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## “Indian Knowledge System and Business: A Historical Perspective”

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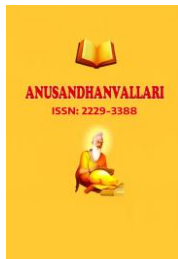
**Abstract:** India has a long and rich tradition of business practices that are deeply rooted in its cultural, ethical, and philosophical systems. This study explores the relevance of the Indian Knowledge System (IKS) in the context of modern business and management. Through a literature review and analysis, this study highlights how principles from the Indian Knowledge System such as honesty, trust, long-term relationships, community welfare, and ethical conduct continue to influence and inspire today's businesses. It shows how Indian business values emphasize not just profit but also responsibility, fairness, and spiritual well-being. In the current global business environment, where sustainability and ethical practices are becoming increasingly important, the wisdom of IKS offers valuable insights and guidance. The study concludes that integrating traditional Indian knowledge with modern business strategies can enhance corporate governance, employee well-being, and customer trust. It also has implications for entrepreneurship, leadership development, and organizational culture. Indian business philosophy, when properly understood and applied, can help create companies that are not only successful but also socially responsible and culturally rooted.

**Keywords:** Indian Knowledge System, Business Ethics, Indigenous Practices, Arthashastra, Traditional Business Communities, Value-Based Leadership, Indian Philosophy, Modern Business Relevance

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### Introduction

India has a long and rich history that goes beyond just culture and tradition it also includes a well-developed system of knowledge in areas like science, medicine, education, and especially trade and business. The Indian Knowledge System (IKS) refers to the country's traditional ways of thinking, learning, and doing things. This includes not only religious and philosophical ideas, but also practical systems used in day-to-day life, such as agriculture, mathematics, town planning, and commerce. Business and trade were an important part of life in ancient India. According to Indian philosophy, earning money (*Artha*) was one of the four goals of human life, along with *Dharma* (duty/ethics), *Kama* (desire), and *Moksha* (liberation). This clearly shows that business activities were not only accepted but encouraged, if they followed ethical rules. One of the most important books written about governance and economics in ancient India is the Arthashastra by Kautilya (also known as Chanakya). This book, written in the 4th century BCE, covers various topics such as how to manage trade, collect taxes, run markets, prevent fraud, and even punish dishonest traders. It shows how deeply India understood economics, public finance, and business management more than 2,000 years ago. The Arthashastra is proof that India had a well-thought-out and practical approach to business and administration. India also had well-developed accounting and finance systems. Traders used local accounting systems called *bahi-khata* (traditional ledgers), and some of these methods are still used by small businesses today. The use of numbers, decimals, and the concept of zero first developed in India, made calculations easier and more accurate, helping in trade and taxation. Trade in India was not limited to one region. Goods like spices, textiles, metals, and precious stones were exported to various parts of Asia, Europe, and Africa. Indian traders had strong connections with countries like China, Arabia, and Rome. Ports like Lothal, Bharuch, and Muziris were active centers of maritime trade. The fact that Indian



goods were in demand across the world shows the quality and trust Indian businesses had even in ancient times. Indian business was also deeply connected to values and social responsibility. Traders were expected to be fair, honest, and kind to customers. Many business People donated part of their profits to temples, schools, and hospitals. They believed that wealth should be shared for the good of society. This idea is quite like what we now call Corporate Social Responsibility (CSR) where businesses are expected to give back to the community.

In recent years, there has been a growing interest in going back to India's roots, especially in education, business, and public policy. The New Education Policy (NEP) 2020 has emphasized the importance of learning from India's traditional knowledge systems. Business leaders today are also realizing the value of ethical practices, sustainability, and inclusive growth. All of which were important parts of ancient Indian business thinking. This research paper aims to explore how the Indian Knowledge System shaped business practices in ancient India and how those principles are still relevant today. By looking at old texts, trade practices, accounting methods, and business ethics, we can learn valuable lessons for modern commerce. In a time when people are searching for more ethical and balanced ways of doing business, ancient Indian wisdom can offer useful guidance.

### **Literature Review**

India's ancient knowledge systems not only shaped its spiritual and philosophical ideas but also played an important role in shaping early business practices. Several studies have explored how business activities in ancient India were rooted in ethical values, structured organizations, and sustainable trade systems.

Sharma (2010) emphasizes the importance of Kautilya's Arthashastra, an ancient text from the Mauryan period, which explains how the economy and trade were managed by the state. It talks about taxation, pricing, market regulation, and punishments for dishonest practices. This shows that ancient Indian economic thought was highly advanced and detailed, with a clear understanding of how to maintain fair trade and social balance.

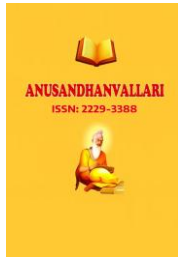
Altekar (2002) studied the guild system (shrenis), which were associations of merchants and craftsmen. These guilds worked like early business communities that set rules for quality control, wages, and ethical trade. They also helped in resolving disputes and providing social security to their members. This kind of self-regulation is similar to today's professional trade organizations and shows that business ethics and cooperation were well developed in ancient India.

Srinivasan (2014) discusses the concept of Dharma (moral duty) in trade. According to Indian traditions, earning wealth (Artha) was a goal of life, but it had to be done honestly and fairly. Traders were expected to avoid cheating, respect customers, and contribute to the community through charity (Dana). These values reflect early ideas of Corporate Social Responsibility (CSR), showing that business was always tied to social responsibility in Indian culture.

Bala (2017) examined India's international trade during ancient times, especially maritime trade with countries in Southeast Asia, Rome, and the Middle East. Ports like Lothal, Bharuch, and Muziris were active centers for export and import. Indian goods such as spices, cotton, and gems were in great demand. This international trade flourished because Indian merchants followed long-term partnerships, product quality, and trust-based relationships.

Mathur (2015) highlighted how Indian traders used simple but effective accounting systems like the Bahi-Khata (traditional ledger book) and Hundi (early credit instrument). These systems helped manage business records and trade credit smoothly without modern technology. This shows that Indian businesspeople had a clear understanding of finance, credit, and risk management.

Iyer (2018) linked these ancient practices with modern sustainable business ideas. He argued that the Indian approach to business focused on long-term well-being, not just profit. By following harmony with nature, fair



wages, and ethical trade, Indian knowledge systems supported sustainable economic development long before such concepts became global.

### **Objectives Of The Study**

1. To study ancient Indian economic thought and its application in trade and commerce.
2. To analyse how values like ethics, sustainability, and community welfare guided business activities.
3. To assess the contemporary relevance of traditional Indian business knowledge.

### **Research Methodology**

This study is based on secondary data, meaning the information has been collected from already existing and published sources. These include historical books, ancient texts like the Arthashastra, academic journals, research articles, government publications, and reports by historians and economists. The research uses a qualitative approach, focusing on understanding how traditional Indian knowledge influenced early business systems. Key concepts such as trade guilds, ethical practices, and indigenous accounting methods were studied and analyzed. By reading and comparing these various sources, the research draws meaningful insights into how business in ancient India was organized and how it connects to today's commerce and management principles.

### **Indian Knowledge System And Business Practices**

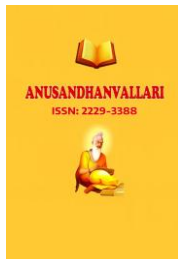
India is one of the world's oldest civilizations, and its business practices are deeply rooted in its cultural, spiritual, and philosophical traditions. The Indian Knowledge System (IKS) refers to the vast body of indigenous knowledge developed over centuries in areas such as philosophy, education, mathematics, science, politics, ethics, and economics. Within this system, business and commerce played a crucial role and were guided by values, community welfare, and discipline. Ancient India had a well-established and organized system of trade, commerce, and industry, much of which was influenced by the teachings found in classical texts like the Arthashastra, Vedas, Manusmriti, and the Mahabharata.

- **Role of Dharma in Business**

A major feature of the Indian Knowledge System is the concept of "Dharma", which means righteousness or duty. In business, this translated into ethical trade practices and social responsibility. Merchants were expected to uphold honesty in transactions, provide fair wages, and contribute to the well-being of society. Profit was not seen as the sole goal of business. Businessmen were also guided by values such as truthfulness, non-exploitation, and generosity. This reflects the Indian idea that wealth (artha) must be earned and used in a morally responsible way. Traders who followed ethical principles were respected and supported by the community, while dishonest practices were discouraged through religious teachings and social norms.

- **The Guild System – Shrenis**

One of the most fascinating parts of ancient Indian business practices is the guild system, also known as "Shrenis." These were professional associations of traders, artisans, or craftsmen who worked in the same field such as weavers, metal workers, potters, or merchants. Shrenis managed everything from training apprentices to setting prices and quality standards. They had their own rules and were often self-governing. The Shrenis provided loans to members, supported families in times of crisis, and maintained discipline within the trade. In many ways, they functioned like today's chambers of commerce, trade unions, or even small banks. They also played a role in



political life by supporting local rulers and sometimes even influenced decisions related to taxation or trade policies.

- **Insights from the Arthashastra**

A valuable source of knowledge about early Indian business practices is the Arthashastra, written by Kautilya. This ancient treatise on politics and economics offers detailed guidance on governance, public finance, taxation, market regulation, agriculture, trade, and international relations. Kautilya emphasized the importance of a well-organized economic system and described how trade should be regulated to prevent fraud, exploitation, and market manipulation. He proposed rules for inspecting goods, setting fair prices, licensing traders, and collecting taxes. His work also recognized the role of the state in promoting economic welfare, ensuring justice, and maintaining law and order in trade. Many of the ideas found in the Arthashastra remain relevant today, especially in the areas of economic planning, public administration, and market regulation.

- **Ancient Accounting Practices**

Another important part of Indian business practices was the early use of accounting and bookkeeping. Merchants used a system called “Lekha-Jokha”, which helped them maintain records of earnings, debts, and payments. Local scripts such as Modi, Kaithi, and Mahajani were used for keeping financial records. In fact, India had developed its own methods for double-entry bookkeeping long before it became popular in Europe. Accounting was not only about numbers it was also linked with trust and reputation. Traders who maintained transparent records and honored their debts were respected and had better chances of expanding their business. Even during medieval times, many Indian trading families used hereditary systems of accounting, passing down this knowledge from one generation to the next.

- **Foreign Trade and Market Systems**

India was an important hub of international trade in ancient times. Historical records show that Indian merchants traded with countries like Rome, Egypt, China, and Southeast Asia. Goods such as spices, textiles, gemstones, ivory, and metal crafts were in high demand. Ports like Lothal, Tamralipti, Bharuch, and Muziris were centers of maritime trade, connecting India with the rest of the world. Indian market systems were highly organized. There were mandis (wholesale markets), haats (weekly village markets), and bazars (retail markets), each serving different functions. Market officials ensured that trade remained fair and efficient. In some towns, markets were divided based on the type of goods like textiles, grains, spices, etc. This level of specialization indicates a deep understanding of supply, demand, and customer preferences.

### **Relevance Of Indian Knowledge System In Today's Business World**

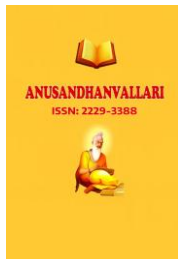
The Indian Knowledge System (IKS) is not just about ancient wisdom. It also offers valuable lessons that are still very useful in the modern business world. Even though business and trade today use advanced technology, global connections, and digital platforms, the core values and principles found in IKS can guide modern businesses to be more ethical, responsible, and sustainable.

1. **Ethical Business Practices**

One of the main ideas in Indian Knowledge System is “Dharma”, which means doing the right thing, especially when dealing with others. In ancient times, traders were taught to be honest, not cheat customers, and avoid harming society. These values are just as important today.

2. **Sustainability and Responsible Use of Resources**

Ancient Indian texts encouraged people to use natural resources wisely. Overuse or misuse was considered wrong. In today's time, when climate change and environmental damage are global concerns, this ancient thinking



becomes very relevant. Modern businesses are now expected to follow sustainable practices – such as reducing pollution, saving energy, and using eco-friendly materials. Many companies now focus on Corporate Social Responsibility (CSR), which is similar to the old Indian idea of being responsible towards society and nature.

### **3. Community-Based Business Models**

The idea of Shrenis (guilds) in ancient India was a form of organized business community. Members supported each other, trained newcomers, and ensured quality of products. These Shrenis helped in self-regulation and ensured fair practices. Today, start-up ecosystems, co-operatives, and trade associations work on a similar idea. They provide mentorship, financial help, and professional support.

### **4. Holistic Leadership and Employee Welfare**

Indian Knowledge Systems promote a balanced leadership style, one that is not just profit-focused but also human-centered. Ancient leaders were expected to care for the welfare of people, including workers and farmers. This applies to businesses today too. Successful modern companies like Tata, Infosys, and others follow this kind of leadership – where they care about employees' growth, safety, and mental well-being. Many Indian firms are now offering mental health support, flexible working hours, and diversity-friendly workplaces.

### **5. Traditional Wisdom in Modern Entrepreneurship**

Entrepreneurs in ancient India were risk-takers, creative thinkers, and value creators – just like modern-day entrepreneurs. Indian markets were global even thousands of years ago, with trade ties to countries like China, Greece, and Rome. This spirit of innovation and trade continues in today's Start-Up India mission. Many modern entrepreneurs are taking inspiration from traditional industries like Ayurveda, organic farming, textiles, and handicrafts. They are using new tools (like e-commerce and digital marketing) to revive and grow ancient business ideas.

### **6. Values-Based Branding**

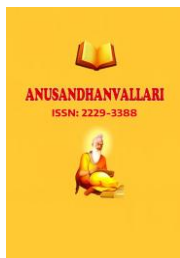
In ancient India, a trader's reputation was his biggest asset. If someone cheated a customer or offered low-quality goods, their reputation would suffer. Today's businesses depend on brand value and once again, trust, ethics, and quality matter most. Companies that follow transparency, customer satisfaction, and social responsibility enjoy stronger brand loyalty. Many brands now promote Indian values like simplicity, wellness (yoga, Ayurveda), and purity, which shows how ancient ideas can help build strong modern brands.

## **Conclusion**

The Indian Knowledge System is full of practical wisdom for business. Whether it is ethical trade, caring for nature, respecting employees, or building trust. All these ideas are timeless. In today's world of fast-changing markets and digital competition, these traditional values help businesses remain grounded, responsible, and people-friendly. IKS teaches that a good business is not only about profits it is about serving others, being honest, and creating long-term value. This makes IKS not just relevant, but necessary, in shaping the future of business in India and around the world.

## **Implications Of The Study**

This study highlights that Indian Knowledge Systems (IKS) offer valuable guidance for modern businesses by promoting ethical values, community welfare, and sustainable practices. Ancient Indian texts like the Arthashastra, along with traditional trade practices, teach that business is not just about profit but also about social responsibility and long-term balance. These principles can help companies build trust, maintain strong relationships with stakeholders, and operate more responsibly. Integrating IKS into current business practices encourages ethical



leadership, transparency, and mindful decision-making. The study also suggests that educational institutions should include Indian business philosophy in their management and commerce courses to help students develop a well-rounded and value-driven approach. For policymakers and industry leaders, this knowledge provides a foundation to design business strategies and regulations that are culturally rooted and socially inclusive. It encourages the development of an Indian model of management that blends traditional wisdom with modern innovation. This approach can support sustainable development, improve public trust in businesses, and create a competitive edge in both domestic and global markets. Therefore, the Indian Knowledge System remains highly relevant today and can positively shape the way businesses grow and contribute to society.

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