

Name: _____ Date: _____

From Trade to Territory

Q1. How did the East India Company begin trade in Bengal?

Ans. _____



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- i. The first English factory was set up on the banks of the river Hugli in 1651. This was the base from which the Company's traders, known at that time as "factors", operated. The factory had a warehouse where goods for export were stored, and it had offices where Company officials sat.
- ii. As trade expanded, the Company persuaded merchants and traders to come and settle near the factory. By 1696 it began building a fort around the settlement.
- iii. Two years later it bribed Mughal officials into giving the Company zamindari rights over three villages. One of these was Kalikata, which later grew into the city of Calcutta or Kolkata as it is known today. It also persuaded the Mughal emperor Aurangzeb to issue a farman granting the Company the right to trade duty free.