



## Growth and Development of Indian Trade and Commerce

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### ORIGINAL ARTICLE



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### ABSTRACT

We all know that India has a rich cultural heritage. India was a well-developed country in terms of its economy and Trade. written record, Archeological Excavations, literature and above all, India's enormous wealth that enticed numerous foreigners to attack India are affidavit to this fact. The Indian civilization was not only agriculture based, but also the huge level of trade and commerce both inside and outside the country. It had contributed to the world of business in various fields. Indian business was innovative, dynamic, unique and supreme quality to many other countries of that period. Let us learn more about our rich business heritage.

### KEY WORDS

Indian business, Cultural Heritage, Indian trade.

### INTRODUCTION

Indian businesses are used to be primarily needs based, with minimal focus on profit in its earliest days. Over time, it passed through various transformations due to changes in some customs and traditions, and financial support by different rulers. Let's gain knowledge about our business heritage in three different phases - Ancient, Medieval and Modern.

#### Ancient Period (up to 750AD)

The archaeological department discovered at Harappa and Mohenjo Daro points highlights that the people of India had a very futuristic civilization from the period of 5000 BC. The world's first comprehensive book Kautilya's Arthashastra gives detailed directions about the establishment of a city. The king used to have stringent control over the economy.

- i. Farming and Agriculture:** Tree plantation and preservation of food was very much prevalent in ancient India. There is ample evidence testifying the availability of expert skills in raising crops of wheat, rice, gram, pulses, pepper and ginger and in growing fruits like pineapple, and mangoes in those days. Agriculture was not relying only on rain alone, so extra special care was taken to provide irrigation facilities to the cultivated lands. Artificial lakes and tanks for water storage were common in South part of India. In ancient days trading, barter system was the most practised system. i.e. goods were exchanged for another goods. They used some common items like conches, shells, food items etc. as medium of exchange.
- ii. Industry, Trade and Commerce:** The economy of the country was dependent upon agriculture, trading and fishing. The Indus valley civilisation seals recognize the role of trade goods. The exports included horses, birds, ivory, cotton cloth, Silk cloth, cereals, spices and jewellery made of gold and silver, precious stones. Since 7th Century A.D. India started trade contacts with the Arabs. Shipbuilding has been a large industry in India. Indians had been engaged in plying ships and boats; carrying cargos and passengers; studying the wind and stars; constructing light houses and building ports, dockyards etc.

### Medieval Period (750 to 1757AD)

Indian Business Heritage After 750 AD, The north and south part of India was separated into many independent kingdoms. So there was a substantial growth in the size and several number of towns. There was a huge expansion of craft production. Many sea routes were discovered during the period. During medieval period metallic coins made of bronze, copper, silver and gold was launched for the first time among the people. In 1835, the East India Company (EIC) has introduced the rupee as a medium of exchange. Artisans were at a high paragon of excellence. Let us know regarding our business heritage during the medieval period.

- i. Trade Routes:** India has been well connected through roadways in its initial time also. During the rule of Shershah Suri, the great Grand Trunk Road was built that extended from Indus river from west to Sonargaon (Bangladesh). During the Mughal period, a number of trade traffic lane existed. There was one from Agra to Patna, another one connected from Bengal to Bihar via Orissa. In the North West, The flow of goods between Gujarat and North India was carried over via, two main routes- first one is from Surat to Agra through Western Rajasthan and the second one is from Agra to Surat through Malwa and Khandesh. The network of those trade passage denotes the extent to which places were involved in inter provincial exchange of commodities. Administration of medieval India was extremely good. Huge things can be learnt from the regime of rulers like Shershah Suri, Akbar etc. Land revenue and tax system were well framed leaving no room for the citizens to protest.
- ii. Business:** Business was at its crest. Numerous traders visited India during this period from all over the world, including the British. Indian traders were masters in both domestic and external trade. During the medieval period, India extremely outstanding in the art of making perfume greatly. So many Europeans came to India to acquire skill in this technique of perfume preparation from natural sources. The most significant ones were stone work, metal work, textiles, sugar, indigo and paper. Various arts and crafts reached their apex during this period like temple architecture, carpet making, stone carving, utensils made up of brass and copper etc. The state also authenticated royal karkhanas (workshops) to cater to the Sultan family. More than 4000 silk workers used to weave and embroider varieties of cloth for robes of honour. In Muhammad Tughlaq's karkhanas in Delhi. Practically every products of royal use, for instance, caps, curtains, tapestry, waistbands, sashes, shoes etc. were supplied by those karkhanas. By this karkhana factory, they offered employment to huge workers in the state. Around the period of 1300 A.D., during the reign of Allauddin Khilji, a lot of market amelioration had taken place. In point of fact, Alauddin Khalji was the first sultan who tackled market control in a grave and organized manner. Merchants were asked to register themselves at the emperor's imperial castle concerning the nature and extent of their business. Rigorous and strict laws were passed to verify unfair trade practices.

Even market overseer were assigned to corroborate the fair business practices. Warehouses and grain granaries were built only by the royal castle and there was public distribution system for distribution of food grains during the times of shortage.

## Modern Period

India was under British regime almost for 200 years in the modern period. We know that the British entered in to India with the intention of trade, which was slowly replaced with political and economic aspirations. They perceived India with its vast area of land and huge population as a supplier of raw materials also a market for British industrial production. To facilitate the colonial rule, the application of modern technologies were launched in India Let us see some of the events during the British rule that modified the shape of Indian business:

- i. **Railways** : Railway Transportation revolutionised the Indian transport system. The first railway line in India was erected between Bombay to Thane in 1853. Within a duration of four years, major cities were connected by rail. This method of communication opened up new frontiers for business in remote places. The movement of people and goods fuelled the growth of every business.
- ii. **Industrial Revolution**: Industrial Revolution refers to transforming a traditional agriculture based economy to the mechanized production of manufactured goods in expansive enterprises. Industrial Revolution happened in Great Britain during the period of second half of the 18th century, which profoundly changed Britain's economy. India became the inevitable market for consumption of all manufactured goods and also the huge supplier of raw materials. Indian products not able to stand in competition with British items as they were cheap and of superior quality. Many large industries were launched in India during this period because of cheap and Labour availability. Some Acts like The Factories Act, The Trade Unions Act, and The Mines Act etc. were enacted to systemize the working patterns and other related issues during this period. India got involved into machinery-based mass production, simultaneously met large economic pitfall.
- iii. **Modern Industries**: In India During the second half of 19th century, a some modern industries were established in India, which were fully owned and controlled by British Government. Though some industries were owned by Indians, but they didn't grow fast because of lack of support from the British government. Cotton, jute, coal mining, plantation industries were the significant industries at that period. The Swadeshi movement began in 1905, which uplift the Indian industries. With the development of road transportation and communication and because of the trading efforts of the Indian businessmen modern industries like iron and steel, cement, chemicals, automobiles, shipbuilding, sugar and textiles mills were launched in India during the 20th century. J.R.D. Tata established the first Iron and Steel Industry in 1911 at Jamshedpur, in the state of Jharkhand. Due to the growth of urbanisation and raise in population, the demand for the products also raised. This contributed to the growth of trade and several auxiliary services to trade like banking and insurance, warehousing, communication etc. Various forms of business organisation like sole proprietorship, partnership and co-operative societies were widespread in India. After Independence, Government of India taken the responsibility promote trade, industry and commerce. Government framed five-years plans for overall economic development of the country. India does not currently have a five-year plan because the government dropped the system in 2015 and replaced it with NITI AAYOG system. The 12th Five-Year Plan, which ran from 2012–2017, was the last one.

## CONCLUSION

India played a vital role in the world of business right from the beginning. The modern-day mantras of business have their origination in the former practices of India. Above all, India not only had a rich cultural heritage but also furnished a big deal in influencing the system of enterprises and trade to bring it to the modern times.

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