deeds, and other material texts are scattered unsystematically across archives, and when located can be extraordinarily difficult to order and read. Even for chronicles penned by officials of the Mughal court, we largely possess print editions prepared by colonial officials and Indian scholars based on later retellings of original texts. Any surviving manuscript variants of such important sources tend to be later reproductions by copyists in the nineteenth century and usually contain errors and omissions.

Another key factor lies with the preservation practices of historical persons themselves. Unlike their European banking counterparts, business elites like the Jhaveris of Ahmedabad did not necessarily preserve

<sup>36</sup> In the context of Europe, private wealth was intimately linked to the growth of public debt, and merchant bankers were also implicated in various wars. The European archives are much richer than their South Asian counterparts and have formed the basis of important works on the subject. For example, see Christopher Clay. *Public Finance and Private Wealth: The Career of Sir Stephen Fox, 1627–1716*. Oxford: Oxford University Press, 1978; S. R. Cope. *Walter Boyd: A Merchant Banker in the Age of Napoleon*. Gloucester: A. Sutton, 1983.

records or even write about themselves in any systematic way. This certainly makes historical analysis challenging. However, in the case of the Jhaveris, we are fortunate for a handful of religious accounts penned by Jain monks that tangentially shed light on the business and community activities of this remarkable family. While these are limited in number and scope, they are a major source for understanding Mughal-Jhaveri relations across centuries. In addition to such premodern writings, I have also identified new materials from large and small repositories in Ahmedabad, Baroda, Surat, Bombay, Pune, New Delhi, London, and Oxford. By drawing together eclectic multilingual sources, *Bankrolling Empire* widens the scope of what is considered Mughal history proper. This approach builds on recent developments in the study of early modern India more broadly, and, of course, that of the Mughal period more specifically.

Over the past two decades, scholars well equipped with language skills working on regional literary cultures and other facets of early modern life have taken a keen interest in studying the Mughal Empire. This has been catalyzed by Sheldon Pollock's magisterial work on political power, Sanskrit language, and the development of vernacular languages as indicators of regional growth.<sup>37</sup> For the Mughal Empire, the late Allison Busch's study of Braj Bhasha poets at the Mughal court along with several other studies such as those on Jahangir, Shah Jahan, and Aurangzeb have enriched Mughal historiography.<sup>38</sup> These works have demonstrated that a strict mapping of language, orthography, vocabulary, and literary style to a single community is misleading, especially prior to the ubiquity of printing press technologies in the nineteenth century. They have also convinced readers of the value of supplementing Persian language materials with regional language sources in Braj Bhasha, Gujarati, Bengali, and Telugu, among others. One major benefit of this multilingual research has been a gradual deprivileging of state-centric sources in the study of South Asia during the second millennium in favor of more pluralistic materials that shed better light on social relationships and the dynamics of political power.<sup>39</sup>

<sup>37</sup> Sheldon Pollock. *The Language of the Gods in the World of Men: Sanskrit, Culture, and Power in Premodern India*. Berkeley: University of California Press, 2006.

<sup>38</sup> Allison Busch. *Poetry of Kings: The Classical Hindi Literature of Mughal India*. Oxford: Oxford University Press, 2011; Ebba Koch and Ali Anooshahr, eds. *The Mughal Empire from Jahangir to Shah Jahan: Art, Architecture, Politics, Law and Literature*. Mumbai: Marg Publications, 2019; Heidi Pauwels and Anne Murphy, eds. "From Outside the Persianate Centre: Vernacular Views on 'Ālamgīr.'" Special issue, *Journal of the Royal Asiatic Society* 28, no. 3 (2018): 407–581.

<sup>39</sup> Francesca Orsini. "How to do Multilingual Literary History? Lessons from Fifteenth- and Sixteenth-Century North India." *Indian Economic & Social History Review* 49, no. 2

A multilingual methodological approach is also a distinctive feature of *Bankrolling Empire*. This is especially important as the research focuses on changes at the interstices of three sovereign systems, that is, the declining Mughal Empire, the rise of regional polities, and the early phase of British colonial rule. Processes of state formation and dissolution are difficult to disaggregate because temporal boundaries overlap, geographical frontiers are unclear, and evidence is multiple. To overcome these challenges, my research draws on methods developed in the fields of history and South Asia studies. First, the analysis is based on new empirical evidence. One way of thinking through unresolved scholarly questions such as the Great Firm theory of Mughal decline is discovering new research materials and contextualizing their significance. This has also necessitated crossing source genre boundaries and deciphering hurried scribal writings across old manuscripts, especially cursive fonts such as the Persian *shikasta*, Gujarati and Marathi *modī*, and the unbroken *devanāgarī* used in handwritten Sanskrit. Throughout this work, readers will note a generous use of Gujarati and Sanskrit literary texts that are read alongside Persian chronicles and ethnographic accounts. These are supplemented with observations emanating from French trading manuals, Dutch shipping records, and a spattering of other references from diverse repositories.

As such, *Bankrolling Empire* is based on comparative work across colonial, regional, and private archives. Comparing data from different repositories is a distinctive feature of good historical research and broadens the evidentiary base so that we may offer much more robust conclusions about political change and the impact of those on the ground. Finally, this monograph contributes to the growing historiography on merchant economies and histories of the household. I hope to add to recent global scholarship that has demonstrated the immense value of writing broader social histories based on the private archives of specialist groups such as Jessica Goldberg's study of the Cairo Geniza documents, Sebouh Aslanian's analysis of Armenian merchant records

(2012): 225–46; Sumit Guha. “Transitions and Translations: Regional Power and Vernacular Identity in the Dakhan, 1500–1800.” *Comparative Studies of South Asia, Africa and the Middle East* 24, no. 2 (2004): 23–31; Richard Eaton. “The Rise of Written Vernaculars: The Deccan 1450–1650.” In *After Timur Left: Culture and Circulation in Fifteenth-Century North India*. Edited by Francesca Orsini and Samira Sheikh, 112–29. Oxford: Oxford University Press, 2014; Richard Eaton. *India in the Persianate Age, 1000–1765*. Berkeley: University of California Press, 2019; Sitamshu Yashaschandra. “From Hemacandra to Hind Svarāj: Region and Power in Gujarati Literary Culture.” In *Literary Cultures in History: Reconstructions from South Asia*. Edited by Sheldon Pollock, 567–611. Berkeley: University of California, 2003.

out of New Julfa, and Francesca Trivellato's use of evidence left by Sephardic Jewish merchants of Livorno.<sup>40</sup>

Contributing to this style of nascent scholarship, this book is based on long-term historical fieldwork and archival study. I focus on harnessing untapped sources across diverse genres and languages to understand money, power, and politics in Mughal India as it manifested at the local level. I combine reading chronicles commissioned by successive Mughal emperors alongside royal orders issued through their provincial offices.<sup>41</sup> Keeping in mind the importance of local sources for understanding political transition, I harness perspectives from Sanskrit and Gujarati poems that speak to local society, financial relationships, and political intrigue, especially as it relates to the Jhaveris. Early modern writers used narrative forms such as poetry and song to capture changes in their surroundings. Such unique works have been woefully neglected in earlier scholarship on late Mughal India, and I hope to resuscitate them in the pages to follow.

In Chapter 4, for example, I bring to bear Vishwanath Jani's epic Gujarati poem *Ganīma no Pavāḍo* to analyze how Gujarati residents made sense of growing Maratha attacks on their community. Written in 1706, this work strongly supports the idea that Gujarati residents preferred Mughal rule in the locality, and in fact supported local governors and their deputies in their fights against Maratha raids.<sup>42</sup> In Chapter 5, I introduce the Gujarati *padāvartā* or narrative poem *Rustam no Saloko* by Samal Bhatt, which captures how rival powers grappled for control of Gujarat during the 1720s, and how the local population felt about the visible breaking down of Mughal authority in the region.<sup>43</sup> These are some of the best sources we have in what is already a meager landscape of

<sup>40</sup> Jessica Goldberg. *Trade and Institutions in the Medieval Mediterranean: The Geniza Merchants and their Business World*. Cambridge: Cambridge University Press, 2012; Sebouh Aslanian. *From the Indian Ocean to the Mediterranean: The Global Trade Networks of Armenian Merchants from New Julfa*. Berkeley: University of California Press, 2011; Francesca Trivellato. *The Familiarity of Strangers: The Sephardic Diaspora, Livorno, and Cross-Cultural Trade in the Early Modern Period*. New Haven, CT: Yale University Press, 2009.

<sup>41</sup> For the Jhaveri family, I have relied extensively on royal orders presented in M. S. Commissariat. "Imperial Mughal Farmans in Gujarat: Being Farmans Mainly Issued in Favour of Shantidas Jawahari of Ahmadabad by the Mughal Emperors." *Journal of the University of Bombay* 9, no. 1 (1940): 1–56. Commissariat obtained these from Kasturbhai Lalbhai of the Jhaveri family in the 1930s, and some of these have been republished in the more well-known anthology edited by S. A. I. Tirmizi, ed. *Mughal Documents (A.D. 1628–1659)*. Vol. 2. Delhi: Manohar, 1995, 57, 71, 76–7, 113–4.

<sup>42</sup> Vishwanath Jani. *Ganīm no Pavado*. Edited by Harivallabh Bhayani. Bombay: Gujarati Forbes Sabha, 1946.

<sup>43</sup> Shamal Bhatt. *Rustam no Saloko*. Edited by Harivallabh Bhayani. Bombay: Gujarati Forbes Sabha, 1946.

primary materials. Key literary works, ranging from long ballads to praise poems, and stories to genealogies, run into dozens and sometimes hundreds of verses. By reading them alongside other key sources, such as foreign travelogues, we can identify the changes felt by the Jhaveris as their political world crumbled and as they reoriented their businesses towards forging new geopolitics.

One of the most valuable sources for this book is the untranslated Persian diary of I‘timad ‘Ali Khan, a lower-level port official and bureaucrat stationed in various cities across Gujarat.<sup>44</sup> Titled *Mirāt-ul Ḥaqā‘iq*, the rare source captures Gujarati life in flux between 1693 and 1727. While a literal translation of the work would be *Mirror of Facts*, I prefer to translate the title as *Mirror of Events* since the author organizes the book into a chronology of historical moments that he experienced firsthand. The author makes no effort to convert his observations into a long chronicle with ornate language. He instead prefers making pithy and matter-of-fact statements documenting what was seen and heard. As such, the genre of the work is neither a historical chronicle nor is it a state-sponsored statistical gazetteer that is more typical of Mughal-era sources. It is a standalone source that is best understood as a diary containing personal reflections, a record of key events and persons, revenue statistics, literary excerpts as marginalia, and of course the author’s keen observations, which he took great efforts to record at daily intervals. Writing in his preface, the author notes:

This work contains countless news reports, great facts, religious and worldly signs that tell a history. Called *Mirāt-ul Ḥaqā‘iq*, this book shows a clear picture of contemporary government. It has been compiled by I‘timad ‘Ali Khan, son of I‘timad Khan, at the auspicious port of Surat in 1727 with passion and with great taste for facts directly heard and seen regarding royal officials and that of eight generous emperors after Aurangzeb who ruled over Hindustan. Like pearls, these truths were strung into a narrative neckless ... [and] this garden was created with great effort, hardship, and the warm tears of the author.<sup>45</sup>

I‘timad ‘Ali Khan held various posts in his thirty-year career in the province.<sup>46</sup> As conveyed in Figure 0.3, the diary is an impressively large manuscript spanning 489 folios. The only copy of this handwritten

<sup>44</sup> Khan, *Mirāt-ul Ḥaqā‘iq*. <sup>45</sup> Ibid, ff. 4b–5a.

<sup>46</sup> Career overviews are provided in Sudev Sheth and Lawrence L. C. Zhang. “Locating Meritocracy in Early Modern Asia: Qing China and Mughal India.” In *Meritocracy in India and China*. Edited by Michael Szonyi and Tarun Khanna, 85–117. Oxford: Oxford University Press, 2022; Syed Ali Nadeem Rezavi. “Itimad Ali Khan: The Career of a Mughal Officer through His Own Diary.” *Studies in People’s History* 7, no. 1 (2020): 79–90; M. P. Singh. *Town, Market, Mint and Port in the Mughal Empire, 1556–1707*. New Delhi: Adam Publishers, 1985, 265–77.



Figure 0.3. I‘timad ‘Ali Khan, *Mirāt-ul Ḥaqqā’iq*, c. 1717–27, open to fols. 94b–95a.

Courtesy University of Oxford, Bodleian Libraries, Fraser Collection, MS 124.

book is held as part of the Fraser Collection at the Bodleian Library at Oxford University. This collection consists of an invaluable corpus of more than 227 rare manuscripts collected by the illustrious British East India Company official John Fraser (1712–54). Fraser, a Scotsman, spent close to a decade working across company trading posts, with longer stays in the cities of Ahmedabad, Cambay, and Surat. During his days moving between these mercantile hubs, Fraser acquired advanced knowledge of Persian, Sanskrit, and other vernacular Indian languages.<sup>47</sup> He acquired as gifts and purchased several Indian manuscripts during the 1730s. Shortly after returning to Britain in 1740, Fraser published his celebrated history of Nadir Shah, the ruler of Iran who famously sacked the Mughal capital city of Shahjahanabad in 1739. It was to the first edition of this landmark history that Fraser appended a curated list of rare and not so rare manuscripts he acquired

<sup>47</sup> A. A. Macdonell and P. J. Marshall. “Fraser, James (1712/13–1754), East India Company Servant and Collector of Oriental Manuscripts.” *Oxford Dictionary of National Biography*. September 23, 2004. Accessed June 21, 2022, from [www.oxforddnb.com](http://www.oxforddnb.com).

during his extensive travels in India.<sup>48</sup> In 1758, just four years after his death, Fraser's collection was purchased by Radcliffe Library at Oxford University and was finally transferred to the Bodleian Library of the same university in 1872.<sup>49</sup>

As a physical object, the *Mirāt-ul Ḥaqā'iq* is bound in supple leather with gold-leaf flower engravings on its front and back covers. The last folio contains a catch word without any pages to follow, suggesting that the manuscript is incomplete in its current form. Given its abrupt ending and missing colophon, we can also safely assume that the binding is from a later period. There is also a European-styled bookplate summarizing the contents in cursive English, a feature likely added by Fraser himself.<sup>50</sup> The diary is made up of large folio sheets 37 cm tall and 24 cm wide. As a bound book, the work is 8 cm thick. Within the rectangle borders of each folio is a writing space 15 cm long and 10 cm wide, with top, side, and bottom margins of 5 cm, 4 cm, and 3 cm respectively. Across the several hundred folios that comprise the stellar work, one finds writing in the Persian scribal script called Nastaliq, and across several pages verses written in a diversity of Arabic calligraphic forms including Kufic and Naskh. While more than one hand contributed to the manuscript's production, it is reasonable to assume that I'timad 'Ali Khan himself was an accomplished penman who wrote much of the text manuscript himself. This conjecture is supported by the several

<sup>48</sup> James Fraser. *The History of Nadir Shah, formerly Called Thamas Kuli Khan, the Present Emperor of Persia: To which is Prefix'd a Short History of the Moghol Emperors. At the End is Inserted, a Catalogue of about Two Hundred Manuscripts in the Persic and Other Oriental Languages, Collected in the East*. London: A. Millar, 1742. The collection likely contains several more manuscripts than mentioned in the published list, since prior to the twentieth century manuscripts with similar texts were usually bound together in the form of single Western codices to save on shelving space. The original handwritten version of Fraser's own list of manuscript possessions is kept at the Bodleian Library as MS Fraser 277.

<sup>49</sup> As recently pointed out by Sanjay Subrahmanyam, Fraser was impressed with the intellectual production of scholars and scribes in Gujarat. His desire to learn languages and purchase manuscripts might be seen as part of an earlier phase of intellectual curiosity in which colonial officials acquired the linguistic skills to truly partake in the political world of the Mughal Empire. See Sanjay Subrahmanyam. "Of Coproduction: The Case of James Fraser, 1730–1750." In *Europe's India: Words, People, Empires, 1500–1800*. Cambridge, MA: Harvard University Press, 2017.

<sup>50</sup> The bookplate uses conventional eighteenth-century spellings for Indic terms, suggesting it was added during Fraser's own time (e.g., *Aurinzebe* instead of *Aurangzib*). Contrast with nineteenth-century spellings that form the short description of *Mirāt-ul Ḥaqā'iq* provided in Ed Sachau and Hermann Ethé. *Catalogue of the Persian, Turkish, Hindustani, and Pushto Manuscripts in the Bodleian Library. Part I*. Oxford: Clarendon Press, 1903, 135, No. 257.

eyewitness commentaries and first-person accounts that he provides, including several places where he offers his signature.<sup>51</sup>

*Mirāt-ul Ḥaqāʾiq* is divided in two parts and covers events from 1717–27 in a continuous fashion.<sup>52</sup> The first comprises short biographies and miniature portraits of eight successive Mughal Emperors from Aurangzeb to Muhammad Shah. The second part of the manuscript includes revenue statistics and custom dues from Gujarat’s port cities, lists of workshops and living quarters in the cities, and detailed episodes of daily life in Gujarat that the author witnessed or compiled from news reports. Iʿtimad ‘Ali Khan’s diary provides rare insight into local dynamics of Mughal power during an unstable decade. This work is of singular importance for understanding the life and activities of Khushalchand Jhaveri, and for tracing details about what Mughal collapse looked like in Ahmedabad during the 1720s. It is through this work that we derive a clear sense of how monetary resources became central for the Mughals and those who challenged its authority.

In addition to sources produced by Indian writers in Persian, Sanskrit, Gujarati, and Marathi, we are heavily indebted to European eyewitnesses who interacted with the Mughal and local courts. I draw heavily on travelogues, training manuals, and correspondence in English, French, and to a limited extent Dutch, to analyze how foreign merchants understood the Indian political landscape in the seventeenth and eighteenth centuries. Perhaps the most exciting of such accounts comes from Georges Roques, a procurer of textiles employed by the French East India Company. In a manual published for training junior officers of his company, Roques makes several rich ethnographic observations about the range of financial services provided by indigenous bankers to Mughal governors during the 1680s.<sup>53</sup> Select passages, translated from French

<sup>51</sup> Iʿtimad ‘Ali Khan asked one Hafez Muhammad Hussain to write the prologue, and it seems that the copy of *Mirāt-ul Ḥaqāʾiq* that we possess is a beautified, enlarged, and sanctioned reproduction of an original diary. The prologue states that “Hafez Muhammad Hussain, with great hope, effort, and good intention brought back this lost diary from the darkness of obscurity and wrote its Preface.” See Khan, *Mirāt-ul Ḥaqāʾiq*, f. 4b.

<sup>52</sup> For a summary of the miscellaneous literary works, specimens of poetry, and prose extracts scattered across the marginalia of *Mirāt-ul Ḥaqāʾiq*, see Sachau and Ethé, *Catalogue*, 753–6, No. 1239. For an analysis of unusual border art and poetry in the margins of *Mirāt-ul Ḥaqāʾiq*, one in which a group of feisty mice capture and devour a cat king, see Sudev Sheth and Mohammad Dawood. “When Mice Eat Cats: An Allegory of Empire as Border Art in the Diary of an Eighteenth-Century Mughal Bureaucrat.” *Manuscript Studies: A Journal of the Schoenberg Institute for Manuscript Studies* 8, no. 1 (2023): 24–60.

<sup>53</sup> Georges Roques. *La manière de négocier aux Indes: La compagnie de Indes et l’art du commerce*. Edited by Valérie Bérinstain. Paris: Maisonneuve & Larose, 1996.

for the very first time in Chapter 4, point directly to the increasing financial troubles faced by Mughal officials, and how such unprecedented constraints radically altered their behavior towards bankers such as the Jhaveris. Despite limitations of vantage point and bias, such foreign accounts independently confirm and supplant many of the observations found in Indian language sources.

Finally, a word on quantitative versus qualitative data. Some readers might be more easily persuaded by numerical data, whether about the size of the economy, velocity of money, nature of growth, extent of decline, and so on. While an earlier generation of Mughal historians have painstakingly reconstructed values for the Mughal Empire, more recent scholarship has been skeptical about the accuracy and usefulness of such figures.<sup>54</sup> In many cases, numerical values about the empire are at best approximations, and at worst exaggerations. This work moves in a different direction of socioeconomic history, one that privileges unearthing financial relationships to get a sense of power dynamics at play. To the limited extent numbers are beckoned, it is to indicate relative size and grandeur and not necessarily to bolster causal arguments. I believe Mughal numbers, when they do appear, broadly indicate prosperity, stability, or crisis, and I have found it much more interesting and productive to follow characters and conflict rather than unverifiable and scanty numbers.

For quantitative data pertaining to the Mughal Empire, I rely on the work of Abdul Aziz on the Mughal treasury and its fiscal resources, and the work of earlier economic historians who have broadly laid out a framework for understanding the imperial monetary system, the movement of money across regions, and the impact of European trade on the subcontinent.<sup>55</sup> Numbers presented in this book should be taken as relative indicators of large and small sums in line with how our sources and the characters they feature understood scale. For our purposes, it is more important that we pinpoint exactly how *financial relationships* and Mughal fiscal capacity changed over time, something clearly visible in the episodes presented in the chapters to follow.

### Plan of Progression

*Bankrolling Empire* has seven core chapters. Chapter 1, a prelude, provides necessary background about the Mughal Empire, and details about

<sup>54</sup> Sumit Guha. "Rethinking the Economy of Mughal India: Lateral Perspectives." *Journal of the Economic and Social History of the Orient* 58, no. 4 (2015): 532–75. For an earlier articulation of this point, see Alam and Subrahmanyam, "Introduction" to *Mughal State*.

<sup>55</sup> Abdul Aziz. *The Imperial Treasury of the Indian Mughals*. Lahore: Muhammad Ashraf, 1942; Raychaudhuri and Habib, *New Cambridge Economic History of India*.

its conquest of Gujarat beginning in 1572. Standard histories portray Mughal conquest as swift and decisive.<sup>56</sup> The picture I present is somewhat different. Akbar's annexation of Gujarat was a slow and protracted effort requiring the astute balancing of military force and the pacifying and incorporating of local political elites into Mughal administration. Since personnel was a limited resource in early modern India, taking in gentry rather than outright defeating or executing them was an important strategy to grow political influence. A successful campaign, as we shall see, absorbed local elites into the Mughal idiom of hierarchy, privileges, duties, and system of wealth distribution. The arranging of tribute payments and indemnities was a core feature of this system. Money over the course of the sixteenth to eighteenth centuries became central to Mughal political dispensation. This background chapter concludes by laying out key opportunities Mughal rule provided for the Jhaveri family as they built their influence.

Chapter 2 focuses on the founding patriarch Shantidas Jhaveri's activities in the early seventeenth century at the courts of Jahangir and his successor Shah Jahan. Jahangir was accustomed to the luxuries of the court and grew fond of rare jewelry and other precious items. Shantidas established a formidable reputation as a fantastic jeweler and diamond dealer, one with the wealth and knowledge to procure rarities from around the world. Ships carrying such goods docked at the ports of Gujarat, and Shantidas and his agents purchased coveted items to then sell to high-ranking officials and Mughal emperors. The business activities of Shantidas took off after 1610. Given his close relationship with two successive Mughal emperors, I call this phase of Mughal-Jhaveri relations *courtly mutualism* since both sides gained from the interaction. Courtly mutualism was reinforced, for example, when Emperor Shah Jahan swiftly restored temple lands to Shantidas which had been earlier destroyed by Mughal officials.

Chapter 3 focuses on the final years of Shah Jahan's rule, including the princely rivalry between Aurangzeb and his brothers for their father's throne. Through local evidence, I demonstrate that during moments of crisis when members of the state needed ready capital, they relied on the Jhaveris to provide cash loans. The timeliness of loans was the most important factor, since battles for the throne were fought quickly and decisively. Such loans were deployed by princely retainers to muster additional troops and resources. Even the slightest advantage in resources could catapult a prince to emperorship. This chapter traces

<sup>56</sup> Focusing on conquest in the eighteenth century, a notable exception is Gordon, "Slow Conquest."

how the Jhaveri family risked business resources by stepping into the seductive world of political financing. We learn that their services as merchants, bankers, and financiers were highly valued by Mughal elites, and even bad bets placed on a losing prince did not compromise their exalted positions as preeminent merchants of Gujarat. I characterize this phase of Mughal-Jhaveri relations as *political commensalism*, for the Mughals benefited immensely from emergency loans, while the Jhaveris neither benefited nor were harmed in any decisive manner.

Taking a pause from direct focus on the Jhaveris, Chapter 4 is an empirically rich interlude that traces major social and administrative shifts across the Mughal Empire between 1680 and the 1720s. I suggest that military campaigns in the Deccan region impinged the Mughal treasury, and undermined administration and fiscal capacity to an extent never seen before. Simultaneously, officials in Gujarat started to engage in behavior that decisively undermined Mughal sovereignty. Yet, they also had little choice as monetary resources were becoming scarce. Financial limitations impacted the quality of state machinery including the upkeep of buildings, delay in salary payments, and even the ability of officials to legitimately demand taxes. Despite this, local Gujarati poems suggest that residents preferred Mughal rule to ruthless attacks by the Maratha marauders, whose periodic raids were increasing in intensity and frequency. After Aurangzeb's death in 1707, successive Mughal emperors were poorly equipped to revive the grandeur of their ancestors. Their short stints as emperors, sometimes as brief as a few months, led to the further breakdown of Mughal authority. This manifested most clearly as intra-Mughal rivalries between successive Mughal governors sent to control and profit from Gujarat but recalled at a moment's notice. Insecure in their positions and seriously strapped for cash, these governors turned to assaulting key members of the business fraternity in the city of Ahmedabad to raise the resources needed to fight political rivals.

Returning to the Jhaveris, Chapter 5 explores the climax of full-blown antagonism between key financial agents and sources of Mughal authority in what I am calling a phase of *expedient extortion*. I focus on the life and activities of Khushalchand, a third-generation Jhaveri brought into the whirlwind of financing gubernatorial rivalries to the point of being violently extorted and forced into exile. In contrast to his forefathers, whose personal security was safeguarded and whose loans were repaid, Khushalchand experienced grotesque violence at the hands of Mughal officials. As a reaction and response, he sought protection by gambling capital on political futures. Given that multiple groups were vying for power as the Mughal state atrophied, Khushalchand reoriented his

business towards raising finance for political elites, and he brokered deals surreptitiously between armed groups who aspired control of Ahmedabad and its environs. In the process, he faced both criticism and praise from both local residents and members of Ahmedabad's business fraternity.

Chapter 6 traverses the aftermath of Mughal rule as members of the Maratha confederacy, led by the Gaekwads, and officials of the early colonial state in the form of the British East India Company sought to capture Ahmedabad and strategic routes connected to the city. It was in this context that the sons of Khushalchand became entrenched in financing new forms of political organization by guaranteeing loans to groups seeking the purchase of revenue farms from emerging states. I call this phase of political-business relations *competitive coparcenary*. By becoming speculators in land revenue farms and advancing capital to those seeking to establish state power, the Jhaveris tactfully adapted their expertise to new political circumstances. Other banking groups, such as the Haribhakti family of Baroda introduced in this chapter, also sprouted during this time to finance revenue-sharing agreements that were based on making advance payments and promises to political leaders. This was a major departure from the high tide of Mughal rule in the seventeenth century when state power manifested more definitively through a combination of warfare, indemnities paid by tributary states, and regular taxation harnessed from key areas under the state's control.

By the late eighteenth century, Mughal power gave way to more pluralistic geopolitics led by the Marathas and representatives of British East India Company authority in India. Chapter 7, a postlude, focuses on how the Gaekwads of Baroda consolidated power in the wake of Mughal dissolution in Gujarat. The political landscape was held together largely by debt relations and novel forms of financial diplomacy. Although lacking any additional evidence about the later Jhaveris, this chapter explores how the analogous Haribhakti family firm became central to post-Mughal political power in Gujarat. The chapter demonstrates how, by the late eighteenth century, the Gaekwads were able to establish and grow their stately influence by relying on a group of elite bankers led by the financier brothers Hari and Bhakti and the resources of their eponymous banking business. Over time, excessive state borrowing from this firm led to the accumulation of enormous debt. Such a decisive shift to debt-based sovereignty both enhanced and challenged those in the business of bankrolling the state, and ultimately also provided the British East India Company an opportunity to coopt and subordinate native state formation as part of its own masterplan to establish colonial hegemony.

A short Conclusion ties major findings of *Bankrolling Empire* to wider understandings of early modern political economy in India, and to the comparative history of such transitions worldwide in that transformative period. While scholars such as Fernand Braudel, Immanuel Wallerstein, Michael Mann, and Jack Goldstone have done major work on this period, the story of the Mughal Empire and the role played by indigenous Indian financiers in shaping the strategies of its political successors helps to fill important gaps on the world scene.<sup>57</sup> By focusing on how four generations of the single Jhaveri business family interacted with sources of political authority in India, we learn how a major imperial formation atrophied, and how various smaller aspirants to state power relied on creative financing obtained from indigenous bankers to consolidate power in its wake. This work suggests that business leaders like the Jhaveris were not necessarily complacent or just reactive to change, but rather maintained a keen eye towards political developments of the day. When opportunities arose, they relied on their expertise and wealth to shape political power. In the twenty-first century, as relationships between private capital and political authority continue to be intertwined, this work reminds us that while politics of course impacts business, we should perhaps pay closer attention to the increasing abilities of business to deploy resources and technologies to redraw the very contours of state power and its capacity to govern.

<sup>57</sup> Fernand Braudel. *Civilization and Capitalism, 15th–18th century, Volume 2: The Wheels of Commerce*. Berkeley: University of California Press, repr. 1992, 25–137; Immanuel Wallerstein. *The Modern World-System, Volume 2: Mercantilism and the Consolidation of the European World-Economy, 1600–1750*. Berkeley: University of California Press, repr. 2011, 178–243; Michael Mann. *The Sources of Social Power, Volume 1: A History of Power from the Beginning to AD 1760*. Cambridge: Cambridge University Press, repr. 2012, 518–42; Jack A. Goldstone. *Revolution and Rebellion in the Early Modern World: Population Change and State Breakdown in England, France, Turkey, and China, 1600–1850*. London: Routledge, repr. 2016, 99, 209, 397.