Indian merchants had a significant presence in Iran and Central Asia during the seventeenth and eighteenth centuries. This chapter will examine the nature of their commercial activity and show how the Indian merchants constituted an important element of the economic life of the region. It will also study the relationship between the Indian Diaspora and the rulers of Iran and Central Asia to find out the extent to which the business of the Indians was facilitated by state policy. The chapter will also look at some facets of the social life of the Indian Diaspora.

Iran

Safavid Iran had a large population of Indian merchants residing in its cities. Several travellers have noted their presence. The Russian merchant Kotov, who visited Iran in the 1620's mentions that Multani merchants lived and traded in Isfahan. Some of them were Muslims while others were worshippers of the sun. All of them wore white cotton cloths. He described their faces as 'bloodless and
lean and dark'. According to the Englishman John Fryer, Jews, Baniyas and Armenians resided in 'all the cities of Persia.'

It is not known as to when exactly did Indian merchants start settling in Iran though it is clear that they had been visiting its ports since at least the early medieval times. Ibn Batuta refers to Indians being present in the port of Hurmuz in the fourteenth century. According to one source the Indians merchants managed to secure permission to settle down in Iran by bribing Shah Abbas' successor, Shah Safi but this was not the case since travellers who visited Iran during Shah Abbas' reign also refer to the Indian presence in Isfahan.

Though Isfahan, the Safavid capital was the focal point of the Indian Diaspora, they were established in other cities too. Their colony at Shiraz was the second largest after that at the capital. Around 200 Indian merchants resided in the northern city of Shamakhi in the late seventeenth century where they occupied the best sarays. A small number of them lived in the nearby city of Ardebil. Indian merchants were present in the city of Kazwin, famous for its silks and carpets, in the mid-sixteenth century. They were also regular visitors to Kashan, which was described by sixteenth century English visitor as enjoying the 'best

1 Kemp, Russian Travellers, p 36-37.
6 P.M. Kemp, Bharat Rus: An Introduction to Indo-Russian Contacts and Travels from Medieval Times to the October Revolution, New Delhi: Iscus 1958, p 67.
7 Cornelius Le Bruyn, Travels, Vol I, p 141; Rudolph Mathee, The Politics of Trade in Safavid Iran, p 44.
8 Morgan and Coote, edited, Early Voyages and Travels to Russia and Persia, vol 1, p 149.
trade of all the lande.' 9 According to Le Bruyn, the saray occupied by the Indians in Kashan was large and beautiful.10 Describing the trade of the city in the 1630s, Olearius says 'There is in this city, at all times, a great number of foreign merchants and above all Indians, who are assigned there a particular place for their habitations and traffic.'11

That the Indian population in Iran had become very large by the seventeenth century is a fact mentioned by various sources. In a petition written to the Russian authorities, an Indian merchant who traded between Iran and Russia said that ten thousand of his countrymen lived in Iran 'permanently'.12 The French Jeweller Tavernier and the Dutch traveller Olearius mention that Ten to Twelve Thousand Indians lived in Isfahan alone while according to Thevenot the Indian population was Fifteen Thousand.13

The commerce of the Indians was mainly based upon the sale of Indian textiles that were sold in the streets in a manner that an English factor described as 'unmerchantlike.'14 The Saray allotted to the Indians in Shiraz was full of

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14 Ferrier, 'An English view of Persian Trade in 1618', p 192.
merchants with textiles.\textsuperscript{15} Multani Merchants were so closely identified with textiles that they were known as ‘bazzaze’, the Persian term for cloth merchant.\textsuperscript{16}

Another important aspect of the Indian merchant community’s economic function was that of money-lending. In fact some of the sources assert that usury was the only occupation of the Indians. \textsuperscript{17} Tavernier praises the financial skills of the Indians in the following words “They are all bankers and very knowing in money. The greatest part of the money of the Principal money’d man of Ispahan is in their hands for Improvements Sake. So that if you want a considerable sum, you may have it the next day upon good security and paying a severe Interest which those Banians will squeeze up sometimes upto 18\%.”\textsuperscript{18} Le Bruyn, notes

“the chief of them are possessed of great wealth, and yet work like slaves to heap up immense and useless riches, without any regard to honour or decency, insomuch that the most wealthy of them shall not think much to run up and down tho it were but to earn a poor penny. There are some of them, and the most considerable too, who are brokers and in that quality serve the English and Dutch East India Companies, whose favour and good graces they by all means endeavour to obtain, that they may enjoy their protection and get by them. Upon the whole they are very much trusted,

\textsuperscript{15} Fryer, \textit{A New Account}, vol 2, p 250.
\textsuperscript{17} Thevenot, \textit{The Travels of Monsieur Thevenot}, p 111.
\textsuperscript{18} Tavernier, \textit{Reflections of Travels}, p160.
and it is no uncommon thing for them to have cash of these companies in their hands.\textsuperscript{19}

Many contemporary observers were critical of the money lending activities of the Indians. Sir John Chardin calls them “true blood suckers (who) draw all the gold and silver out of the country and send it to their own.”\textsuperscript{20} Another observer, writing in the 1680's noted that the tendency of the ‘Baniyas’ to monopolize and hoard money had led to shortage of currency available in the market.\textsuperscript{21}

Dale has argued that the characterization of Indians as usurers who drained scarce capital out of Iran is a misrepresentation of the situation. In his view the two activities, money-lending and sale of textiles were inter-related with the profits derived from the latter being used for the former. He also suggests that the social disapproval of usury among Muslims might have prevented Iranian merchants from engaging in it whereas the banking and money-lending activities of Indian traders were not discouraged by such inhibitions.\textsuperscript{22}

The credit drawn from the Indian merchant was often utilized by the English and the Dutch Companies. When the former required money in the early Eighteenth century in order to make payments at the court, they borrowed it from

\textsuperscript{19} Cornelius Le Bruyn, \textit{Travels}, Vol 1, p 244.
\textsuperscript{21} Kemp, \textit{Bharat Rus}, p 73.
\textsuperscript{22} Dale, \textit{Indian Merchants}, p 69-74.
Indian brokers. 23 The Indians of Isfahan also dealt in money-changing. Foreign merchants wanting to buy local goods had to convert their gold Ducats into silver mahmudis. The Baniyas, according to a Dutch Report, made profit by giving a low rate for the ducats bought. But when it came to selling ducats they asked for much higher rates. 24

The Safavid rulers granted to the Indian merchants freedom to pursue their religious traditions. Kotov observed that the Hindus of Isfahan cremated their dead outside the city and scattered their ashes. 25 Tavernier recorded that the ‘Banians’ were distinguished by a ‘yellow mark made with saffron upon top of their forehead’. 26 De Bruyn saw the Baniyas gathering every April at a mountain near Isfahan to celebrate a festival held in honour of a ‘hermit’ who used to reside at the site. He also noted the Indian community’s strict adherence to the principal of inviolability of life. 27 The Indian community was not the only one that was free to practise its religion without any restriction. Other minority groups like the Armenians and the Jews also enjoyed this privilege. 28

From the late seventeenth and early eighteenth century the political situation in Iran began to worsen. By 1715-16, the Afghan Ghilzai tribe, living in

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23 Lawrence Lockhart, *The Fall of the Safavi Dynasty*, p 401.
the region of Kandahar had thrown off their allegiance to the Safavids and had become independent. In 1722 they sacked Isfahan. The siege lasting for six months was disastrous for its inhabitants. In all 20,000 Isfahanis were killed while around 80,000 died of disease and starvation. Those who escaped fled to India and Turkey. Depopulated and ruined, Isfahan's trade was reduced considerably.

The Indian merchants of Isfahan went through a great deal of hardship in this period. A large financial burden was imposed on them and on their failure to meet it fully they were subject to harassment. Many of them left Iran for India and other places. Several residents of Shiraz including the Banias were killed by the Afghans in the 1720's. During the reign of Nadir Shah too conditions continued to be difficult. Galitzen, the Russian ambassador to Nadir Shah's court mentioned that earlier many Indians and Armenians used to live in Baku from where they exported silk but since then their commerce had declined. When the ambassador reached Shemakhie, a city described by him as being more prosperous than Darband and Baku, the convoy of Persian soldiers accompanying him resorted to

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29 Lambton, 'Isfahan', p 104.
30 Lambton, 'Isfahan', p 104.
31 J. Hanway, An Historical Account of the British Trade over the Caspian Sea: with a Journal of Travels through Russia into Persia...to which are added, The Revolution of Persia during the Present Century, with the Particular History of the Great Usurper Nadir Kouli, London 1753, Vol 1, p 156.
32 Scott Levy, Indian Diaspora, p 168.
34 Hanway, Historical Account, Vol 1, p 377-8.
plunder of the shops owned by the Indian, Armenian and local merchants. Many of them were forced to close down their shops.\textsuperscript{35}

One way in which the Indians responded to the situation was by migrating to Russia. Thirty one of them arrived in Astrakhan and Baku in 1741. According to them the insecurity of life and imposition of commercial restrictions had made them leave Iran\textsuperscript{36}.

The unsettled political environment of Iran did not lead to an end of the Indian presence in Iran. Considerable number of Indians were said to reside in Mashhad, the capital of Nadir shah's Empire.\textsuperscript{37} The Indian Diaspora continued to be present in various other cities too. George Forster who travelled overland from India to England in the 1780's was told that a hundred families from Multan and Jaisalmer lived in the town of Tirshiz, near Mashhad. He also noted that 'small companies' of Hindus were settled in Murshed, Yezd, Kashan, Kazwin and in some of the Caspian Sea ports apart from the larger groups that lived in the towns of the Persian Gulf and engaged in maritime trade.\textsuperscript{38} Another account from the same period records Indians living in a caravan-saray in Shiraz.\textsuperscript{39}

By the early nineteenth century, however, Indian presence in Iran appears to have had declined considerably. According to Kinneir, only nine Hindus resided in Yezd. A larger number used to live there earlier but they had fled to Kandahar.

\textsuperscript{35} Hanway, \textit{Historical Account}, Vol 1, p 267.
\textsuperscript{36} Gopal, 'Trading activities of Indians in Russia in the eighteenth century,' p 146.
\textsuperscript{37} Account of Van Mierop in Hanway, \textit{Historical Account}, vol 1, p 295.
\textsuperscript{38} Forster, \textit{A Journey}, Vol 2, p 166.
\textsuperscript{39} William Francklin, \textit{Observations made on a Tour from Bengal to Persia in the year 1786-7}, London T.Cadell 1790, p 59.
as a result of oppression of the governor of the city.\textsuperscript{40} The city of Kirman, situated on the road from Northern Persia to the port of Bandar Abbas or Gombroon no longer had any Hindu and Armenian residents although a few people belonging to the two communities visited it frequently. The disappearance of the two famous mercantile communities from the city was caused by the decline in trade on account of the growing importance of the port of Abushehr and the consequent decay of Bandar Abbas.\textsuperscript{41}

That the Indian presence in Iran was no longer substantial is also suggested by James Fraser who could find only two ‘petty traders’ from the neighbourhood of Kandahar in Mashhad in 1821-22. He writes that this was not the case earlier when several Hindus used to reside in the city but they had been forced to flee due to ‘oppression’ and the country’s ‘distracted state’.\textsuperscript{42}

\textbf{Central Asia}

Contacts between India and Central Asia have existed since ancient times. Indian merchants were responsible for the spread of Buddhism into Central Asia. We know that Indians were among the prominent visitors to Samarkand in the fourteenth century.\textsuperscript{43} It is well known that Timur had taken Indian craftsmen to

\textsuperscript{40} Kinneir, \textit{A Geographical Memoir}, p 114.
\textsuperscript{41} Henry Pottinger, \textit{Travels in Beloochistan and Sind}, p 225.
\textsuperscript{42} James Fraser, \textit{Narrative of a Journal into Khorasan in the years 1821 and 1822}, Delhi Oxford University Press 1984, p 481-2.
\textsuperscript{43} Muzaffar Alam, ‘Trade, State Policy’, p 203.
embellish and adorn the buildings of Samarkand. It was probably the colony of these craftsmen that Ruy Gonzalez saw during his stay in the city.\textsuperscript{44} The Englishman Alexander Jenkinson met Indian traders in Bokhara in the mid-sixteenth century. According to him, they had come 'from the farthest part of India, even from the country of Bengala and the river Ganges.' He tried to trade with them but did not succeed as they were not interested in taking cloth from him. He noted that the Indians used to stay for two to three years in Bokhara in order to sell their goods.\textsuperscript{45}

By the Sixteenth century Indian merchants had started settling down and owning property in the cities of Central Asia. This is proved by contemporary documents from Bukhara and Samarkand. A merchant by the name of Darya Khan Multani is mentioned several times in these documents. He was involved in the textile business and he seems to have been quite rich as several craftsmen, also Multanis had taken loans in cash and kind from him. We also find mention of a Khwaja Ibrahim Multani who is described as owning property in Samarkand\textsuperscript{46} Indian merchants were also present in Tashkent.\textsuperscript{47} During the reign of Imam Quli Khan(1611-41)Hindu traders occupied an entire sub-division of the city of Bukhara. The Uzbek state must have played an important role in the settlement of Indians in its territories. In the early nineteenth century when William Moorcroft

\textsuperscript{44} Clavijo, \textit{Embassy to Tamerlane}, p 165.


\textsuperscript{46} Gopal, 'Indians in Central Asia,' p 225.

\textsuperscript{47} Gopal, 'Indians in Central Asia,' p 225.
visited the town of Yangi Arekh near Kondooz he noted that it had been founded in the latter half of the sixteenth century by Abdullah Khan the Uzbek ruler who had induced many Indians to settle here.48

The presence of merchants from Multan in Turan is not surprising when one considers the city's long history of involvement in the long distance caravan trade. Even in the fourteenth century the Multanis were known to be significant players in the trade.49 Apart from the Multanis, traders from other parts of the subcontinent participated in the Central Asian trade. We have already noted the presence of Bengali traders in Bokhara.50 Merchants from Deccan and the Gujarat also travelled to Khorasan, Transoxiana and Turkistan in the sixteenth century.51 While merchants from the farther parts of the country may have visited Turan, they are less likely to have settled there. However, Marwari merchants, who are mentioned in the Russian documents as being residents of Astrakhan in the eighteenth century, may also have had settled in Central Asia.

During the seventeenth century Indian merchants had a significant presence in various Uzbek cities like Bukhara, Balkh, Qunduz, Samarkand, Taliqan, Termez etc.52 But there is no information on the numerical size of the Indian Diaspora in Turan during this period. Estimates of the number of Indian merchants living in Central Asia are available from the eighteenth and nineteenth centuries. According

50 Jenkinson, Purchas, Vol XII, p 24.
51 Haidar, Indo Central Asian contacts, p 259.
to the information provided to the Russian authorities by an Indian merchant in Astrakhan in 1736, there were three hundred Indians then living in Bokhara. An early nineteenth century visitor noted that considerable number of Hindus lived in the city. Mohanlal’s remark that Hindus occupied most of Bokhara’s sarays suggests that they were a large group. Burnes estimated the Indian population of Bokhara to be around 300 but he also noted that the strength of the Indian community had increased in the last few years. The same figure is provided by Baron Von Meyendorff, who visited Bokhara in 1820 and described it as ‘a populous town, carrying on extensive trade’. He recorded that most of the recent Indian migrants to the city were from Multan and Kabul. He also mentions the Kashmiris as a separate group. Moorcroft noted that settlements of Indian merchant existed in Balkh, Kholoom and Yangi Arekh but he does not provide information about their size. Around the same period, Twenty Indians resided in the city of Khokand, situated in the Farghana valley. Several Kashmiri merchants were also settled there. Indian merchants did not restrict their presence to towns; they were to be found doing business in villages too. A visitor, Josiah Harlan

53 Dale, Indian Merchants, p 57.
54 Mir Izzat Ullah, Travels in Central Asia by Meer Izzat Ullah in the years 1812-13, translated by Captain Henderson, Calcutta 1872, p 64.
55 Burnes, Travels into Bokhara, Vol 1, p 275, 285.
remarked that ‘wherever there is a bazaar Hindus are a necessary part of the establishment.’ 59

While some of the Indian residents of Bokhara and other Central Asian cities are known to have owned residential property in the sixteenth and seventeenth centuries early nineteenth century sources describe them as residents of sarays. The change in the nature of Indian presence is clear from Mir Izzat Ullah’s observation that the Indians did not settle down in Bokhara but stayed for a year or two before going back to India with the profits derived from the sale of Indian goods. 60 Mohammad Hafiz Fazil Khan also noted that Indians did not own houses in Bokhara. 61

Scott Levy has argued that while the Indian merchants living in Central Asia were engaged in a variety of economic activities like money lending, wholesale and retail trade and long distance commerce, money lending held a more important place in their portfolio in comparison to the sale of goods. Caste oriented family firms sent their agents to Turan with textiles, the sale of which provided the capital for investing in money-lending. There were three reasons for the supremacy of the Indians in this activity. Firstly, unlike the Armenians and the Jews who confined themselves to trade, Indians dealt in both trade and money lending. Secondly, there was no social disapproval of money lending in India as was the case in the Islamic region. Thirdly, the Indians possessed vast amounts of

60 Mir Izzat Ullah. *Travels*, p 64.
capital. The Indian moneylenders provided credit to various sections of Turanian society like peasants, artisans, soldiers, etc.\(^{62}\)

It must be pointed out that Levi's conclusion is based on late nineteenth century information while earlier sources do not generally represent the Indians as moneylenders. Both Hafiz Muhammad Khan and Mir Izzat Ullah who were in Bukhara in 1812-3 describe the Indians as being engaged in trade. Moorcroft notes that the Indians living in Balkh and Kholoom functioned as shopkeepers. Those settled in the latter city also performed the task of moneylending. Burnes who had met the Indian residents of Bukhara does not say anything about their money lending activities. On the other hand Arminius Vambery, in the mid-nineteenth century, noted that the Indians practiced usury everywhere in Bukhara.\(^{63}\) It would be reasonable to conclude that the Indians living in Central Asia like the Baniyas of Isfahan engaged in both trade and money-lending. They were also the only merchant community of Bokhara that issued hundis for transfer of money. These bills were often used by travellers in order to avoid carrying cash on the roads although they had to pay a heavy commission for the facility.\(^{64}\)

Considering the importance of the Indian merchants it is not surprising that the state valued their presence and sought to protect them from any harm. For instance, during the reign of Imam Quli Khan (1611-41), an Indian Jeweller

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\(^{64}\) Mir Izzat Ullah, *Travels*, p 69.
complained that he had been robbed. Swift action was taken and the stolen property was restored to him. 65 A writer of the eighteenth century complained that the state sided with the Hindus in disputes involving them and the Muslims. 66 While in Kabul, Elphinstone noted that the Indians were 'encouraged' in Bukhara. 67 The leader of the Indians (aqsaqal) was granted freedom to manage the affairs of the community.

While the Indian merchants living in Central Asia were not subject to any restrictions on their business, there existed certain limits to the degree of social and religious freedom enjoyed by them. Burnes reported that the Hindus of Bokhara were prohibited from walking in procession and building temples. They were also required to pay the Jaziyah. They were to refrain from abusing Muslims and buying female slaves. They were required to wear a special cap so that their religious identity could be known to all. Another restriction impose upon them was that they were not allowed to ride on horses inside the city. 68 His companion Mohanlal writes that the Hindus and the Jews were prohibited from tying any cloth around their waists. They were also subject to abuse by the Muslims. If any Hindu wanted to marry a Muslim girl, he had to convert to Islam first. 69 These restrictions must be seen along the freedom given to the Hindus to use some rooms

66 Mir Muhammad Amin Bukhari, Ubaydallah-Nama, cited in Scott levy, The Indian Diaspora, p 148.
68 Burnes, Travels, Vol 2, p 274, 285-6; Moorcroft noted that the Hindus of Balkh used to apply the traditional sandalwood mark on their forehead. Travels, Vol 2, p 494.
69 Mohan Lal, Travel, p 76-7.
in their Sarays for the purpose of performing worship as is mentioned in other
tenenteenth century sources. Moorcroft noted that the Hindus used to apply the
traditional sandalwood mark on their forehead. As in Iran, the Hindu merchants
were allowed the practise of cremation. It was only during the 1830's that this
practise was prohibited in Bukhara. According to one source, the Hindus had left
the city in reaction to this measure. This abandonment, if it happened at all, must
have been temporary as subsequent sources refer to the Indian presence in the city.
The Indians enjoyed legal equality with the residents of Bokhara. There was also
no pressure on them to convert to Islam. The Indians did not have any complaints
regarding their position and were grateful for the freedom granted to them to carry
on their business.

Afghanistan

As noted earlier Kabul was the focal point of the trade with central Asia.
Babar's mention of Hindi being one of the languages spoken in Kabul suggests
that there was an Indian presence in the city. Around the mid-seventeenth
century, Thevenot noted that a large Hindu community resided in Kabul. Indian
merchants were also a common sight in Kandahar. By the next century, Hindu
merchants had spread throughout the Afghan region. A large number of them

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70 Moorcroft, Travels, Vol 2, p 494.
71 Vigne, Personal Narrative, p 165.
72 Burnes, Travels, Vol 2, p 283-6. The Indians were also allowed to use tobacco, a privilege not
allowed to the local Muslim population. Mohan Lal, Travel, p 75.
73 Babar, Baburnama, p 207.
74 Thevenot, Indian Travels, p 81.
were found residing in the towns where they were engaged in trade, brokerage, banking, etc. Even small villages had a few Hindus dealing in the above mentioned professions and in money-changing and accounting. In Kabul the financial matters of the government were entrusted to the care of the Hindus. They forwarded revenue from the provinces to the capital. Their other responsibilities included looking after the finances of the nobility. They also dominated most of the business of the city. Mohan Lal estimated that Two Thousand Hindus lived in Kabul. Unlike the case of Central Asia and Iran where the Indian merchants lived by themselves, those living in Kabul had brought their families along. Burnes recorded that there were Three Hundred Hindu families living in Kabul.

According to Forster many families of Multanis and Marwaris were settled in late eighteenth century Kandahar. He praises them for their contribution in promoting the trade of the city. He adds ‘the extensive range of shops occupied by Hindu traders, with the ease and the contentment expressed in their deportment, affords a fair testimony of their enjoying at Kandahar, liberty and protection’ The Indians were also present in Ghuzni where they owned prominent houses.

The town of Herat, situated at the interjection of roads from India, Turkistan and Iran, had 100 Hindu families engaged in money-lending and

78 Mohan Lal, *Travel*, p 44.
commerce in the late eighteenth century.\textsuperscript{82} Captain Christie, visiting Herat in 1810, estimated the number of Hindus to be around 600. He noted that since they were the only community possessing capital, they enjoyed influence with the government\textsuperscript{83} Arthur Connolly, who was present in the city in the 1830s reckoned the number of Indians to be around a thousand. He noted that a few of them lived in a saray owned by them while the rest dwelled in houses. Some of them functioned as shopkeepers while others were engaged in trade. Most of the Indians were rich and were therefore disliked by the local people.\textsuperscript{84}

The Indian merchants enjoyed a fair degree of toleration in the Durrani Empire. Comparing their situation with that of the residents of British India, Forster says'...and they enjoy under the Afghan government, a liberty and protection, little short of that experienced by the inhabitants of our Indian possessions.'\textsuperscript{85} Elphinstone mentions that while the Hindus were not allowed to organise religious processions, they were free to pursue their religion in private and their temples were not harmed. The Afghans regarded the Hindus as impure and did not eat food touched by them. The Hindus were, however, not subject to any ill treatment and the Afghans had no reservations in entrusting them with responsibility. Elsewhere, he writes that the Indians had given up their rigid notions of pollution and did not feel necessary to take a bath in case they happened

\textsuperscript{82} Forster, \textit{A Journey}, Vol 2, p 134-5.
\textsuperscript{83} 'Abstract of Captain Christie's Journal' in Henry Pottinger, \textit{Travels in Beloochistan and Sind} , p 415.
\textsuperscript{84} Arthur Connolly, \textit{Journey to the North of India over land from England through Russia, Persia, and Afghanistan}, London 1838, Vol 2, p 44-5.
\textsuperscript{85} Forster, \textit{A Journey}, Vol 2, p 73.
to be touched by a Muslim. They also ate bread baked at a common oven and
freely interacted with the Afghans although they were subject to ridicule due to
‘their timidity, their craft, and their parsimony.’ 86 Another testimony of the liberal
conditions under which the Indian merchants lived in the Afghan state comes from
Lewis Pelly, a mid-nineteenth century traveller who observed that the Hindus had
held a burial-ground in Herat for the last 100 years. 87

The identity of the Diaspora; Multanis and Shikarpuris

We have seen that our sources from the sixteenth to the eighteenth century
refer to the Indians living in Iran and Central Asia as ‘Multanis’. From the early
nineteenth century, however, the designation ‘Multani’ is replaced by
‘Shikarpuri’. 88 Markovits has suggested that there existed two separate networks,
one centred in Multan and the other based in the town of Shikarpur, situated in
Upper Sind. The latter became important from the time of the incorporation of the
city into the Durrani Empire around the mid eighteenth century. As Shikarpur lay
on the Bolan Pass route connecting Kandahar, the Durrani capital with Northern
India, its trade was encouraged while that of Multan suffered. He supports the
view that the Shikarpuri merchants had financed Ahmad Shah’s campaigns into

86 Elphinstone. *An account*, Vol 1, p 318, 503; By the 1820s the position of the Indian merchants
living in Kandahar had worsened. The Barakzye chiefs who then ruled over the city regularly
extorted money from them. The policy of these chiefs towards traders in general was harsh.
87 Lewis Pelly. *Journey from Persia to India through Herat and Qandhar*, p 57.
88 Mir Izzatullah. *Travels in Central Asia*, p 64-5; Hafiz Muhammad Fazil Khan. *The Uzbek
251,268.
Northern India and were subsequently rewarded with part of the loot. Markovits
does concede that there was migration of merchants from Multan, and other places
like Rajasthan, Gujarat, Afghanistan and Iran to Shikarpur. Markovits’
hypothesis is contested by Scott Levi who supports the version given by Charles
Masson in the early nineteenth century that there was a large scale shift of
merchants from Multan to Shikarpur as a result of the disturbed conditions of
Punjab. The migration was promoted by Ahmad Shah’s successor Timur Shah
who assured the Hindu merchants that they would be free to conduct their business
without any fear from extortion by the state. Merchants from the port of Thatta
also relocated to Shikarpur in order to take advantage of the commercial
opportunities available there.

The Indian Diaspora continued to operate as before from its new base of
Shikarpur. Mohan Lal observed that “its inhabitants, who are for the most part
khatris, have spread themselves in almost all the regions of Central Asia, whence
they return loaded with gains to their families at Shikarpur”. Burnes speaks of

Bukhara to Panama, Cambridge 2000, p 37-8, 60-3.
90 Scott Levy, The Indian Diaspora, p 112-9; Charles Masson, Narrative of Various Journeys, p
333.
91 S.P. Chabani, Economic conditions in Sind, 1592 to 1843, Bombay 1951, p 63, cited in Iqbal
Ahmed Memon ‘Shikarpur: The eighteenth Century Commercial emporium of Asia’, in, Studies on
on Shikarpur,’ in Selections from the Records of the Bombay Government, No xvii- New Series,
edited by R. Hughes Thomas, Karachi Karimsons 1979Reprint, Vol 1, p 25. Nasir Khan, the ruler
of Baluchistan from 1739 to 1793 also induced Hindu merchants to settle in Kelat, his capital. He
granted them religious freedom and the right to levy a toll of one Rupee on every camel load of
goods for the maintenance of a temple and the Brahmins of the city, Pottinger, Travels, p 281.
93 Mohan Lal, Travel, p 268.
eight agency houses of the Shikarpuris located in Kabul. He also noted that agents of the Shikarpuri merchants were to be found from Astrakhan in the west to Calcutta in the east. The places where the Shikarpuri agents were stationed were Muscat, Bandar Abbas, Yezd, Mashhad, Astrakhan, Bukhara, Samarkand, Yarkand, Khokand, Kundooz, Kholoom, Kandahar, Kabul, Ghazni, Peshawar, Dera Ismael Khan, Dera Ghazi Khan, Multan, Bahawalpur, Amritsar, Jaipur, Jaisalmer, Bombay, Hyderabad, Karachi and Kelat. The Shikarpuri bills of exchange were negotiable in all these places. Shikarpur was mainly a financial centre and was not of much importance as a manufacturing town. Mohan Lal writes that the trade between Bukhara and Multan was in the hands of the Shikarpuris and the Lohanis but he does not specify their exact role. Markovits believes that the Shikarpuris acted as middleman between silk merchants of Bukhara and buyers in India.

The Indian Diaspora in Russia

It was from Iran that Indian merchants began to travel northward towards Russia. Though contact between India and Russia had existed since many centuries, it was probably from the seventeenth century onwards that Indian merchants established permanent residence in Russia. Astrakhan, the Caspian Sea

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94 Burnes, Travels, Vol 1, p 169.
95 Alexander Burnes, Cabool: Being a personal Narrative of a journey to and residence in that city in the years 1836, 7, and 8, London John Murray 1842, p 54-9.
96 Mohan Lal, Travel in the Punjab, Afghanistan and Turkistan , p 240.
port conquered by Russia in 1556 and which became the site of her trade with Iran and Central Asia was the focal point of the Indian Diaspora in Russia. According to official Russian Documents, it was first visited by Indian merchants in 1615-16. Kemp feels that this date refers to the re-establishment of Indian presence in the city after Russian occupation or the establishment of a 'more permanent Indian settlement.' By 1625 the Indian population was large enough to have its own caravanserai. In the 1630s the Dutch ambassadors to the Safavid court were invited to a feast by a Persian merchant in Astrakhan where they met some Indian merchants who were accompanied by two Russian interpreters. Encouraged by a fellow merchant's account of favourable treatment by the Russian authorities twenty-five Indians arrived in Astrakhan from India in 1647.

The Russian government's eagerness to welcome foreign traders to Astrakhan was prompted by its shortage of cash and the weakness of its mercantile class. Various measures were taken to encourage Asian merchants to settle in the port-city. An Indian trader named Sutur once asked for a loan of 4000 roubles so that he could return to Astrakhan (from Moscow where he had been residing). On another occasion the military commander of Astrakhan was asked to seek

98 Kemp, Bharat Rus, p 70.
99 Kemp, Bharat Rus, p 71.
100 Olearius, Voyages and Travels, p 132.
101 February 1647-Deposition of Indian trader Sutur in the Foreign Department about the commerce of Indians in Astrakhan and about measures for expanding commerce of Russia with India, Surendra Gopal, Indians in Russia, p 29.
102 Dale, Indian merchants, p 86-88.
103 1647, not later than 12 April-Petition of Indian trader Sutur about the grant of a loan of 4000 roubles, Surendra Gopal, Indians in Russia, p 32-33.
the assistance of the Persian envoy for recovering a loan taken by two Persian traders from Sutur. In 1647 an official was dismissed for causing difficulties to the Indians. The Governor of Astrakhan was instructed to hold them in high favour and to give protection to them.

The arrival of Indian merchants to Astrakhan took place at a time when the Russian government was making efforts to increase its knowledge about India and to establish contacts with it. Four missions were dispatched between 1646 and 1695 but only the last one could make it to India. Indian merchants of Astrakhan were once asked to provide information about the routes to India and the Russian goods in demand there.

The commerce of the Indian merchants in Russia was based upon the sale of Indian and Iranian textiles and silk obtained through their relations and agents in Iran and in the Caspian Sea ports. In return they purchased Russian and European goods like leather, fur, broad cloth, metal products, mirrors, etc for sale in Iran.
Though kinship lies linked the Indian merchants with each other and with their agents in Iran they also did business with non-Indians. The reason for the increased employment of Russians, Armenians, etc. as agents in the eighteenth century was the fact that the latter were exempt from paying extra duties that were levied on the Indians.\textsuperscript{110} Joint ventures were undertaken in which both sides invested capital. For instance in 1725, two Armenian merchants invested 4300 roubles of their own and borrowed 8600 roubles from three Indians. They promised to sell the goods bought from this sum and to divide the profits in the ratio of 4:5.\textsuperscript{111} In another type of contract the Indians provided the capital while the task of selling the goods was entrusted to others. Thus in 1725 two Bukharan residents of Astrakhan borrowed 2000 Rubles from two Indians for the purpose of buying goods that were to be sold in Bukhara. Profits were to be divided in three parts with two going to the Indians and one to the Bukharans\textsuperscript{112}. Tatars were frequently employed in this way for trading in the territory of the Kalmuk Turks.

Like their fellow-countrymen living in Iran, the Indians of Astrakhan were also engaged in money lending. According to Kemp, usury was a part of their

\textsuperscript{110} Gopal, 'Trading activities of Indians in Russia,' p 143.
\textsuperscript{111} 1725- An extract from a ledger of receipts in the Astrakhan Public Notary Office: entries of loans and trading operations contracted between the Indian merchants and the residents of Astrakhan and other towns and villages, Gopal, Indians in Russia, p 159.
\textsuperscript{112} Gopal, Indians in Russia, p 158.
\textsuperscript{113} Gopal, Indians in Russia, p 155.
business from the beginning.\textsuperscript{114} Surendra Gopal, however, feels that the Indians shifted to money-lending in the eighteen century due to the increasing restrictions on their trade.\textsuperscript{115} Dale suggests that money-lending was another aspect of the Indian merchants "multi faceted complex of economic activities" which arose due to their efficiency in capital accumulation.\textsuperscript{116}

The amount given in loans varied from a few roubles to much larger sums. The borrowers were men engaged in various professions. In 1724 Ignatii Lukoyanov, a gardener and Andrei Vasilev borrowed a sum of 215 Roubles from ‘Marwari Baraev’. They promised to return the sum in three months.\textsuperscript{117} Similarly a peasant named Grigori Dmitriev took a loan of 324 Roubles from Fatichana Chyugerov and Marwari Barayev.\textsuperscript{118}

The interest rate on the loans is not mentioned in the documents. In a report written by the governor of Astrakhan in 1744, it was claimed that the Indian, Armenian and Russian merchants were lending money at rates ranging from twenty to fifty percent.\textsuperscript{119} The success of Indian and other foreign merchants was resented by the Russian merchants and traders who, from the 1640’s, began a campaign to curb the privileges given to them. The Tsar responded by taking back

\textsuperscript{114} Kemp, \textit{Bharat Rus.}, p 83.
\textsuperscript{115} Gopal, ‘Indian Traders in Russia in the Seventeenth century’, p 466.
\textsuperscript{117} 1724 –An Extract from a ledger of receipts in the Astrakhan Public Notary office: entries concerning loans contracted between the Indian merchants and the residents of Astrakhan and of other towns and villages. Gopal, \textit{Indians in Russia}, p 152-3.
\textsuperscript{118} Gopal, \textit{Indians in Russia}, p 153.
\textsuperscript{119} 16 August 1744– A report to the senate by V.N.Tatischev, the Governor of Astrakhan concerning the proposal for ending the practice of usury followed by the Indian, Armenian and Russian merchants in Astrakhan. Gopal, \textit{Indians in Russia}, p 207.
the commercial freedom that had been granted to the English. In 1665 a regulation was passed which instructed Indian, Armenian and Persian merchants to restrict themselves to wholesale trade in Moscow. Two years later, all foreign traders were restricted to border cities and were prohibited from retail trade. In case they wanted to travel inland they were required to pay double the usual customs duties. Purchase of bullion for export was forbidden. Few years later the Asian merchants were ordered to keep their goods only in the shops allotted to them in the new market place which was to be regularly inspected to ensure that they were not taken away without payment of duties.

The Regulations did not succeed in suppressing Indian enterprise. Indians continued to pursue their business either by bypassing the restrictions or by obtaining special exemptions. The size and prosperity of the community continued to grow. More than 100 Indian merchants were living in Astrakhan in the 1670’s and 1680’s. The French traveller Jean Struys visiting Russia commented on the city’s size and business of its Indian merchants.

Though complaints against

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120 Dale, Indian Merchants, p 95-6.
121 28 January 1665 - Memorandum in the Foreign Department about the announcement of orders granting permission to Indian and Persian merchants for carrying on only wholesale trade in Moscow, Gopal, Indians in Russia, p 70.
122 27 April 1667- Articles of Regulation laying down conditions for the trade of Indian and other eastern merchants in Russia. Gopal, Indians in Russia, p 72-3; Dale, Indian Merchants, p 96.
123 11 May- Extract from instructions issued by the Department of Kazan palace to the Military Commandant of Astrakhan P.M. Saltikov about the allotment of shops, store-houses, and places in the new Gostinni Dvor in Astrakhan to the immigrant Indian, Persian and Bokharan Merchants. The method of conducting trade with them and the levying of duties on their commodities, Gopal, Indians in Russia, p 101.
124 Dale, Indian Merchants, p 96.
Indians continued to be made in the 1680s, Russian officials, aware of their contribution to the treasury, were lenient about enforcing the New Trade regulations.

Accounts of foreign visitors to Astrakhan offer us a glimpse into the life of the Indian community of Astrakhan. De Bruyn observed that the Indians were as numerous as the Armenians but they did not bring their women with them. Their saray was made of wood but they had recently constructed a warehouse out of stone to secure their goods in case of a fire.\(^{126}\) From the testimony of the Scottish doctor John Bell it is clear that the Hindus continued to adhere to their age-old practice of abstaining from eating meat.\(^{127}\) Another traveller, Jonas Hanway noted that the Indian community had a small temple where priests conducted rituals using incense, beads, offerings and bells and other musical instruments.\(^{128}\) Forster noted that the Indians were free to observe their religious practices in their saray. The Indians were appreciative of the tolerant attitude of the Russian authorities especially in view of the situation in Iran where such religious freedom had ceased to exist.\(^{129}\) Pallas describes the observance of the festival of Diwali in which local people used to be invited but since they did not appreciate their generosity they had stopped that practice and taken to entertaining only friends.\(^{130}\)

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\(^{126}\) De Bruyn, *Travel*, Vol 1, p 90.

\(^{127}\) John Bell, *Travels from St. Petersburg in Russia to Diverse parts of Asia*, Glassgow 1753, Vol 1, p 39.

\(^{128}\) Hanway, *Historical Account*, Vol 1, p 85. The Indians offered fruits to Hanway which he declined because of his revulsion at the practice of idol worship.


From the second decade of the eighteenth century the fortunes of the Indians of Astrakhan underwent a turn for the worse as a result of the disturbed political situation of Iran. A merchant referred to as 'Marwari Barayev' was summoned in the 1730s for providing information on Indo-Russian trade. He deposed that while earlier two hundred or more Indians journeyed to Russia every year the number was now down to eighty or even less because of the risk of robbery in Persia.\textsuperscript{131} An Englishman who visited Astrakhan in 1743 noted that its trade had declined 'by troubles in Persia and frequent revolts and indolent behaviour of Tatars'.\textsuperscript{132}

Despite the adverse circumstances the Indian colony continued to exist in Astrakhan. Forster's account, however, suggests that the nature of the Indian presence had changed. According to him the Indians did not stay in Astrakhan permanently but left after having made some money.\textsuperscript{133} The Indian saray had the largest number of shops in this period. According to an early nineteenth century estimate there were 500 Indians in the city.\textsuperscript{134} The fact that Astrakhan had several Hindu temples in the 1820s suggests that the Indian population was not insignificant\textsuperscript{135}. In the light of this evidence Dale's hypothesis of the decay of the

\textsuperscript{131}Evidence submitted by the Indian merchant Marwari to the Orenburg Despatch Department concerning land routes from Russia to India and the trade of the Indian merchants in Russia, Gopal, \textit{Indians in Russia}, p 179.

\textsuperscript{132}Hanway, \textit{Historical Account}, Vol 1, p 84.

\textsuperscript{133}Forster, \textit{A Journey}, Vol 2, p 271; Gopal does not agree with this, \textit{Indians in Russia}, p 10, Foot Note 38.

\textsuperscript{134}Kemp, \textit{Bharat Rus}, p 89.

\textsuperscript{135}G. Keppel, \textit{Personal Narrative of a Journey from India to England in the year 1824}, London Henry Colburn, 1827, p 291-4.
Indian community of Astrakhan seems to be doubtful. The Indians played a crucial role in the development of Astrakhan’s silk and cotton textile industry during the late eighteenth and early nineteenth century.\textsuperscript{136}

From the mid eighteenth century onwards, however, Astrakhan began to have been replaced by Orenburg as the node of Russia’s commerce with India. The fort of Orenburg, built in 1743 was one of the various forts constructed in the Qipchaq Steppes with the aim of dealing with the nomads of the region and promoting trade with Bukhara.\textsuperscript{137} Efforts were made to bring Asian traders to it as it offered a more direct path to Central Asia and India compared to the Astrakhan-Caspian Sea route. Marwari Barayev who was consulted in this regard expressed his desire to send his agents from Orenburg to India through Bukhara . He also requested that arrangements be made for the security of the merchants.\textsuperscript{138} He was later sent to Orenburg with a letter of privilege and goods worth 1000 roubles.\textsuperscript{139} A Bukharan merchant wrote in 1745 that his efforts to persuade Bukharans and Indians to visit Orenburg had succeeded with the latter arriving in Bukhara with goods worth 300,000 Roubles. The Frenchman Comte de Modave mentions meeting Three Hundred Gujarati families preparing to migrate to Orenburg in the

\textsuperscript{136} Kemp, Bharat, Rus, p 86.  
\textsuperscript{138} 20 April 1735-An extract from the report submitted by I.K. Kirilov, Head of the Orenburg Despatch Department to the Empress Anna Ivanovna referring to the summons issued to the Indian merchant Marwari for the purpose of forming a Company to trade with India, Gopal, Indians in Russia, p 182.  
\textsuperscript{139} 11 February-An order signed personally by the Empress Anna Ivanovna addressed to I.K. Kirilov, Head of the Orenburg Despatch Department with respect to the development of Orenburg trade with the Central Asian Khanates and India, Gopal, Indians in Russia, p 182.
1770's. Orenburg was described as the most popular destination for trade between Russia and Turkistan in the early nineteenth century. Hindu merchants also visited the annual fair held in St Macaire on the banks of the Volga.

In this chapter, it has been noted that the Indian merchants maintained a continuous presence in Central Asia from the sixteenth to the mid nineteenth century. The second half of the nineteenth century was to witness the end of their activities as a result of the policies of the Russian state which had conquered this region. The Russian authorities were concerned at the activities of the Indian money lenders and wanted to put an end to the process of transfer of agricultural land from the hands of the peasants to the Indians as a result of the failure of the former to repay loans. In 1877, regulations were issued that prohibited Indians from buying and renting land and also giving loans against land. This was followed by the establishment of savings and loan banks that offered credit at lesser interest rates compared to the Indians. These two measures put an end to the money lending activities of the Indians who were left with no option other than returning to their homeland.

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Conclusion

A strong Indian mercantile presence characterised both seventeenth century Iran and Muslim Central Asia. The Indian Diaspora numbered in the thousands in Iran and in the hundreds in Turan. During the Seventeenth Century an Indian colony was also established in Astrakhan. Comprising mainly of merchants from Multan the Diaspora also included Marwari and Muslim merchants. The commerce of the Indian merchants was based on the sale of large quantities of cotton textiles and other commodities like Indigo. They also engaged in money-lending ventures and thus fulfilled a substantial part of the credit requirements of the local population. The success of the Indian merchants was facilitated by the policies of the rulers of Iran and Turan; the Safavids and the Uzbek Khans who realized the crucial role played by them in providing their kingdoms with much required commodities and capital.

During the first half of the eighteenth century the Indian merchants of Iran suffered a setback as a result of unsettled political conditions. But they managed to re-establish their position subsequently. In the case of Central Asia the scarcity of evidence from the eighteenth century makes it difficult to say anything about the position of the Indian community in that period. Judging from early nineteenth century sources it appears that Indian presence was maintained without any disruption. After the incorporation of the region into the Russian empire, restrictions were imposed on the business of the Indians which led to their mass migration from the region.