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Currency system in Pondicherry under the rule of French East India Company (*Compagnie des Indes Orientales*), 1674-1761: Role of indigenous merchants and *sarrafs*

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Abstract

After many attempts to establish its foothold in the Indian subcontinent the French State was finally able to create a successful Company for commercial activities in 1664 known as *Compagnie des Indes Orientales*. With the formation of this Company, France succeeded in creating a durable vehicle for its presence in India. Dutch and English Companies were led by merchants but the French Company was overtly a state project. The initiative of this project goes to the credit of Colbert, Louis XIV's minister of finance (in office 1665-1683). Initially, the Company established its first factory in Surat. However, due to the presence of English and Dutch Companies, the French Company faced extreme competition and continuous challenges in commercial sphere. Consequently, they established themselves in Pondicherry, a town on the Coromandel Coast. The major aim of the French Company was to transact commerce in the Indian commodities; in such transactions they faced variety of problems as they were new and late comer in the subcontinent. One of the spheres of such problems was the currency system. Therefore, this article discusses about the currency system in Pondicherry—exchange, procurement and minting of coins— under the flag of the French East India Company in Pondicherry. In doing so, it explores the role of indigenous merchants and *sarrafs* in this system.

Keywords: French East India Company, Pondicherry, Currency System, Indigenous Merchants

Introduction

The chief concern of this article is to examine the currency system in early modern India, in general and in Pondicherry under the rule of French East India Company (henceforth the French Company), in particular. This study covers the period from the last quarter of seventeenth century, when the French Company established itself in Pondicherry in 1674 to 1761, roughly after 85 years, when English seized this place as a result of Anglo-French rivalry in the subcontinent. The present article examines how the French Company procured currency for their commercial ventures in India and how the non-uniformity of currency system engendered in the concerns and apprehension for the French Company; how the indigenous merchants of Pondicherry endeavored to drive maximum advantage from its shortcomings; and how the Company tried to cope up with these challenges. One important objective of this exercise is to scrutinize the functions of *sarrafs* or money-merchants and indigenous merchants; how this indispensable class dominated the currency exchange system and minting of coins in Pondicherry.

Sources

The present article is based on archival documents, official and non-official in nature, largely produced by the French Company's officials and the Council of Pondicherry. Several French officials and traders like François Martin, Lespiney and others wrote their memoirs which gives ample information about the commercial activities and the problems faced by the Company in their commercial ventures in Pondicherry from its very beginning ^[1]. Besides, there were French voyagers and traders who wrote their accounts where they not only recorded about the commercial ventures and political operations of the Company, but also manifested upon the nature of indigenous merchants and *sarrafs* ^[2]. I have also used the

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Deliberations of the Council^[3]. Such Deliberations gives copious and vital information about the issues associated with indigenous merchants—their way of dealing, their demands, their contest with the Company, currency system, commercial transactions of the Company as well as about the decision of the French officials and traders on such matters. Correspondences of the Company with the authority of Paris also proved to be an important source for this study^[4]. In addition to this, the present article have also used indigenous source material particularly Diary of an indigenous merchant, Ananda Ranga Pillai. It is an invaluable source for the studying early-modern currency and trading activities at the French *comptoirs* Pondicherry. All sources that are used in this research article are primarily in French language and few are in English.

Currency System and Procurement of Coins in Early Modern India: A Brief Overview

In seventeenth and eighteenth century India, currency system was not uniform. The differences prevailed not merely amongst North Indian and South Indian currency systems, but within both regions as well. Such disorganization created problems for Europeans traders as well as for indigenous merchants^[5]. Accordingly, the French East India Company also faced the same problem in Pondicherry and Bengal, the two principal *comptoirs*, where they traded the most. The French East India Company in India was generally required to use two types of coins—Murshidabad coin and Arcot coin. The Murshidabad coin, which was the only one that had maintained Akbar's original standard, became the current coin of Bengal known as *sikka* rupee^[6]. The Arcot coin struck in the mint of Nawab of Arcot.

The French East India Company like other Companies and merchants, had to secure the coins through various ways, which they needed for their commercial ventures and for maintaining personnel. First, European Companies brought bullion and gave it in mints, which were under the control of indigenous rulers, for getting it struck in coins. Mint holders performed the task on some commission, which generally ranged between seven to eight percent. In other words, European sent ingots to Rajas or Nawabs, sovereigns of country, who determined the price, according to customs or requirements of commerce; they transformed into currencies and returned to their owners. It was, undoubtedly, an expensive affair. Besides, there were additional risk of conveying the silver bullion to the mint and taking back home the coined rupees, particularly by land routes. Second, they needed to exchange it with foreign coins like *rix* dollars, Persian *abbasis* (silver) or Japanese *Koubang* (gold)^[7].

Second, the French Company also sold imported products in the local/coastal markets to procure Arcot rupees or Murshidabad *sikka*. However, opportunities of such transactions were very few for the French Company in Pondicherry. The Company exported a small number of things to India in comparison to export from India. Hence, their trade balance was not favorable. They had to pay in cash to merchants and weavers to procure goods. The Company brought coral to India, which was of very low quality and worth^[8]. They also exported wine and some other luxury products, which gave them a certain sum of money, which was realized from the sale of these products. However, it was not so great because from this sum they had to maintain the wages of weavers and personnel. Therefore, in a way, the Company had nothing much to propose for sale

in Pondicherry. One also need to keep in mind that the goods, either manufactured in Pondicherry or imported from Europe, were not always sold instantly after the arrival of their ships. The French traders had to wait for selling their goods for a long period. It was a serious problem for the Company, because it was only after the sale of their goods that they would get cash for buying other products for reloading their ships.

In addition, the difference in the acceptability of particular coin types was also a decisive facet of currency situation in pre-colonial India. The value of currency was a function of the distance between its place of production and place of circulation^[9]. The value and the acceptance of Arcot and the Murshidabad coins were not the same. Though, the Arcot rupees were more acceptable in southern part of India, the *sikka* was superior in weight than the Arcot rupee. Therefore, at some places, merchants refused to accept the Arcot rupee and took a firm stand on being paid in *sikka* rupees. It created problems for the French traders, particularly when they wanted to trade in Bengal. French traders and officials received Arcot rupees in Bengal from Pondicherry^[10]. French traders were needed to exchange them for Murshidabad rupees, in this exchange of currencies, a considerable loss to French traders incurred. In such transactions, money-changers or *sarrafs* or *shroffs/sahukars* (sawcars, in the French documents) emerged as a new, prosperous and indispensable class. These were basically money-merchants. Their chief function was money-changing and money-lending. They also traded in *hundis* (bills of exchange). Therefore, their specialized services were to bypass currencies or supply of credit. Such pluralism in coin market provided an ideal situation for *sarrafs* to thrive^[12].

Minting of Coins under the French East India Company: Challenges From within and without

The French East India Company wanted to mint *sikka* rupees at Pondicherry under their authority. Though, the issue of minting coin in Pondicherry was fired up in 1730, the Company was already making efforts in this direction from the time of François Martin, the first Governor of the Company in Pondicherry. In the last decade of seventeenth century, when the Dutch occupied Pondicherry for a short period (1693-1697), they acquired the right to mint coins from the Nawab of Arcot and started minting copper coins. After French reoccupied the place, they continued the same contract and minted coins called *caches*. These were copper coins and used by Indian settlers of Pondicherry. The French Company also minted the *demi-doudou* and *doudou*, respectively equivalent to two *caches* and four *caches*. The French *cache* was stamped upon with a *fleur-de-lis*, the symbol of royal house of France^[13].

Apart from this, the French Company also minted a silver coins called *fanam* that were marked with a flower-topped Indian crown on one side and with five *fleurs de lison* the reverse^[14]. *Fanam* was already in circulation in South India: the French Company acquired the right to mint it from the Nawab of Arcot. However, the French Company faced certain problems in issuing *fanam*. The French Company had appointed some money-changers (*sarrafs*) so that people who wanted to trade with the French Company could exchange their money. However, it became a drawback for the Company because some people imitated the French *fanams* and changed them from the originals. It could be also possible that even the money-changers who were appointed

by the French Company were changing their own coins. Consequently, in 1701, Francois Martin asked to the Directors of the Company in Paris to send well cut dies made in France ^[15]. However, the wish of Martin was not fulfilled by the Directors, who never sent well cut dies to Pondicherry and therefore, the fanams continued to be struck by indigenous artists in local mints. Fabrication of these coins was rudimentary, these were struck with hammer, corners were free, edges were sometimes broken and figures were truncated often, as explained by French officials ^[16]. At the same time, French fanams were of superior quality so they were taken away from the Pondicherry. The governor also devalued these fanams, made it 32 to pagodas, as earlier was 26 to a pagodas ^[17]. In 1721, the New Company ^[18] had forbidden the coins of the old company and new dies were sent to Pondicherry with new stamps ^[19].

The French Governor, François Martin, got the authority to mint pagoda (gold) in the beginning of eighteenth century. He wanted to use this coin for big commercial transactions. He adopted the same style of pagodas as those prevailed in the country and along the coast of Coromandel. Indigenous merchants had accepted these coins and French traders were also in favor of it. Martin had stamped the picture of Hindu goddess Lakshmi on the coins. Missionaries were discontented by this decision of Martin and found fault in it; the French clergy of Pondicherry, its leader and Bishop of San Thomé remonstrated about the production of such coins. Missionaries strongly demonstrated that Martin gave a tribute to the deity of Hindu goddess. Due to the opposition of clergy, the Council had to stop the minting of pagodas. Missionaries desired that Martin must be ordered to stamp *fleur-de-lis* instead of goddess Lakshmi ^[20]. However, Martin expressed his doubt on this issue that indigenous merchants might not accept it whilst they were the chief agency/source for supplying merchandises. When this concern was brought to the notice of the French court in Paris, they decided in favor of missionaries against the advice of the Council of Pondicherry. The Company had to follow the order of the Directors in Paris. However, there was a time when Indigenous merchants and the French traders themselves were not ready to accept these newly minted coin with the *fleur-de-lis* as it has no worth in local market. Of course, it resulted in a huge loss for the Company and its fortune in commercial sphere. Therefore, after various correspondences the Company continued to mint pagodas again with the image of goddess ^[21].

The French Company also wanted to mint rupee in Pondicherry, which was chief currency in all over India. Indian princes were aware of what was happening in Pondicherry through the networks of their informers. These princes allowed to mint caches, fanams, and pagodas but when the Council of Pondicherry wanted to mint even rupees, they interfered and claimed that this could only happen in their authority. Princes demonstrated the inclination to retain their authority/monopoly on minting rupees. It was a chief source of their income, because rupee was in demand across the subcontinent.

Officials of the Company commenced negotiations with Indian princes to obtain the authority to mint rupees. Their first attempt in this direction was made in 1715. On 26 February 1715, one agent of the Council wrote to the directors of Paris and informed them that there are certain conditions, which are favoring us, and possibly, we could get the permission to mint rupees from Nawab of Carnatic. The

French Company expected that it would be advantageous to flourish their commerce as it was for the English East India Company in Madras. However, the Directors of French Company after noticing the report of its agents that British drew great benefits to their business through manufacturing rupees, urged the Council to proceed directly to the Nawab for the permission of minting rupees. The council responded on 18 February 1721 informing that for this purpose they sent a Brahmin to the prince, with the offer of 12,000 rupees for obtaining the privilege. However, the secretary of Nawab had demanded 25,000 rupees and also some presents ^[22]. On 15 October 1724, the Company's officials again approached the Nawab but they did not reach at any result ^[23].

The French Company's intentions and efforts for getting permission to mint rupees were not only motivated by their need to attract indigenous merchants from the entire country so that they could expand their commerce, but also and more noticeably, by their ongoing hidden competition to overtake other European powers in commercial arena of the sub-continent. For instance, in 1727, in a letter addressed to the minister of Marine of the French East India Company, by Desboisclairs, captain of a ship, wrote that "*there is another matter which would bring farms rights and increase the revenue of company at a very high point is the fabrication of rupees in Pondicherry and also it will increase the commerce of the company and attract the famous merchants from all over India and force them to passage to Pondicherry. It is shameful to the nation that only the English are the holders of this privilege*" ^[24]. E. Zay claims that this argument was made to provoke the Council for a new deliberation directly to the Mughal representative for negotiation in the greatest secrecy and without giving any hint about it to the English ^[25].

Politically, in the 1730s, two important events took place for the French Company. During the period of Saadatullah Khan (1710-1732), officials of the Company several times requested the permission to mint rupees in Pondicherry. However, it was not granted to them. Second, in 1736, Lenoir, the present governor of Pondicherry was replaced by new governor Pierre Benoit Dumas.

In 1736, Dost Ali (who became the Nawab of Arcot after Saadatullah Khan) asked Dumas to supply some gunners and soldiers for taking charge of the two mortars, which were presented to him by Mr. Benyon, the governor of Madras ^[26]. The French Company did not want to upset Dost Ali. The Aim of the Company in providing soldiers to him must have been of improving their credibility in front of Dost Ali because they were in need for the permission to mint rupees from the same person. Even though, when Dumas became governor, Dost Ali congratulated him with some presents. In reply, Dumas sent Mr. Miran and Elias Isaac, the broker, with some presents. On their arrival at Arcot, they received a warm welcome by Imam Sahib, the Nawab minister, who was always helpful for the French Company ^[27]. Imam gave his permission to the Company for minting rupees in Pondicherry, obviously subject to further ratification by the Nawab. However, when Imam Sahib conducted a meeting of French envoys, Miran and Elias, with Dost Ali, rather giving a favorable response to them he curtly refused their request to grant this permission. Dost Ali said that if he allowed them to mint rupees, it would decrease his authority as well as harm his state financially. However, these two envoys continuously negotiated with great zeal. After many efforts and solicitations, finally, Nawab promised them that his

envoy Imam Sahib would visit Pondicherry and discuss about this affair with the governor. He was already in favor of the French and without taking much time, he signed a treaty with them and promised them to send *parwana* within forty days^[28].

In this treaty, the Company promised to deliver silver bullion worth of 50,000 pagodas by each ship, which would take the loading of clothes at Pondicherry to Nawab^[29]. Dumas made clear to Nawab that “those ships of Europe, which do not take textiles from Europe are not included and comes only to stop here, having been destined for other areas like China, Mocha and Mahe from which we should not supply any silver bullion”^[30].

Role of Indigenous Merchants and Sarrafs

In the negotiations for getting the *parwana*, KankarayaMudaliar alias Pedro played a pivotal role^[31]. He had amicable relations with Nawab. When Dost Ali Khan sent the *parwana* of the coining of rupees with the dress of honor from Alamparve, Pedro was already there and did all formalities in preparing it with Nawab. He was the one who brought the *parwana* to Pondicherry. Because of his important role in getting the same his name travelled to France. Ananda Ranga Pillai wrote that the French Company had recognized Pedro’s assistance in securing franchise of minting rupees^[32]. Ananda Ranga Pillai gave the reference of a letter from the Company to the Council at Pondicherry, according to it; French had decided to transmit a medal of honor to Pedro^[33].

After getting the acquiescence (*parwana*), the Company wanted to mint Rupee without any delay. For this, they had to appoint personnel for the minting of rupees in Pondicherry. This work was to be entrusted to the indigenous merchants. As Kanakaraya Mudalier had played chief role in getting *parwana* (charter) for minting rupees, the Company again decided to rely upon him. Kanakaraya Mudalier suggested to the governor that the mint of Pondicherry should be conducted on the same lines as that at Alamburai (also known as Alambaram, mint of Nawab) through the merchants^[34]. Due to the influence of Kanakaraya Mudalier, the Company appointed to SunkuSeshachalaChetti (henceforth Sunku) as merchant/manager of mint^[35]. Another element which shows Kanakaraya Mudalier’s influence and dominance was that he had share in this business ‘without any fear’^[36] as claimed by Pillai in his Diary. In the entire business, Kanakaraya Mudalier had a one-third share and three shares were assigned to Sunku and one share each to Balu Chetti and VenkatchalaChetti. Sunku was ostensibly a proprietor, but the man behind the scenario was Kanakaraya Mudalier^[37]. Along with this share, Kanakaraya Mudalier was also getting allowances derived from minting of rupees and from the expenses on it. Therefore, he assured a great profit for him. In similar vein, Pillai also claimed that Kanakaraya Mudalier’s share in the contract was larger than officially stated^[38]. Since Kanakaraya Mudalier and Pillai were competitors or rivals, therefore, he showed his intense resentment through his remark on his success that “if M. Lenoir had been governor at the present time Sunku would not have got the appointment of merchant of mint. Neither would Kanakaraya Mudalier have shared in the business as he does now”^[39]. Pillai blamed the responsibility for all these deeds of Kanakaraya Mudalier and Sunku to present Governor and asserted that “*Mr. Dumas is not a clever man, everyone does*

as he pleases”^[40].

After some time, the Company started to face some problems in minting of rupees. The dilemma was centered on the standard of gold coin pagoda. The French pagoda contained 8–15/32 pure gold, while the Arcot pagoda contained 8–3/64 pure gold. An Arcot pagoda was lower in quality and standard. Consequently, merchants who wanted to convert their gold or bullion into coins were getting more pagodas in Arcot. It created anxiety for French officials because almost all merchants were attracted by Arcot mint. Therefore, the French also lowered down the standard of their coin but still contained more gold than Arcot pagoda. However, it was not an appropriate solution and therefore the problem became denser. Some merchants were exchanging their low standard coins with the high standards coins minted at Pondicherry. The Company found that some pagodas in their treasury contained only 7–7/8 pure gold, which was causing considerable loss and indigenous merchant were taking benefit of this situation. Noticeably, even these merchants were not in need to do trade. They were simply earning money through the exchange of coins itself. It is also possible that merchants were melting the high standard French pagodas and converting them into low standard and thereby keeping the remaining metal as their profit. The French Company wanted to stop this activity of indigenous merchants so that they could save their merchants, commerce and public from the detrimental effects of this malpractice. Therefore, the Company passed a Deliberation by which it proscribed that pagodas of less than 8–1/16 pure gold shall not be entertained^[41].

The issue of standard of coin was not limited to Pondicherry but it was also disseminated at other centers of trade where the French Company traded frequently, particularly in Bengal and Mazulipatnam. Mazulipatnam was a famous trading center and the Company always wanted to buy goods from there. Pagodas were also coined here and they were different from those pagodas, which were minted at Pondicherry. The Company wanted to flourish their trade without any interruption in Mazulipatnam and for that they minted the same coins in Pondicherry as minted in the Mazulipatnam^[42]. However, merchants of Mazulipatnam refused to accept these pagodas, minted in Pondicherry based on the style of Mazulipatnam, at their nominal value and insisted on being granted a *batta* or discount on the French pagodas. Even though Pondicherry pagodas were higher in standard but Indian merchants wanted to earn maximum profit, therefore, they denied their coin. If the French traders were ready to give them some discount, merchants would get double benefit. Firstly, they would procure higher standard of pagodas and secondly, on discount. In a letter to the Company, the Council explained that the reason for the refusal of coins by *sarrafs* or money-changers and merchants was easy to guess. They were aware that these pagodas were not minted in Madras. If they refused to accept these coins as well as denied to do trade with them then the French Company would give them a considerable discount^[43].

Sarrafs and Indigenous Merchants as Loan Providers

Besides the function of exchanging currency, these money-merchants played role as bankers and loan providers. Rayalayan, MelugiriChetti, Guntur Balichetti were the leading *sarrafs* of the town. Officially, the interest rate per annum was 8% for Europeans and 12% for indigenous people. However, we get to know through various instances

mentioned in the diary of Ananda Ranga Pillai that people used to charge 10 to 12% per month, which is much higher than the official rate of interest.

However, it was not watertight rule that only *sarrafs* and *sahukars* were responsible for providing loan and credit. Though, other prominent merchants, chief-merchants and officials of indigenous powers were also providing loan and credits to the French Company, whenever it was necessary. We find various references of such activities in the records of the Company and in the *Diary of an indigenous merchant*. Whilst on one hand, it shows the financial strength—howsoever limited—of indigenous merchants to fund the colonial trade, on the other hand, it reveals dependence of the Company on them. Affluent merchants of Pondicherry were an important source for generating funds when the Company was not receiving enough capital from the metropolis due to various factors, such as the retardness of ships in arriving at the coast of Pondicherry, wars, territorial expansion and due to some other instantaneous reasons as elaborated below.

For instance, the Company had taken a loan from Andre Moutiappa, the father of Kanakaraya Mudalier, of 1000 *pulicat pagodas* in 1701. This amount remained with Company for around 20 years, Kanakaraya Mudalier in 1720 filed against the Council for this payment. The Council had decided to give this amount to him on interest^[44]. In August 1739, French took a loan of 10,000 pagodas at 8 percent annual interest from Kanakaraya Mudalier^[45]. Again in October 1739, when the French Company wanted to take Kariakal under its control, it needed to pay huge sum to Nawab, therefore, it took another loan of 3000 pagodas from Kanakaraya Mudalier^[46]. From these instances, we can deduce that indigenous merchants not only helped the French Company to accomplish their business, but also assisted it in their campaigns that would augment its resources and revenues^[47].

Apart from taking loan in hard cash, the Company bought goods from indigenous merchants without paying anything in advance or at the time of delivery and such credit was paid by the Company with interest later on or generally after a fixed time. For instance, the Company had taken a huge loan from Indian merchants. There were no ships coming from France with fund in 1727, which created huge problem for the French Company in Pondicherry, as it did not have capital for its trading ventures. This forced the Company to take loan from a Society of indigenous merchants of Pondicherry. At any cost, the French Company was not prepared to tolerate interruption of their trade in India. In November 1727, French were thinking to send three ships ‘*Badine*’, ‘*Jupiter*’, and ‘*-olide*’ respectively to Europe, îles of France and Bourbon in coming January^[48]. However, they were unable to load the vessels due to absence of money. From the Deliberations of the Council it seems that French did not want to deal with other merchants but shortage of capital forced them to deal with some former merchants, with whom French had previously dealt in July 1727, when the ship “*Pondichérry*” came from China and sold in Pondicherry^[49]. The Company expressed in front of indigenous merchants that they wanted to buy goods from them but they did not have money. The Company had made commitment to merchants that they would pay in the month of July. Therefore, the Company wanted to load their vessels without paying any money to merchants in advance. Generally, Company had to pay in advance to merchants and soon afterwards, merchants had to pay to weavers and other

manufacturers. The Company’s officials promised to merchants that if they would not be able to pay them on the fixed time, they would consider giving them the interest till the date they repay their amount^[50].

In similar vein, the Company bought a large quantity of goods on credit for their country trade from Kanakaraya Mudalier. The Company wanted to use even single opportunity of doing trade. At the beginning of 1728, one of the French ships ‘*Saint-Pierre*’ was in a bad situation. They could not use it more for their journey and French thought that it would be ruinous to keep this ship. If they would send goods in this ship, they thought it would inevitably damage the goods^[51]. Consequently, they decided to sell it in Pondicherry through auction. But in auction French were not getting satisfactory price for their ship. Then they suspended the auction in volition to obtain a better price or if not then they will send it to Pegu to recast it entirely on the same *Gabarie* and then French wanted to use it for their short voyages particularly between China and Manila for which they had not had ship except ‘*Marie-Gertrude*’^[52]. French had shortage of capital but they needed to send this ship to Pegu because if they would not send it there then the condition of ship will be worsened. The Council wanted to indemnify a portion of travel expenses of this voyage. Therefore, they decided to send this ship with goods, which would sail to Pegu. The ship was needed to load from Pondicherry and again French faced the problem of shortage of money. Then they approach Kanakaraya Mudalier and bought the goods on credit, payable in the month of June. Besides this, the French Company also borrowed money from indigenous merchants for making payments to the workers^[53].

Fortunately, French vessels were not retarded and two vessels ‘*Mars*’ and ‘*Mercury*’ came on the port of Pondicherry in the first week of July 1728^[54]. The arrival of these two ships had put the Company in a position to pay for the goods they had bought on credit and pay back money of indigenous merchants. In this Deliberation French had unveiled the name of those merchants from whom they had borrowed money and bought goods on credit. French had paid four thousand six hundred pagodas and eleven fanons to old merchants, as per consequence of the deliberation of 10 November 1727. Kanakaraya Mudalier also received his amount of which he invested for loading the ship ‘*Saint-Pierre*’, voyaged to Pegu. Company also paid one thousand seven hundred thirty eight pagodas and five fanons to Soucournama, who was a key merchant or chief agent of merchants.

Conclusion

I have delineated in this article, the problems faced by the French Company owing to the pluralism of currency systems in the sub-continent. Building on this, I have shown how indigenous money-merchants—*sarrafs* and *sahukars* (sawkars) – emerged as an indispensable class in this context who tried to drive maximum benefit from the shortcomings of the existing currency system and from the dependence of the Company on them for currency exchange. First, for changing currency, French traders needed help of the *sarrafs*. Second, when the Company started to mint its own coins of different types, it became possible only with the help of indigenous merchants. Various merchants such as Naniappa Pillai and Kanakaraya Mudalier made various efforts in getting the *parwana* for minting coins of various types. At the same

time, the caretaker, manager and other personnel of the mint of the Company were appointed from the community of indigenous merchants. Third, whenever the Company and its traders had shortage of capital in Pondicherry, they borrowed money from these indigenous merchants. Sometimes, the Company did not borrow money, rather purchased the goods from indigenous merchants on credit or without paying in advance and paid back the sum to the merchants with interest. In all these three situations, indigenous merchants appear to have enjoyed a firm position before the Company. However, even the merchants having autonomous existence as described above, we also need to keep in mind that they were not free from colonial subjugation, though this discussion is not part of the present article.

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7. William Meyer, 1920.
8. See for more information, S. Arasratanam, 1986, 298.
9. *Procès-verbaux des Délibérations du Conseil Supérieure de Pondichéry*, (henceforth *Procès-verbaux*), I, 66.
10. Anirban Biswas, 2007, 128.
11. See Haudrère, Philippe, He asserted India as a "commercial hell", while china as "paradise" for the French Company's traders and officials, 1999, 207-208.
12. Anirban Biswas, 2007, 128.
13. E. Zay, 1892, 276-278.
14. See for, the diversity and importance of, fanam in local economic activities of the Europeans and indigenous merchants, S. Arasratnam, 1986, 306.
15. E. Zay, 1892, 296.
16. *Ibid*, 297.
17. Kaeppline, Also cited by Arasartanam, 1986, 1908, 540-41, 309.
18. After the arrival of the French East India Company in India, it had incarnated several times. First incarnation took place under Colbert in 1664. Next incarnation came in 1719 under the direction of John Law. Laws Company was dissolved in 1769. Louis XVI finally reorganized company under Calonne in 1785 with seven year monopoly. It finally lost his monopoly in, 1791.
19. E. Zay, 1982, 298.
20. E. Zay, 301.
21. *Ibid*, 209-305.
22. *Ibid*, 306.
23. *Ibid*.
24. *Ibid*, 307.
25. *Ibid*.
26. *Procès-verbaux*, III, 16.
27. *Ibid*, 47.
28. *Ibid*, 48.
29. See for the treaty between Sitizore Khan and Dumas, governor of Pondicherry, relating to the minting of Arcot Rupee at the Mint of Pondicherry. Appendix 11, A. Ray, 2004, 1015.
30. *Ibid*; see also *Procès-verbaux*, III, 48-54.
31. Kanakaraya Mudalier (Pedro) was one of the most prosperous merchant of the Pondicherry, who later on became the Courtier (an official post in Pondicherry on which The French Company appointed an indigenous merchant who was responsible for commercial activities of the Company). He had quite good reputation compared to other merchants of Pondicherry among the French because he had been twice on the same post, respectively, in 1716 and 1724. He was one of the most leading merchant of textiles in Pondicherry and had hold over merchants and merchandise.
32. Ananda Ranga Pillai was an affluent merchant who had good influence in the surrounding region of Pondicherry and knowledge of trade, Pillai possessed a high position among the French and local inhabitants of the town. Pillai's father, Tiroungadam also had a large trading network. He not only assisted the French traders in doing private trade or country trade but also traded for his personal benefits in the region of South Asia and South East Asia particularly in Mocha, Colombo, and Bengal. After the death of Kanakaraya Mudalier in 1746, he became the next Courtier of the Company. The most important aspect of Pillai is that he wrote a Diary where he recorded about varied activities occurring in the in the Pondicherry and its surroundings. In context of eighteenth century history of India such kind of source is no doubt an exception.
33. *The Private Diary of Ananda Ranga Pillai* (Henceforth A.R.P.), I, 45.
34. A.R.P., 7.
35. Mint of English East India Company in Madras was also under the contract of an Indigenous merchant. See S. Arasratnam, 1986, 305.
36. *Ibid*.
37. *Procès-verbaux*,; A.R.P., I, 7-8, III, 62-67
38. A.R.P., I, 7.
39. *Ibid*.
40. *Ibid*.
41. *Procès-verbaux*, III, 139-141.
42. *Correspondance du Conseil supérieur de Pondichéry et de la Compagnie [des Indes]*, I, 13.
43. *Ibid*, 15.
44. *Procès-verbaux*, I, 236.
45. *Procès-verbaux*, III, 230.
46. *Ibid*, 235.
47. B. Krishanmurthy, 1984, 142.
48. *Procès-verbaux*, II, 158.
49. *Ibid*, 142.
50. *Ibid*, 158.
51. *Ibid*, 164.
52. *Ibid*, 166.
53. *Ibid*, 166.
54. *Ibid*, 185.