

**Trade, Economy and Financial Institutions in Thrissur: A Case  
Study of Puthenpeedika**

**Project submitted to the University of Calicut in partial  
fulfilment for the award of the degree  
of**

**Bachelor of Arts in English & History**

**By**

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## **Declaration**

I, **Gifty Rose K B** ,hereby declare that this project entitled **Trade , Economy and Financial Institutions in Thrissur : A Case Study of Puthenpeedika** , submitted to the University of Calicut in partial fulfilment of the requirements for the award of the Degree of Bachelor of Arts in English & History, is a bonafide record of original research work carried out by me under the supervision and guidance of Dr. George Alex, Coordinator , Department of B.A. English & History (Double Main),Christ college (Autonomous),Irinjalakuda.

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## **Certificate**

This is to certify that this project entitled **Trade, Economy and Financial Institutions in Thrissur: A Case Study of Puthenpedika**, is a record of research work carried out by **Ms. Gifty Rose K B**, under my supervision and guidance in partial fulfilment of the requirements for the award of the degree of Bachelor of Arts in English and History submitted to the University of Calicut.

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## Contents

<b>Chapters</b>	<b>Contents</b>	<b>Pages</b>
	Introduction	1 - 4
I.	Economic History of Kerala	5 - 16
II.	Market and Trade in Puthenpeedika	17 - 20
III.	Kuri Companies	21 - 28
	Conclusion	29 - 30
	Works Cited	31

## **Introduction**

Local history is a fascinating area of study today. The study of local history is an inevitable necessity. It enables everyone to know about the society and other factors of that local place. The study of past will help to understand the socio-economic and cultural developments and its aspects of the area. It incorporates the cultural and social factors of the history of village. Local history is often documented by local historical societies or groups that form to preserve local historical buildings or other historical sites. An important aspect of local history is the publication and cataloguing of documents preserved in local or national records which relates to particular areas.

Local history is the historical study or it is the history of a particular area or locality. The writing of local history becomes more popular in 20<sup>th</sup> century. The writing of local history is a study of history in a geographically local context and it often concentrates on the local community.

It is not necessary for an individual who is attempting to write local history to be a trained historian. But he should have a genuine interest in the history of the particular locality, an enquiring mind and an ability to keep the notes in an order by which once can retrieve information quickly. Most of the local historical researchers follow a process in which they start from the basic facts they offered by the available evidence, make a more detailed analysis of that evidence to explore implications and then put that analysis in its wider, temporal and geographical context.

Local history was coined by French Historiographer Immanuel Leroy. Local history despite its limited geographical focus, is a broad field of enquiry. It is the political, social, economic cultural and intellectual history of a community Local history encompasses many forms of history and it uses a variety of historical methods, from oral to statistical to literacy. Local history has been practiced at different times and places for various purposes. The study of the local history helps to understand about the past of a local area and also socio economic and cultural conditions of the village.

The search for the local history of the place increases the understanding of the history and it can be evaluated on the basis of economic, social, cultural and political ways. This project is to study the local economic and related social history of Puthenpedika by analyzing the Puthenpedika Market, its growth and decline.

The project also aims to cover the financial institutions like Kuri Companies that were also a part of an economic history .It is also an attempt to bring into light the social conditions. Puthenpedika is a village located in Thrissur district of Kerala. The marketplace has an important role in bringing up the lifestyle of the people. The trade relations are important and the space it provided for the inhabitants to trade the local produce and thus earn money. The role of financial institutions is noteworthy as the growth of trade relations happened, people had the mindset to save money for the future or to expand their business. The project also aims to draw the social and cultural side of the place in chronological order.

## **Review of Literature**

There isn't any authentic works about the history and knowledge of Puthenpeedika Village in Kerala history. The available source of literature is church records and souvenirs. The medieval trade was rampant in the area as it was a one of the prominent markets in the nearby area .It was under the control of the church. The Kuri Companies were formed as the result of trade in the area.

## **Objective of the Study**

The aim is to infer and sequence the economic history by studying the growth and decline of Puthenpeedika Market. The objective is also to infer about the financial institutions during the period and their present condition. By leaning about market and Kuri Companies, to infer about the social setup and social conditions prevailed during that period. Thus the main area of study is economic history of Puthenpeedika Village.

## **Sources**

The study is based on primary and secondary sources of data. The most prominent source for the study is oral evidence .For further details online websites are also used to gather information regarding the topic. Personal interviews were conducted to collect first-hand information about the topic selected.

## **Methodology**

Historical methodology is used in this study. It is mainly on the historical analysis of the data. The work is based on the primary sources further elaborated by the secondary sources. The technique and methodology of oral history and local history has been used for the study.The study includes the micro aspects and also the

background of the macro areas. The economic condition is mainly discussed. The life of people during that time can be derived from the history recreated.

## **Chapterisation**

The study is divided into five parts including Introduction and Conclusion. The introduction discusses about the objective and importance of the study, sources and methodology.

First chapter deals with the economic history of Kerala during the medieval period. It traces the various types of trade that were present in Kerala which include both inland and foreign trades. It also gives a view about the social conditions and economy of people during that period.

The second chapter talks about the Market during the medieval period. Puthenpedika market is a prominent market which sold a variety of goods. People used the market to sell and buy the products for their day to day life. The chapter answers the various questions related to the Puthenpedika market.

The third chapter discusses about the Kuri Companies which was a detrimental part of the economy of the region or locality. Thrissur had a large number of Kuri Companies and some of the famous ones during earlier period is situated in Puthenpedika. The working and various aspects of Kuri Companies are shared in this chapter.

## Chapter 1

### Economic History of Kerala during Medieval Period

The history of Kerala dates back to the prehistoric past. The Aborigines, Dravidians, Aryans, Jews, Syrians, Arabs, the Portuguese, the Dutch, the French, the English, and Mysorean Muslims have all been actors in the drama of the history of this picturesque region. A wide variety of sources have to be tapped for evolving a comprehensive history of Kerala through the centuries.

The foreign travelers like Suleiman and Masudi who visited Kerala in the 11th Century have testified to the economic activities and the consequent financial soundness of the kingdom. Economic prosperity was mainly achieved from the extensive foreign trade with West Asia and China<sup>1</sup>. The hill products from the Western Ghats carried down by the many rivers to natural harbors readily secured a market in West Asia and Europe.

A number of Jewish, Christian, and Muslim traders exploited the situation to their own advantage. As they possessed much wealth in gold, the native chieftains were prepared to overlook differences in faith and race and extended to them a warm welcome. Kerala had a flourishing overseas trade with China during the period. China purchased articles like pepper, ivory, cinnamon, teakwood, and pearls from this part of the country. They sold fishing nets, proclaim goods, and silks. The Chinese

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<sup>1</sup> M.R.Raghava Varier, Aspects of Urbanization in medieval Kerala. The case of Panthalayani Kollam', (Working paper) Department of History, Calicut University, p.5; Champakalakshmi .R, The Role of Ideology and Polity, Presidential Address, Session –I Ancient India, IHC, 47<sup>th</sup> Session, Srinagar, 1986, Pp.18-19

introduced trade articles such as *Cheenavala*, *Cheena Bharani* and *Cheenachotti*, articles which exist even today.

As Kerala was part of the early Tamilakam we have to rely upon the information regarding the economic life of Kerala on Tamil classical accounts and medieval Malayalam literature including the *Sandesakavyas* and *Champus* along with other epigraphic, archaeological, and numismatic evidence. *Purananuru*<sup>2</sup> one of the classical anthologies describes in detail the gifts given to bards by the chieftains for praising them, the paddy fields, etc. It mentions the production of surplus, Growth and development of agriculture in the hinterlands brought about plentiful availability of surplus. The surplus food grains and other agricultural crops were to be exchanged for other necessities. More surplus necessitated more quantity of exchange and the increase in the quantum of commodities and of exchange brought this process out of rural households to distinctive places. These distinctive locations gradually developed as markets and trading centers and sometimes urban centers or *nagaram*.

Agricultural production was the mainstay of the economy of Kerala in the medieval period up to the last decades of the 16th century A.D, though this century witnessed the advent of European traders and vigorous trading activities. The land was given much importance as it was the main source of production. Agricultural settlements spread in the river valleys around various chiefdoms and Swarupam. The distributive economy and the bountifulness of their chieftains made them popular.

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<sup>2</sup> Purananuru, 353, 376, 391 and 396

## Mercantile Guilds

A remarkable feature of the age was the pivotal position occupied by the mercantile corporations and merchant guilds in the socio-economic life of the country. The most important of such merchant guilds were *Manigramam*, *Anchuvannam*, and *Valanchiyar*. *Manigramam* was an association of merchants who transacted in Diamonds. *Anchuvannam*<sup>3</sup> was a body of merchants who traded in five different commodities. *Valanchiyar* was an organization, which carried on overseas trade. Inscriptions record the existence of such guilds. *Manigramam* is mentioned in the Chola inscription as a unit of Disai Aiyirathi Ainuttuvar, an international merchant network. These trade corporations functioned actively and contributed to the economic prosperity of the land. Even in the public life of the kingdom, they played a very important role.

There was frequent interaction of Kerala merchants with other parts of the world. They made offerings to various temples in Tanjavur, Arcot and other places. It is recorded that merchants hailing from Makotai built a Vishnu temple at Pagan (Burma). These show the migration of people from Kerala as members of mercantile corporations. As much of the trade transactions were through an immediate exchange, the use of coins was restricted. The major medium of exchange was Dinaram. Donations to temples were made in gold. Gold was exchanged for land also. *Kalanju* and *Kanam* were the normal measures of gold. Kasu, Achu, and Palankesu were coins referred to in inscriptions.

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<sup>3</sup> Elamkulam Kunjanpillai, *Studies in Kerala History*, Kottayam, 1970, p.387.

The origin of Anchuvanam is not known it is said that they traded in five different items. And they were mentioned in the Teressapalli inscription along with Manigramam. Manigramam flourished in Tamil Nadu in the Pallava and Chola periods and was active in Southeast Asia. It was an association of merchants who transacted in diamonds, perhaps the term only means 'the great guild' and it traded in many commodities.

The Valanchiyar an organization which carried on trade transaction mainly with foreign goods. The Nanadesi guild were a group of various merchants. They find mention in the 14th-century Tamil inscription recording the assurance of fair treatment by a local chief named Annapota Reddi.

## **Role of Temples**

Medieval Kerala temple has an important role as the biggest landowner. The temple had vast property. The ownership of vast agricultural cultivable land is vested in temples. Such lands are known as Devaswam lands. Many a medieval Kerala temple acted as an employer. The hierarchy of authority in temples and the ownership of vast areas of land and other forms of wealth enabled the temple to offer employment to many. The Karalars were actually workers under the temple. While the Uralars functioned as controllers of temples.

After the Perumal Period, More land was brought under cultivation in medieval Kerala and better techniques were used in the process of agricultural production, both in cash crops and food crops. As a result of the growth of the production capacity, the production also increased

## **Chinese and Arab Trade**

The accounts of foreign travelers who visited Calicut during the reign of the Zamorins give us valuable and interesting glimpses of the trade relations at Calicut port, Ibn Batuta, the earliest of them to mention Calicut describes the city as one of the greatest ports in Malabar where merchants from all parts of the globe are found. The African traveler, in particular, mentions the large fleet of Chinese merchant vessels that lay anchored at the port. Ma Huan the Chinese merchant describes Calicut as a great emporium of trade frequented by traders from all over the world. Adbur Razzack described Calicut as a perfectly secured harbor that brings together merchants from every city and every country.

Calicut became one of the nodal points for long-distance trade under the Zamorins. During the period (11th to 15th Century) . Arab and Chinese traders were frequenting Calicut and other ports of trade. They exported pepper, ginger, cardamom and cloves, and several medieval plants from Malabar. The Arabs controlled a major part of overseas trade with the west from Calicut. A number of Arab traders came to Calicut and settled there. Merchants from Baghdad flocked to this port of another country.

## **Medieval *Angadis***

There were many exchange centers in the early medieval period which later developed into *angadis* or market places. The rise and growth of these *angadis* are detailed in contemporary travel accounts and other literary sources. The foreign travelers like Ibn Batuta and indigenous literature like Unnineeli Sandesam give

ample references to port cities like Kollam and Kozhikode. Chinese ships were reached in Kollam port mainly for collecting spices. Near to the ports, there developed angadis where commodities were exchanged. Muchandi, Puthidam, Pantalayani Kollam, Puthupattanam, Valapattanam, Kodungallur, Trikanamathilakam are some of the leading angadis of medieval period.

## **The Advent of Europeans**

The advent of the Europeans (Portuguese, Dutch, French and English) marked the beginning of a new epoch in the history of Kerala. It put Kerala firmly on the political map of India. Kerala on the eve of the Advent of the Europeans presented the tragic picture of a feudal polity with its evils and weaknesses. There was no central power in the country. Kerala was divided into a number of petty principalities: Each of them under a Naduvazhi but owing allegiance to none. There was the total absence of a unifying central power.

Only three rulers possessed somewhat independent authority. They were the rulers of Kolathunad (Kolalthiri), Kozhikode (Zamorin), and Venad (Tiruvadi). The authorities to the Naduvazhis were controlled by the Nair nobles and Namputiri chieftains. The Nair chieftains exercised effective authority in their domains. They provided the rulers with fighting forces. The Namputiris were dominating the land with their religious and spiritual authority. Thus at the time of European advent; Kerala was in a distracted political condition with a number of petty feudal chieftains engaged in endless feuds.

The advent of the Portuguese in 1498 opened the doors of a new era in the history and socio-economic and political life of India, especially of Kerala. Kerala witnessed a new experience of maritime trade quite different from that we

experienced since the dawn of the first century AD The Malabar economy which was confined to an agrarian and subsistence-oriented, economy positively responded to economic activities and daily markets consequent on the production of surplus, and began to play a predominant role in overseas trade and world economy due to the spice trade

Like the Portuguese, the Dutch contact produced results beneficial to Kerala. They revived the Kerala trade. New products and scientific techniques of cultivation were introduced. They gave encouragement to coconut cultivation on a commercial basis. They promoted indigo and paddy cultivation. New industries like salt farming and dyeing were introduced. Although they never built seminaries or colleges, the memoirs, letters, and accounts left by the Dutchmen like Visschier, Nieuhoff, and Van Rheede are of inestimable value for the reconstruction of Kerala history.

The English and the French came to Kerala mainly for commercial purposes but later had political ambitions. They built up and consolidated their rule in the land and began to rule over an empire vaster than the American colonies. The establishment of British supremacy witnessed the beginning of a new epoch in our history. It was an epoch of challenge and response, an epoch of domination and resistance.

### **Impact of Mysore Invasion on Trade**

The feudal system of administration of Malabar was replaced by a centralized system of government. The Nairs and Naduvazhis of feudal Kerala lost their position of preeminence. The Mysoreans introduced an administration based on modern and progressive ideas. Tippu introduced a system of land revenue based on the actual production of the land. Land tax was collected directly from the tenant. It was based

on the actual production of the land. The assessment was made after a proper survey. This raised the dignity of the tenant.

In the economic sphere, the Mysorean rule was not a blessing. The continuous raids resulted in the economic ruin of the country. Agricultural production was hampered. Peasants took refuge in jungles. Trade was adversely affected. The decline of trade and agriculture crippled the economy. The old ports became centers of desolation. It was a period of economic depression. In the cultural field; it was a period of stagnation. The flight of Kshatriyas and Namputiris who were the traditional patrons of culture, retarded cultural activities.

In spite of obvious gaps in our knowledge of early Indian commerce, a more or less connected account of trade in India prior to the arrival of European powers and trading companies is now more or less intelligible to us. It has been argued that the initiatives to trade in India were not indigenous and always came from elsewhere, particularly the west. Taking into account the overall dependency of the people of the Indian sub-continent on agriculture for millennia, it is hardly surprising that the major pertinacity in the economic and social historiography of early medieval India would be towards its agrarian milieu. Therefore non-agrarian sector of the economy is mostly viewed only as secondary to the agrarian economy. It does not imply that the non-agrarian sector of the early Indian economy has been marginally treated in the economic historiography.

A congenial socio-political and agricultural atmosphere paved the way for the emergence of a large number of rural exchange nodes, interior markets, and bazaars on the travel ways and diversion points of ghat passages, period fairs, festival markets, and comparatively big emporia of trade and exchange. The spread of

agriculture with improved rural technology and agrarian settlements and the availability of considerable surplus etc. promoted the development of markets and exchange and also big trading centers.

Exchange nodes and centers mentioned in the Tamil classics and anthologies are the same as mentioned by ancient geographers in the period under study. But the nature and character of their function have changed in an improved manner along with barter in the higher strata of society. The emergence of trading groups, organized trade and the stratification of the society were more visible. Intra-regional and inter-regional trade was promoted as a result of the enhanced agriculture in the hinterland. Overseas linkages of the rural markets encouraged spice cultivation and feeble rays of commercialization of agriculture were visible.

A considerable amount of agrarian development led to the emergence of markets or trade centers. The availability of surplus can be taken as an indicator of evolutionary change in society. In one way it accounts for material resources prevailing above the requirements of subsistence of the society and it will appear with the technology and productivity in an advanced manner. On the other, it brings out anabolic effects like certain socio-economic output like markets, urban centers, new social classes, and civilization aspects. Thus market is an institution produced by a regular trade between a multiplicity of traders.

### **Medieval Markets and Modes of Exchange**

There was a change in the mechanisms of trading and market system in the early medieval period when compared to the historical phase. We can see a clear-cut difference in social systems and power centers like local chieftains. The writing of foreign travelers, Arab geographers, and Tamil anthologies gives sufficient evidence

for this. During the early medieval phase of our study trading activities began to be systematized. Different levels of marketing centers came into existence in various parts of Kerala. We can classify this as regional or local trade and market, long-distance overland trade, and long-distance overseas trade.

A part of the remuneration, gift, or alms received in kind was also exchanged for other objects of daily life. Certain areas produced a surplus of some articles but lacked some other items which had to be acquired by exchanging the surplus. An important feature of economic activity in the period was the institutionalization of trade in the form of merchant organizations, *chantas* of different natures, and *angadis* or annual markets. *Angadis* were shops or bazaars in villages and towns.

Various needs for commodities of the day-to-day life of the people were satisfied by the local *chantas*. Description of different articles of exchange or sale or productions are mentioned in the *Sandesakavyas*. All these commodities were produced and consumed by the people of various regions on this strip of land and also brought from alien regions. They include food items, medicines, textile goods, perfumes, home appliances, and other luxury items. The mention of markets or *angadis* appears in medieval literature in two contexts, one as the description of consumer items available for sale and the other in the form of conversations and haggling associated with selling and buying.

The fairs associated with festivals in Kerala are the best examples of market mobilization. The Mamankam was a great gathering and festival of Kerala. Valluvakonatiri was the leader of Mamankam and he was known as the *rakshapurusha* or protector of this spectacular festival. The power and control exercised over a prosperous region with fertile soil, flourishing agricultural hinterland, and craft and

trade groups might have made Valluvakonatiri the rakshapurusha of the spectacular Mamankam festival.

Morning chantas or markets were called *nalangadi* and evening markets or chantas were called *allangadi* or *anthicanta*. Another category of markets was the weekly chantas for which a particular day and place was fixed. It seems that these weekly markets were conducted on meeting spots of various routes linking long distant places and coastal markets with agricultural hinterlands. References on weekly markets are in abundance in our literature. They dramatize the economic interdependence of villages and provide the conclusive refutation of the idea of economic self-sufficiency

### **Merchant Communities**

The relations between the producers and merchants gradually developed. The *vaniyas* and *chalias* were the merchant groups who maintained relations with the market centers earlier. The angadis with various *terus* or streets of handicraftsmen began to develop. Coastal angadis of Kodungalloor, Pantalayani Kollam and angadis like Chalayangadi of Thiruvananthapuram, Irinjalakuda, Eramam, and Thirumarutoor are some of the examples. *Unniccirutevicaritam* and *Anantapuravarnanam* provide information regarding the nature of *angadis* of Thirumaruthur and Chala respectively.

The weekly *chantas* were elaborate ones while the *allagadis* and *nalangadis* were smaller in size. The former and later made available subsistence-oriented and luxury items. The names of the coins mentioned in this contest are either Malayalam or Sanskrit. *Aanayachu*, *kasu*, *tiramam*, *panam* were coins in circulation in Kerala during those times. Medieval literature or inscriptions does not speak about other coins and we have no information about them.

## **Modes of Exchange**

There was a belief that the overseas trade of Kerala was mainly carried out by the system of barter. But much evidence of coins and money used in the early medieval period is available. Dinar was a standard coin of this period. This was widely used in international trade. The value of goods in overseas trade was calculated in terms of Egyptian dinar. The evidence from Jewish sources also brings out the transactions in terms of money.

## Chapter 2

### Market and Trade in Puthenpeedika

#### Origin

The economic condition of Puthenpeedika and nearby regions in the early 20<sup>th</sup> century was worse. Most of the people had not enough money neither as capital for investing nor as land. The Church had a large amount of land but didn't had any money at its disposal. Thus a market was setup under the control of the church to rectify the situation. The planned market had water transport nearby for transporting the goods .The market was a collective of small traders who sold the goods for the day to day needs of common people under the supervision of the Church. Gradually Puthenpeedika Market became one of the big market in the nearby area and trade flourished.

People from the nearby regions came to the market to sell their produce and to buy materials for their needs. In a society , where money held the greatest value and poverty was common , the market played a pivotal role in building an economy .It also provided a ground for the both sellers and buyers to meet and to exchange and their goods along with bargaining.

The Puthenpeedika Market or Puthenpeedika *Chanta* was held usually on Monday and Thursday. It was held in the land under the ownership of the church and near to the church. The market spanned over a large area and people had to pay money to church for conducting their sale in the place provided by the church. The money to be paid for the church is known as *Chungam* The trustees of the church stood at the different entrances

of the market and collected cash. A person had to pay 4 *annas* as *chungam* in order to enter the market with their cattle for sale.

The establishment of Market gave a new energy to the economic life of common people .Their lifestyle and economic well being of the people improved. The water transport was exploited wisely during the period where any other modern modes of transport was unavailable. People also found a place to sell their produce and also to buy their needs with the money they earned. It was also an income source for the Church.

## **Goods**

The goods mainly arrived from Kochi and Kodungallur. The traders went to these places and collected their goods for sale. The local produce was also sold in the market .Thus the market had all the goods needed by the family. They could buy everything they needed from a common place and they could sell their products there. The market had all the stationary items, Copra<sup>4</sup>, rice and rice powder for the household, *Nenthrapazham*<sup>5</sup>, fish, meat and even clothes. The cattle was also sold in the market for the meat.

The market had everything required at a place and also a place to sell their goods. Thus the trade boomed and people started earning money with their produce. The practice

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<sup>4</sup> A method of coconut oil extraction. Coconut is dried and using machinery oil is extracted from the fleshy part of coconut.

<sup>5</sup> A regional variant of Banana which was highly produced in the region.

of bargaining was also present in the market. The seller and the buyer reach at a common price and the trade was done between them.

People came to Puthenpeedika *Chanta* from nearby regions like Alappad, Kandassankadavu and Ammadam. Puthenpeedika market was the biggest and nearby market for them. People also started buying goods from these market in bulk to sell in their shops in these regions. In the course of time, small shops at these places developed and started selling more number of goods.

It was weekly markets that were held in Puthenpeedika and nearby regions. There was makeshift markets in the nearby regions some of which sold specified goods and others all kinds of goods. Each days of week were designated for each of the markets. On Monday and Thursday, the market was at Puthenpeedika and it was the largest market. On Tuesday the market was at Kandassankadavu. On Wednesday, a small market was held at Peringottukara. On Friday, it was held at Thanniyam and on Saturday the market was at Kanjani. Thus markets are available to sell and buy goods all days of the week in the nearby areas. Some of the markets were small and were especially dedicated for the specified goods like cattle. In the course of time these markets were turned into bigger markets and fulfilled the needs of the whole region

## **Currency**

The exchange system was based on money. The old system of currency was in practice. *Chilli* was the smallest currency and 12 *chilliis* make one *Anna*. 16 annas were joined to make One Rupee. This was the standard currency on which trade were held. This shows the variation of money during that period and today .The Barter system was

not in the practice .Bargaining was a common practice and both the parties had to come in unison to quote a price before the trade happened.

### **Decline of the Market**

As many of the small markets developed into full-fledged markets over a period of time, the prominence of Puthenpeedika market went down. People started to buy goods from nearby markets. Thus Puthenpeedika market was down sized into a local market. As many other stores developed within Puthenpeedika, which was open every day, people found such types of stores convenient. Those stores were also in the places where land transport was easy and the goods were transported with ease. Thus the need of Puthenpeedika market was declined and people engaged in different trades.

Thus the market played a huge role in bringing out the economic changes. Angadis are still present in Puthenpeedika attached to the church. People started saving money and started to deposit it in the Kuri Companies. Also people started taking loans from the Kuri companies for expanding their trade and such needs. Thus the market transformed the economic history of Puthenpeedika and also developed the economic well-being of the people.

## Chapter 3

### The Kuri Companies

#### Origin of Chit Funds

The Kuri companies or chit funds had its beginning in 1800s to provide loans to traders and merchants to get over their financial problems. In Kerala, the concept of Chit funds came into being in the 1800s when Raja Rama Varma, ruler of erstwhile Cochin State gave a loan to a Syrian Christian trader, keeping a certain portion of it to himself for administrative and other expenses. When the number of those seeking loans increased, he ordered a cast of lots and gave the accumulated amount to those who drew the lot on the principle of equity. The principle of equity suggests that a right or liability should as far as possible be equalized among all interested. Gradually the practice spread to the other parts of the country and even abroad, including Myanmar and Sri Lanka.

In another version, the origin of chits is linked with Portuguese missionaries from China, who visited Muziris (Kodungallur) for evangelization and established a seminary at Vypeencotta village in 1577. They promoted the chits in Kodungallur. The practice of holding chits was also in vogue in China in the 14<sup>th</sup> century, to meet the financial needs of the poor and downtrodden.

Out of 5000 Kuri Companies in Kerala, about 3000 of them accounting is situated in Thrissur. The Kuri Companies are also plays a major role in providing employment. These companies provide employment to about 35,000 people directly. Almost the same amount of people are employed directly by these companies. The Kuri Companies have grown leap and bounds in Kerala and it is estimated that

produces an annual turnover of Rs.70,000 crore. But nowadays these institutions are in the verge of decline due to many legislations by various governments over the period of time.

### **Kuri Companies in Thrissur**

The streamlining of operations was started somewhere between 1830 to 1835, when the Chaldean Syrian Church started Kuries under its name and issued passbooks to subscribers as evidence of enrolment. The traders and merchants were the nerve centre of chit fund companies. The huge number of companies in Thrissur is a proof of innovative economic ideas and how it helped in including people from various sections of the society to get money for their needs under short notice.

The traders and merchants in Thrissur, participate in the auction and bid at 50 per cent or more discount. If the aggregate amount (sala) of the chit is Rs.1 lakh, and the monthly installment of Rs.1000 for 100 months, the successful bidder is eligible for only Rs.50, 000. Also by convention when they purchase goods worth Rs.50, 000 by cash from the wholesaler, they get additional merchandise worth Rs.50000 on credit. For the established merchant the discount of Rs.50000 would be offset easily when one year transaction of goods worth Rs.100000 was completed. Besides, subscribers would also be eligible for reduction in monthly installment due to apportioning the discount among the subscribers and bonus to those who remit chit amount on time.

The Kuri companies paved the way for the stability of the banks which were established in the later stage. In 1930s, Thrissur had headquartered many banks which conducted chits for the subscribers and was recognized by RBI as 'Banking Town'.

Thus it was the Kuri or chit fund's contribution that led to the development of banking sector in Thrissur region and on another level in Kerala.

Earlier almost all churches had held kuries. It was due to the credibility in the control of the parish Vicars. Thus the church played an important role in the natal stage which gave money to the various needs of people living in the region. Later it was altered to the hands of private players who developed the system which provided many employment opportunities. From it developed into a system of banking.

The rapid growth in business led to the enactment of Cochin Kuries Act in 1932 and Travancore Kuries Act in 1945. The uniform law for the state was enforced in 1975. Kerala Chitties Act of 1975 brought many changes to the existing laws. It introduced a foreman enter into an agreement and introduced a definition for the terms related with it. It also laid the perfect guideline for uniformity among the state but turned out to be unhealthy legislations in the growth of Kuri Companies.

Several provisions of the act were counterproductive in the growth of Kuri companies. The provisions like auction discount not to exceed 50% of the assets of the company and security to be furnished by the foreman were strict and difficult to comply with. Thus these rules made it difficult to the smooth running of chit companies.

The success in Kerala made other states to replicate the idea of Kuri companies or Chit companies. But it was a large failure. In other states there were many malpractices and manipulations in auctions. It also had absence of subscribers and cheating in drawing the lots. Thus it was a heavy blow to the development of Kuri companies in the other states.

## **Kuri Companies in Puthenpeedika**

Puthenpeedika had well established trade networks and to continue the economic activities hassle-free, the economic institutions was a necessity. At first the chit funds were started by the church. The church started giving out loans to people who needed money for various needs within the parish .Along with the Puthenpeedika church, the church based Kuri companies such as Cherpu Kuri Company, Lourde Kuri Company was also present during the period. It was the faith that people had in the church made these popular. The loans were given to people irrespective of caste and religion. If they were unable to repay the amount, the mortgaged land was taken by the church. But in the later stages, Puthenpeedika Church stopped lending the loans and the private players entered the arena.

## **Puthenpeedika Bank**

It was located near the Puthenpeedika Church but was completely independent from the church. Eventhough it is called as Puthenpeedika Bank, it had all the functions of both Kuri Company and Bank. The Puthenpeedika Kuri Company or Bank had many activities including Kuris, accepting deposits, granting loans and advances, gold loans etc. It should be also noted that this institution also issued deposit receipts on depositing money in the bank.

## **Origin**

It was started to provide money for the small needs of people after the church stopped its Kuri. The people needed money for various purposes. It included money for their goods, trade and even during the festivals like Onam. Also the scheduled

banks and nationalized banks were unavailable at that time and people started to turn towards different methods of pooling money among themselves and started to use it for their own needs. Taking loans was normal during that time and people pay back after they get the money from the trade and services they indulge in.

There were different Kuries which had various frequencies of paying back. Many Kuries were started for different purposes .One among them is ‘Onam Kuri’. Onam is one of the biggest festivals of Kerala. People of Kerala give importance to Onam and they spent money on clothes and food at that period. It is considered as a festival bringing wealth and people finds joy in spending lavishly. So it was necessary for them to save a small amount of money for this festival in order to celebrate it. Onam Kuri is one of the Kuris in Puthenpeedika Bank in which people join with a plan of saving money for Onam. They had to pay a fixed amount over the year to get the amount in annuity during the Onam season.

There was another Kuri Company known as Mahatma Bankers in Puthenpeedika Centre which is also a Kuri Company. It also had Kuris and it provided loans and also accepted deposits. It was not as prominent as Puthenpeedika Bank but it also helped in shaping the economic milieu of the society of Puthenpeedika.

### **Source of Income**

People who were economically improved were the shareholders of the company. They formed a group among themselves and pooled the money. There was also a director and other employees of the company who eased the process of loan and Kuri. It was the academically advanced who were placed for the job of Director and other positions. Being a shareholder was also a condition for these positions. A certain

amount of the money deposited by the shareholders were kept as reserve and the amount left was used for loans and Kuries. Thus in a way it is notable that Kuries were the precursors of the bank.

### **Reason for Kuries and Loans**

People during that period required loans and money for various purposes which is different from today's scenario. Young people who wished to continue their studies after seventh standard required money for higher studies. They obtained the loan and went to different parts of the country to continue their studies. During that period government never assisted with loans for higher studies. So it was duty of the people to get the loans who wished for higher studies.

Also people needed money to buy products to sell in retail from the wholesale market for a huge amount. So they took loans and Kuries for that period of time. It was later paid back when they had profit from selling. People also used Kuris as a savings method for the marriage of their children and other special occasions. It was also kept aside for unprecedented occasions in the family.

People followed this method because they could chip a small amount of money from their daily business and save it. Kuries gave an edge because they need not pay the basic amount every time as it may fluctuate according to the auction. Also it was not a burden on them as it was a small amount they had to pay. Thus it helped them in their business and also helped them socially in upbringing their status economically.

The Kuri payment was done in person. No one were appointed in collecting the money from the people. People usually after their work take money from that day's profit and paid back the Kuri. This institution was a boon for the people as they

got money on demand and they made the payment back gradually. The other institution which held banking functions during that period of time was Malabar Bank. But it was situated at Valapad and people had to travel to reach there. But since they had an institution with all the facilities provided by other banks in their locality, it increased the power of Puthenpeedika Kuries.

There was agriculture done in Kole fields in Puthenpeedika and people needed money for seeds and other commodities. The loan and Kuries helped them in arranging money on time and helped them to continue their farming activities. There were also people who were engaged in coconut oil extraction from copra and they also needed money as capital and for other needs. Thus the rich people who owned a huge amount of land and cattle at that time, deposited the money in the Puthenpeedika Bank and it was used as the capital for giving loans to other people. Thus there was a flow of money within the cycle which ensured total economic development.

### **Reason of Decline**

It was mainly due to the emergence of banks. When Reserve Bank of India was established in 1935, it brought many changes which became detrimental in the survival of Kuri Companies. The introduction of Scheduled banks and Nationalization of banks led to the decline of Kuri Companies. The people also in the nonexistence of rules started many Kuri companies without maintaining any limit for auction discount and many other faults led to many unsuccessful companies.

The Government supported banking through its banks which brought the administration of economy under the government lenses. Also it brought stringent laws for chit and Kuri companies which made it difficult for the Kuri companies to comply with. The provisions of 1975 act like auction discount not to exceed 50% of

the net assets of the company and security to be furnished by foremen were against the smooth running of Kuri Companies

The Puthenpeedika Kuri Company was merged with Catholic Syrian Bank in 1964. The bank completely ousted the Kuri activities and merged the banking section along with retaining the employees.

The Puthenpeedika Bank is a landmark in the economic history of Puthenpeedika. Even though it is still a village side, the economic innovations of the people are impeccable and has a high standard. It should be noted that it is the forerunner of Banking. There are still many Kuri companies in Puthenpeedika which holds the legacy of its ancestors along with complying to the new norms of government. It is a reminder of the past glory of various economic innovations and ideas.

## **Conclusion**

Local history is the field of history which connects historical researchers to the local areas that is to the rural roots of native lands. Puthenpeedika holds a pivotal role in trade and economy of Thrissur district. The project is a study about the economic history of Puthenpeedika based on Market and Kuri Companies of the place. Puthenpeedika holds a position of eminence in bringing out economic growth of its people in the beginning of 20<sup>th</sup> century.

The project helps to infer about the economic status of people at various points of time. The project sequences the economic history by studying the growth and decline of Puthenpeedika Market .The project also discusses about the financial Institution, Kuri Company which was one of the first among Thrissur District. It also talks about the social setup and conditions of the people.

The local history of the place increases the understanding of the history and it can be evaluated on the basis of economic, social, cultural and political ways. The project helped to study the local economic and related social history of Puthenpeedika by analyzing the Puthenpeedika Market, its growth and decline. The marketplace has an important role in bringing up the lifestyle of the people. The Market served as a place where exchange of commodities happened and opened the arena of trade for the common people. The trade relations are important and the space it provided for the inhabitants to trade the local produce and thus earn money.

The role of financial institutions is noteworthy as the growth of trade relations happened, people had the mindset to save money for the future or to expand their

business or for their needs. Puthenpedika Bank had all the functions of a bank .It served as an institution for providing money on demand and held Kuris. It inculcated the need for saving the money in a village area. It is one of the oldest Kuri Companies in Thrissur and had a great role in the economic history of Thrissur.

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