

Introduction

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 *ṣūba* as it was known in official parlance, was then overseen by the *ṣūbadār* 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

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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.¹ For Khushalchand, making any further

¹ 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.”²

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 *jhaverīwāda*, 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.”³ 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.”⁴

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.

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

³ Ibid, f. 453b. ⁴ Ibid, f. 461a.

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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 another 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

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large diamonds, bright pearls, deep rubies, and transparent emeralds.⁵ 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.⁶ 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.⁷

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

⁵ 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.

⁶ 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.

⁷ 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.⁸ 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.⁹ 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,

⁸ 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.

⁹ 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.¹⁰ Shantidas died in 1659, and his sons and grandsons inherited the family business, and

¹⁰ 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.

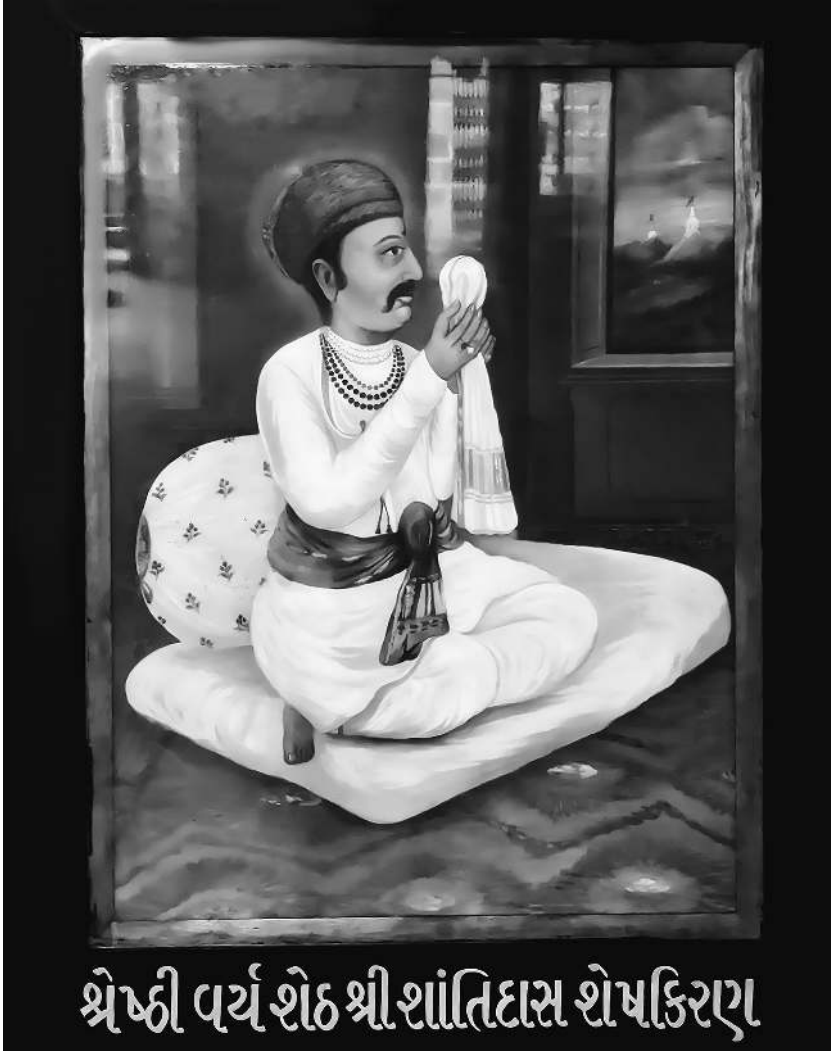


Figure 0.2. The jeweler-banker Shantidas Jhaveri, 1584–1659.
Author photograph.

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 Lakshmichand 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