Pre British Fiscal Systems of Indian Society

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1. Whether one can speak of the fiscal arrangements of Indian society as a whole prior to the British rule of India is an open question. Perhaps there were very diverse systems of fiscal arrangements in Indian sub-continent. But available data from the reports of the British observers and rulers themselves it appears that there were certain common features of the fiscal system across various parts or regions of India.

2. One common observation found in all the British reports on India is that one third to nearly half of the land under cultivation across India was 'rent-free'. This was quite puzzling and unacceptable to the British as they expected to collect tax or rent about as much as what was the standard practice back home in Britain ever since the Norman Conquest, that is, since 1100 CE. The British officials therefore made extensive enquiries about the rent-free holdings across Bengal and Madras presidencies.

3. The British were told that these rent-free lands are assignments made to individuals or families engaged in a variety of functions or services required in all localities. These functionaries were recipients of the equivalent of rent in the form of produce from lands that were cultivated . That is to say the actual cultivators of land paid the assignee the rent that was to be paid to the ruler or the governing authority.

4. Thus, a sizeable rent that belonged to the ruler or government actually got disbursed at the localities themselves as 'manyams'. So, what went up to the central exchequer of the ruler was only fifty or sixty percent of the estimated revenue from land. This was quite unacceptable to the British and they sought ways of reducing the rent-free holdings. How the British went about cancelling or reducing the rent-free holdings and 'inams' or 'manyams ' is in itself an interesting story. Suffice it to say that the British over a period of a hundred years or so succeed in reducing these tax-free or rent-free holdings to a minimum.

5. The British go about systematically introducing Zamindari and Ryotwari systems of land tenure. But before they impose them in Bengal and Madras presidencies respectively, they undertake an enquiry about Indian practices across the country. The British are repeatedly told by people in different parts of the country that the usual practice is for the ruler to collect one sixth of the produce as tax or rent from cultivated land. One sixth of the produce from land is also what the various dharma shastras sanction as a just, or fair levy on the cultivators. According to Dharampal this was very disappointing to the early British governors like Hastings, or Munroe. They pursued their enquiries hoping to find Indian precedents of levying higher land tax and after some effort find that the slave-king Allauddin Khilji had the distinction of collecting a little more than one fourth of the produce as tax. Having found an Indian precedent of higher tax than what the shastras recommended, the British feel justified in expecting more land revenue across Indian states / provinces. According to Dharampal the British went about this slowly but systematically over five or six decades to finally extract about one half of the produce in most parts of India. Dharampal points out that this is considerably less than what was the practice in Great Britain

itself. It seems the British feudal system continued to collect nearly seventy to eighty percent of the produce from cultivators. Dharampal further points out that what the British found in India was also what was widely prevalent in much of South Asia for a long time. James Scott's *Moral Economy of the Peasant* supports this view of Dharampal.

6. Dharampal argues that the practice of land assignments, 'inams', 'manyams' that allowed the tax revenue to be spent at localities must have been an ancient cultural practice in which the rulers had very little role. That is, irrespective of who the ruler was these practices were followed in various parts of India for centuries. That is why even under the Moghul rule these assignments continued to be honoured. For instance, Tippu Sultan is said to have given a lot of 'manyams' to Sringeri and the famous temple at Srirangapatna. When the British ordered that all the inamdars of Bengal should make an application for the continuation of their inams, among the hundreds of applications made by the inam holders it was found that an overwhelming number was Hindu inamdars. Dharampal points out that Bengal was under Muslim rule for a long period of time when the British conquered it. Similar accounts of Muslim rulers continuing to honour manyams and inams of Hindu temples, or choultries, or education centres, or cultural places are available in plenty indicating these manyams or inams or grants were part of long-standing cultural practices and custom of India. Thus, no ruler, Hindu or Muslim, had powers to arbitrarily abrogate them. As Dharampal puts it, there was little choice that the ruler had except to give his stamp of approval to such time-honoured practices, though a ruler could add to the existing manyams or inams or may at times cancel some of them.

7. Thus, what the British encountered across India, from North to South, East to West, were arrangements that may be called fiscal arrangements or welfare functions. Perhaps to the British rulers of the 18th century these Indian customs and practices must have appeared not only strange but quite unacceptable. What the British went about doing in the decades after 1800 was to systematically dismantle these arrangements through means and measures that were in keeping with their own practices since the Norman Conquest. According to Dharampal the British carried out similar exercise in all those countries that came under their rule.

8. The British also found that in most parts of India the peasant cultivator was seldom dispossessed of his land, or his right to cultivate. Even when the land was 'sold' the cultivators could not be evicted. Or the land was sold along with the original cultivators. This has been called by some scholars as agrestic slavery, something similar to classic feudalism of Britain and Europe. While colonial historians do cite several instances of agrestic slavery in many parts of India during the 19th century, it is not very clear how it is consistent with broad consensus that private ownership of land was conspicuous by its absence in much of India prior to the British rule.

9. There is a lot of evidence from the British reports of the 18th century that even though the actual cultivators had a major share of the produce from land, many other individuals and functions within the localities or villages also had 'rights' over the produce from land. These rights were time-honoured and could not easily be terminated. These rights were recognised by owners of land and widely honoured. Generally, these rights were enforced after the harvest was done. In most of India there were clear rules of custom about how the total produce from land had to be shared. Certain services were considered as first charge on the harvested crop. Who gets what after the crops are harvested and threshed but before measurement, and who should get how

much after the crops are measured, etc. were all well-laid down in each locality and was known to everyone in the village.

10. That the sharing of the produce went beyond those who belonged to the village or contributed directly to the cultivation process has been brought out in great detail in the archival data unearthed by Dharampal belonging to a whole district of Chengalpattu of 1760s. This fascinating and voluminous data covers more than 2000 villages of the district. Thomas Barnard, a British engineer, undertook the topographical survey of the entire district when it was given as jaghir to the East India Company by the then ruler, the Nawab of Arcot. Details of the survey and the very rich data of the fiscal arrangements have been discussed separately in an earlier note. What needs to be said here is that the Chengalpattu data reveals a very elaborate system comparable to a modern welfare state with the only difference being the land and other revenue never went up to a central system before being distributed to various localities or functions. Instead, it appears as an intricate arrangement of distribution of resources in the localities themselves, implemented in keeping with norms and practices of the given localities. There seems to have been no role for the central authority in the system of sharing of the produce. Any violations of norms or practices were resolved locally through mechanisms that again were locally evolved. Thus, even in a centralised rule such as the Moghul rule there appears to have been no serious disturbance to these arrangements.

11. Dharampal came across a letter written by the emperor Aurangzeb to one of his grandsons leading an expedition in the Deccan area. The letter *inter alia* states that the exchequer revenue of Jehangir and Shah Jehan fell short of the expenditure significantly to compel both of them to make up the deficit by selling their personal jewellery. Aurangzeb says in the letter that such a fate should never befall him. He therefore suggests that efforts must be to enhance the exchequer receipts and also to reduce the expenditure. The most interesting point of the letter is the mention of the exchequer receipts of the Moghul empire. It appears to be woefully short of various estimates by various scholars like Tapan Roy Choudhary, or Irfan Habib. Most modern scholars estimate the revenues of the Moghul empire to be about one hundred crore rupees. But the letter of Aurangzeb is talking about one crore of rupees of exchequer receipts (income) and an expenditure of more than one crore! There is a problem of how to account for the huge gap between the estimated revenue and the actual exchequer receipts. Dharampal feels that this could be due to the fact that the estimated revenue was only notional and was never actually collected. It must have been spent locally according to the customs and norms governing them. Therefore, what was received at the central exchequer was only a fraction of the estimated revenue of the empire.

12. The British rule was thus a violent disruption of the fiscal arrangements of India. And as the British went about dismantling the indigenous systems one by one, there was widespread impoverishment and suffering across the length and breadth of the country.

Some Further Thoughts

4th August 2025

My earlier note of 2nd August was almost entirely based on Dharampal's pioneering work on Indian society at the turn of the eighteenth century to which he had devoted all his life. It does present a rather rosy picture of things in Indian society in all its aspects on the eve of its colonisation by the British. According to Dharampal the British rule was so decisive and far reaching in its consequences than any prior 'conquest' of India. Dharampal did not believe that India had been repeatedly conquered by alien rulers beginning with Alexander the great and others who came in 'waves' over centuries after that with the Musim invasion being the last one before the British conquered India. Dharampal believed that the Muslim and Mughal rule of India was not as large as it is generally made out to be. For, the whole of South India was virtually out of the Muslim rule except for a brief time. Also, the Muslim rule did not substantially interfere with economic activities at the village nor alter in any significant way the relations in production. On the contrary, the British rule was in every way the real alien rule of India, according to Dharampal. The conquest of India by the British took nearly a century with so many battles spread across many regions beginning with the South and was only complete with the defeat of the Indian resistance of 1857. According to Dharampal all the resistance to the British came to an end with the defeat of 1857, and till the coming of Gandhi in 1915, Indian society and Indian spirit appears at a very low level. Be that as it may.

In the light of research work for the past 100 years or so on land relations and landlessness, the picture of pre–British Indian fiscal arrangements that the Chengalpattu data provides (and other British observations across the country) raises many questions. One question that bothers me is the practice of indentured labour starting from around 1834 with hundreds of thousands from South India being sent to Mauritius, Fiji, Ceylon etc. It does seem not very consistent with 'sharing of the produce among all sections' of rural India, etc. and 'the welfare of all 'seen in Chengalpattu. Further, the position of castes that were called 'exterior' and largely remain so even today in village India could not have developed in just about five or six decades of British rule to become a curse of Indian society. If on return from South Africa in 1915 Mahatma Gandhi finds poverty and lack of human dignity had overtaken much of rural India, again it could not have been the product of a century of British rule but somewhat endemic to our society. Though Dharampal cites a number of British reports to prove that the so-called untouchables were also cultivators in possession of land and 'expert weavers' in some parts of India besides being soldiers of great valour (as in the case of the Mahars) and so on, there is also a lot of evidence to show that nearly 20 percent of rural population was landless agriculture labour, mostly from what are known as scheduled castes today.

From around 1760 when the Chengalpattu presents a very functioning society which took care of even small details and provided for every section or caste to 1830s when there is large number of indentured labour from these very areas (South and North Arcot) and from southern districts of Tamil Nadu is quite difficult to comprehend. Of course, Dharampal used to say that the British policies were so harsh that large sections in a few decades were dispossessed of land, and also due to famine conditions, started migrating to neighbouring districts and provinces and ultimately as indentured labour to Ceylon or Malaya etc. According to Dharampal, the British policy of developing large estates of coffee, tea and rubber plantations was largely responsible for Indian indentured labour in countries like Mauritius, Fiji, Malya, Ceylon etc. With the abolition of slavery in Britain around 1830, it may be argued, it was necessary for the British to promote indentured labour from all their colonies.

APPENDIX

Chengalpattu records

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Dharampal, during his lifelong work on pre-British Indian society and polity, made a significant finding in the mid 1980's in the Tamilnadu State Archives at Egmore, Chennai. He found data of about 2000 villages collected between 1767 - 1774 by a British engineer, Major Christian Barnard. Known as the Chengalpattu records, this data pertains to the district of Chengalpattu which surrounds the city of Madras (Chennai).

The district of Chengalpattu was given to the British (East India company) in 1763 by the then ruler of this area, the Nawab of Wallajah, Mohammad Ali as a Jagir. The British immediately went about making a topographical survey of the area that had been gifted to them. Major Christian Barnard was asked to undertake a survey of the whole area consisting of 2138 villages with the help and assistance of Dubashi Chengalvaraya Mudaliyar. Most of these villages today form part of Thiruvallur and Kanchipuram districts. After Dharampal found the Barnard survey data, a more detailed original Tamil data of the same period was found to be in possession of the Tamil university at Thanjavur and was discovered by a team from PPST, Madras.

At the time, Chengalpattu district was 180 kilometers long and 80 km wide. It was divided into 15 Seemai's (Taluks) which were further divided into 250 Nadu's (Hobli's). Although the Barnard survey covered 2138 villages of the district, we have been able to retrieve data only for 1910 of them (89%). The total land of these 1910 villages is 7.8 Lac Kanis. 1 Kani is equal to 1.33 acre of land. Of the total 7.8 Lac Kanis, 1.2 Lac Kanis form wastelands (15.4%). Forests occupied around 1/6th of the total land, while 1/8th of the land was comprised by water bodies and other irrigation sources. These irrigation sources were largely made of Eries (lakes). Apart from Eries, there were other sources of water such as tanks, canals, wells, etc. These irrigation facilities were found uniformly across the entire district. 1750 of the total 1910 villages had at least one major source of irrigation (91.6%).

The inhabited area of the district was about 24,000 Kanis which forms around 1/30th of the total area. Apart from houses, the inhabited area includes streets, public places like Chattram's and small forests. On the other hand, forests, rivers, tanks, houses, wasteland etc constitute around half of the total land area of the district. Cultivable land was about 3.8 Lac Kanis of which 2.4 Lac Kanis were under irrigation and were called as Nanjai lands. 1.4 Lac Kanis were un-irrigated and called Punjai lands. Both the land under cultivation and the land under irrigation varied from year to year. During the period of the survey, 2.7 Lac Kanis of land was under cultivation. Of these, 1.8 Lac Kanis had irrigation and 90,000 Kanis were un-irrigated. One fourth of all the land under cultivation was classified as Manyam or rent-free/ tax-free lands.

Manyams are lands that are assigned by a ruler or ruling authority to a variety of Institutions, functions, individuals etc so that they receive revenues meant as taxes which

would usually accrue to the rulers. These Manyam (called Mafees, Inam in other parts of the country) constituted anywhere between 30 to 50 percent of all the land cultivated across India. When the British took control of various parts of India, they found it irksome that everywhere, large amounts of land that were exempt from tax or rent. They even setup Inam Commissions to prune or eliminate tax free lands in various parts of the country. Of the 1910 villages, 1550 were inhabited (81.2%) with 62,500 houses. Around half of the houses belonged to those engaged in cultivation, comprising of 7400 Vellala houses, 9700 Pallis 11000 of Parayas, 2400 Reddys and 2600 Shepherds.

Those engaged in crafts and other non-agricultural occupations were in considerable number. There were 4000 weavers' houses predominantly in Kanchipuram and Maduranthakam Taluks. Blacksmith, silversmiths and goldsmiths constituted 1200 houses. There were 400 Potters' houses and 600 fishermen's houses. Apart from these, a number of other crafts persons inhabited these villages such as oil pressers, Toddy makers, basket Weavers, carpenters, perfume makers, limestone grinders or chunnam makers, and so on. Around 13 to 15% of the total number of houses were found to be of those engaged in various crafts and occupations. Nearly 50% percent of all the craftsmen were weavers. Those engaged in trade and variety of other trade related occupations constituted about 4000 houses. Besides these, those engaged in services of various kinds and cultural, religious services formed a significant part of the villages. There were 650 Barber houses, 850 washer man houses, 1650 houses of village accountants, 2200 of Palayakkaras (local political authority) and 150 houses of medical practitioners. There were 6600 houses of Brahmins besides 1050 houses of those engaged in temple services. There were 600 houses of devadasi's. Thus, those engaged in various services constituted around 23% of the total houses (14,500). The records mention about 750 Muslim houses in these villages (1.2% of the population).

Unlike some other very fertile areas of South India, such as the Krishna Godavari delta or the Cauvery Delta, this district is considered less fertile. Yet the Chengalpattu peasants produce large amounts of paddy and other grains. We have information for 1500 villages regarding production or productivity. We can thus calculate food grain production for about 2 Lac Kanis. It seems that around 20 Lac Kalam's were produced in these two lakh Kanis of land (one Kalam is about 125 kgs). The productivity therefore comes to 940 Kgs/Acre of grain which amounts to around 2.3 tonnes per hectare. Overall, this works out to approximately 5.5 tons of food grains per house for 45,000 houses. About 65 villages have an average yield of 5000 Kalam's, constituting one sixth of all the food grown in Chengalpattu. These villages were producing twice as much as an average village in the district. Among the 65 high yielding villages there are some that produce 35 Kalam's per Kani that is around 8.1 tonnes per hectare. The most significant aspect of the Chengalpattu records is about the allocation of grains made to a variety of Administrative, cultural, educational and social services etc. These allocations are made in two ways; one was to assign the revenue from some lands to a number of functions, institutions, services and were called Manyams. We have Manyam assignments for 1650 villages in the district. 42500 Kanis of irrigated land and 21500 Kanis of un-irrigated land were called Manyam lands. This is roughly one fourth of the total cultivated land of the district.

Apart from Manyams, there were grain allocations made to a wide variety of individuals, functions, services and Institutions. These allocations called Swatantram amounted to around 30% of the total production. These allocations were made at three stages: the first after the harvest and before threshing; the second after the threshing operations on the threshing floor itself; and the third made after the grain was measured in Kalam's. The records mention about hundred individuals, institutions, services, or functionaries for whom allocations were made. On an average, each village provided for 30 to 40 allocations. Though grain allocation were made to persons, services, etc within each village, there were also allocations made to individuals or Institutions outside the village. Such allocations were made to large temples, learning centers, well known scholars, or famous Devadasi's residing at large cities or towns. The grain allocations followed a pattern - for instance, irrigation activity received an allocation of two to three percent of the total produce of the village. Temples and Cultural Centres, both within and outside the village received 4% of the total production. Village accountant received around 2.5% while larger political authorities received around 4% of the total production.

Several cultural institutions in the district of Chengalpattu were supported and maintained through Manyams from several villages. About 17 major cultural centres received Manyams from more than hundred villages. The celebrated Kanchipuram Varadaraja Swamy temple is one of them. It received Manyams from 1250 villages amounting to 0.5 percent of the total grain production of the district. Singa Perumal temple, Maruntheeshwara Temple, Sriperumbudur Temple, Vedagiriswarar temple etc received allocation from over 200 villages. Apart from great temples, many service organisations and Scholars of repute received allocations of food grains from across the district. The Sankaracharya of Kanchipuram who was temporarily station at Kumbakonam during the period of the survey received grain allocation from over 300 villages of Chengalpattu. The Pirzada of San Thome was similarly receiving grain allocation from over 100 villages. Very famous Devadasis, learned Brahmins, Jain munis and Fakirs were in receipt of such grain allocations. Flower Gardens meant for providing flowers for daily Pooja at famous temple received grain allocations. Elephants and their Mahouts attached to temples and Mutts received allocations from several villages.

Thus the picture painted by the records of Chengalpattu is one of efficient functioning indicative of a vibrant society and polity. A striking aspect of the data is the great care and attention paid to even small details such as providing for oil used to keep temple lamps alight throughout the year, or provisions made for providing drinking water or buttermilk to passers-by during village festivals and gatherings. Cultural life of the people appears to be rich and inclusive. While Caste distinctions did exist as per the customs and norms of the region, the material resources available to various castes and groups seem to have been fairly distributed overall. E.g., let us look at the houses of various castes in two villages that are representative of the district.

As indicated in the table, the extent of house and backyard that was available to Brahmins or Vellalas do not seem to be very large in comparison to Vanniyar's or other lower castes. The Parayas who were considered untouchables and lived on the outskirts of the village had sizeable houses with large backyards.

Table I: Village: Tiruporur (Note: 1 Kuzhi = 24 x 24 Sq. Ft.)							
Sl. No.	Caste	# of Houses	Total Size of Houses (in Kuzhi's)	Total Size of all Backyards (in Kuzhi's)	Total Size	Avg. Area per house	Caste/ 100 Houses
1	Shaiva Brahmins	6	54	54	108	18	3.4%
2	Vaishnava Brahmins	9	38	62	100	11	5.1%
3	Pandarams	46	415	409	824	18	26.0%
4	K. Vellala	1	11	10	21	21	0.6%
5	P. Vellala	1	4	10	14	14	0.6%
6	Kanakapillai	1	4	10	14	14	0.6%
7	Vanniyars (Palli)	43	235	265	500	12	24.3%
8	Shepherds (Ideyar)	9	35	45	80	9	5.1%
9	Chetty	11	85	56	141	13	6.2%
10	Kammala (Blacksmiths)	13	84	87	171	13	7.3%
11	Devadasis	17	88	95	183	11	9.6%
12	Vaniyars	1	7	10	17	17	0.6%
13	Shanars (Nadars)	3	13	15	28	9	1.7%
14	Washermen	2	17	20	37	19	1.1%
15	Barbers	4	34	49	83	21	2.3%
16	Potters	2	5	30	35	18	1.1%
17	Cheri: Pariah's	8	105	175	280	35	4.5%

Table II: Village: Vadakkupattu (Note: 1 Kuzhi = 24 x 24 Sq. Ft.)							
Sl. No.	Caste	# of Houses	Total Size of Houses (in Kuzhi's)	Total Size of all Backyards (in Kuzhi's)	Total Size	Avg. Area per house	Caste/ 100 Houses
1	Brahmins	43	176	689	865	20	47.3%
2	Vellalas	13	56	78	144	11	14.3%
3	Vanniyars (Palli)	25	102	111	213	9	27.5%
4	Pariah's	10	25	375	400	40	11.0%