



From Trade to Territory (Easy Notes for class 8th)

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Introduction:

This chapter will take you to those days when European traders saw India as the profitable trading place. They came as a trader (or for trade purpose) but eventually took control over the administration and became powerful. It will also help you to know the entire story of the establishment of [British Raj](#) in India.

East India Company comes East:

- In 1600, *The English East India Company* got the sole right to trade with the East.
- Queen Elizabeth I, in her charter granted the company the right to expand business across the oceans.
- Now the company could search for a place where the cost of production was less.
- However, soon the company realized that it was not the only company to trade. *The Portuguese* (1498), *Dutch* (1595) *Danish* (1616) and *the French* (1664) were also in competition.
- Moreover, they were interested in buying the same things.
 - Fine quality cotton, silk, pepper, cloves, cardamom and cinnamon.
- Thus, they began fortification for protection, sank the ships of rival companies and armed themselves.
- The efforts to fortify settlements and carry on profitable trade also led to intense conflict between local rulers and the company.

East India Company begins trade in Bengal:

- The **first English factory** was set up on the banks of the river Hugli in 1651.
- The factory had a warehouse and offices where Company officials sat.
- As trade expanded, the *company persuaded merchants and traders* to come and settle near the factory.
- In 1696, they *built a fort around the settlement* in Bengal.
- Also, they bribed Mughal officials for getting *zamindari rights over 3 villages*.
- Furthermore, they persuaded the Mughal emperor Aurangzeb to *issue farman* granting the Company the right to trade duty free.
- The Company tried to press for more *concessions* also.
 - **Note:** Aurangzeb in 1691, issued the farman granting the company the right to trade duty free.

How trade led to battles:

- Since, the financial resources of the Bengal nawabs began to drain, local rulers (nawabs) started opposing profit oriented demands of the Company.
- First, **Murshid Quli Khan** (1717) then **Alivardi Khan** (1740) and after that the next nawab **Siraj-ud-daulah** (1756), all of them refused to:-
 1. grant the company concessions,
 2. demanded large tributes for the Company's right to trade,
 3. also, denied it any right to mint coins,
 4. and stopped it from extending its fortifications.
- In addition to that, rulers (nawabs) accused the company of deceit and blamed them for the revenue losses in Bengal.
- Favoring its own demands, the company declared the demands of local rulers unjust and considered concessions, duty free trade and fort building necessary for expanding their trade in India.
- Hence, it became inevitable to prevent battle between local rulers and English Company.

The Battle of Plassey:

- In 1756, Siraj-ud-daulah (*also known as the last independent nawab of Bengal*) became the ruler.
- During his rule, the Company could not further its interests thus, tried to intervene in the political matters of Bengal.
- Siraj-ud-daulah went against company's demand and asked to:-
 - pay revenue, stop fortification and
 - stop interfering in political affairs.
- However, company kept working against his orders.
- As a consequence, the Nawab marched with *30,000 soldiers* to the English factory at Kassimbazar.
 - He captured the company officials, locked the warehouse, disarmed all Englishmen, and blockaded English ships.
- When this news reached to the Company officials in Madras, they sent forces under the command of **Robert Clive**. After a long negotiations, they ended up choosing battle.

The Company Vs the Nawab:

Finally, in 1757, the Company under the leadership of Robert Clive fought against Sirajuddaulah. The battle took place at Plassey, West Bengal. Hence, it was called '**the battle of Plassey**'¹.

- In this battle, Mir Jafar, the commander of Sirajuddaulah, supported the Company. As in return, the company promised to make him the next nawab.
- Thus, the Battle of Plassey resulted in the company's victory.

Installation of a new King:

- After the assassination of Siraj-ud-daulah, **Mir Jafar** (1757) made the (puppet) nawab.
- Although the Company ruled indirectly through puppet nawabs, it did not find the rulers much helpful. Since, rulers had to maintain a basic appearance of dignity and sovereignty in front of subjects to get respect from them.
- When Mir Jafar protested, the company replaced him with **Mir Qasim** in 1760. However, he too started complaining and was defeated by the company in '**the battle of Buxar**'² (1764).
- Later, the company reinstalled Mir Jafar. But after his death in 1765, the company itself became nawab.

Treaty of Allahabad:

- In 1765, the Mughal Emperor, Shah Alam II signed the treaty of Allahabad with Robert Clive.
- This treaty granted 'Diwani' rights to the Company (it means right to collect revenue).
- Now, the company could easily manage various kind of expenses.

Company officials become “nabobs”

- After the Battle of Plassey, the company forced actual nawabs of Bengal to give land and vast sums of money as personal gifts to Company officials.
- Many company officials gained huge wealth and power in India.
- Although company officials achieved so much, they sometimes faced the jokes made on them.

Company Rule Expands:

- East India Company made gradual changes through indirect methods of annexations.
- It often used political, economic and diplomatic methods to extend the influence.
- After getting victory in the Battle of Buxar, the Company appointed Residents in Indian states.
 - These residents were political or commercial agents and their job was to serve the Company.
- Through the Residents, the Company officials began interfering in the internal affairs of Indian States.
 - **For Example:** *decision regarding succession to the throne and appointment of administrators.*

Changes introduced by the Company:

1. **Subsidiary Alliance:** In 1798, Richard Wellesley (Governor from 1798 to 1805) introduced “subsidiary alliance”. According to this, Indian rulers had to rely on the army sent by the Company. They could not have their independent armed forces. Moreover, they had to pay for the “subsidiary forces”. Those rulers who failed to make payments, lost part of their territory.
 - **For Example:** *The Nawab of Awadh (Shuja-ud-daulah) had to give over half of his territory to the Company in 1807. Next Hyderabad was in line. Furthermore, after the death of Tipu Sultan (1799), a subsidiary alliance was imposed even in Mysore.*
2. **The policy of paramountcy:** Under Warren Hastings (Governor from 1813 to 1823), the company claimed that its authority was supreme (paramount). No Indian state had power equal to them.
 - **For Example:** *The company tried to annex the small state of Kittoor (in Karnataka today) ruled by Rani Channamma. To confront them, Rani Channamma led an anti-British resistance movement. After her death (1829), Rayanna, a poor chowkidar of Sangoli in Kittoor kept resisting the Company.*
3. **The Doctrine of Lapse:** Under Lord Dalhousie (Governor from 1848 to 1856) a doctrine was introduced. The doctrine declared that if an Indian ruler died without a male heir his kingdom would “lapse” (would become part of Company territory).
 - **For Example:** *With the use of this policy, the company annexed many kingdoms (Satara in 1848, Sambalpur in 1850, Udaipur in 1852, Nagpur in 1853 and Jhansi in 1854).*

Tipu Sultan- The “Tiger of Mysore”

- Tipu Sultan and his father Haidar Ali were power rulers. Under them, Mysore (Karnataka)

controlled the profitable trade of the Malabar coast.

- In 1785, Tipu Sultan made several changes.
 1. He stopped the export of sandalwood, pepper and cardamom through the ports of his kingdom.
 2. He disallowed local merchants from trading with the company.
 3. Also, established a close relationship with the French in India, and modernized his army with their help.
- These changes made the British think of the way to control and crush them.
- Thus, the British fought four battles against Mysore (1767-69, 1780-84, 1790-92 and 1799)
- Finally, the British became victorious in the last battle, that was **'the battle of Seringapatam'**³

War with the Marathas:

- English with the aim of extending control and Marathas for ruling from Delhi did a series of wars.
- **The third Battle of Panipat:** The Marathas were defeated in the Battle from Ahmad Shah Durrani's forces.
- **The third Anglo-Maratha War:** The result of the first battle was unclear. But the 2nd and 3rd proved costly for Marathas as they lost control from the main territory also.

Punjab Annexation:

- **Anglo-Afghan War:** In order to secure control over the north-west (Fear of Russia's expansion), the British fought war against Afghanistan (1838 and 1842) & established indirect rule over Sind.
- However, the presence of **Maharaja Ranjit Singh** held back the Company.
- **Anglo-Sikh War:** After his (Maharaja Ranjit Singh) death in 1839, the Company finally made the annexation possible through two prolonged wars against Sikhs.

Setting up a New Administration:

- Under **Warren Hastings**, British territories got divided into **administrative units** (presidencies).
 - These presidencies were *Bengal, Madras and Bombay*.
- He also introduced several **administrative reforms** in the sphere of justice.
- From 1772, a **new system of justice** established in these presidencies.
 1. **Two courts system in each district:**
 - **a criminal court** (faujdari adalat) : It was under a qazi and mufti but supervised by the collectors.
 - **a civil court** (diwani adalat): Maulavis (for Muslims) and Hindu pandits (for Hindus) interpreted Indian laws for the European district collectors who presided over civil courts.
 2. **Establishment of a new Supreme Court:**
 - Regulating Act of 1773 established a new Supreme Court.
 - Along with this, the **Sadar Nizamat Adalat** (a court of appeal) came in Calcutta.
- Gradually, the Collectors emerged as a new authority holders.

The Company Army:

- Earlier, **Mughals** had an army which was mainly composed of cavalry (ghud Sawars) and infantry (Paidal sipahi). They were given training in archery and the use of sword.
- From the 18th century, in Awadh and Benaras, Mughals began to recruit peasants also (in the army).
- Later, the East India Company adopted the same method for army recruitment. They called them Sepoy (Sipahi in hindi). These soldiers were armed with heavy guns, given European Style training and drills.
- Besides, the British began to develop a uniform military culture.
- Since the recruitment had no bar of caste, soldiers (from different caste and community) had to live and work together which often created problems.

Conclusion:

The trading company from England did not only work for the profit maximization but also changed the entire political, economic and educational system in order to collect more and more revenue. The technological advancement in that period also helped in improving the financial health of the English Company. After confronting the bad phase, Indians felt the need to revolt for the independence of India in 1857 which is famously known as the first war of Independence.

Category

1. Class 8th

Date

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