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# East India Company: Transition from a Trading Company to Gaining Political Influence all over India

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## ABSTRACT

*For more than a century, the British had direct authority over the Indian subcontinent. How did a little island country on the North Atlantic's edge come to rule over a far bigger continent? Sir John Robert Seeley, a historian, stated that the British Empire was gained in "a fit of absence of mind" to illustrate that it was achieved gradually, piece-by-piece. The following article looked at some of the key reasons why the British were able to effectively capture and keep each "piece" of India.*

*The article on "the keys to British success in south Asia" was articulated meticulously and was expressed by 'Colin Watterson'. The article shows those aspects of British conquer over India, in a whole new light than, what was normally taught in schools. It speaks about their political agenda, how they were successfully able to acquire India, piece by piece by their overwhelming British military and navy, and how they had an immense influence over the people of India, to make them stand against each other.*

*The author of the abovementioned article, did not only cover the political aspect of British strategies to conquer or acquire a wholesome control over the center of India, but the author in detailed expression also covers on about the socio-economical aspect, the cultural point of view and how Mughal rule and its declination was one of the most important reasons that British with their great analytical, rhetoric and persuasion skills were indeed able to change the entire Indian political dynamic. They were not only able to conquer vast portion of Indian lands, but they in addition were also successful in maximizing their profits. Hereinafter are some of the main key reasons for British success.*

*There were numerous reasons why British were successfully able to gain a wholesome control over India, and these are illustrated below.*

**Keywords:** East India company, and its transformation in India.

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## I. BRITISH APPROACH OVER ACQUISITION OF INDIAN LANDS

The historical and political approach British used to acquire composite control over India, was done in four phases: the first phase was called “orientalism”. Orientalism started when employees of East India Company, started gaining political power in different states of India. They started indulging their time and interest in Indian culture and scriptures, they started interpreting Indian culture in their own way, and even more they started learning *Sanskrit* and *Hindi*, so that they can hold conversations with Indians and conduct business. they identified India as “deeply spiritual and sensuous” while England was perceived as “materialistic and rational”, which made them get control over whole of India, with more rigour. There were many scholars like William Jones, who were an admirer of Indian culture and placed a high importance on its culture and distinct way of life, and he fought against views that defined India as "static and unchanging."<sup>2</sup> However, historians such as James Mill criticised the caste system for many of India's problems, while orientalist believed that the British takeover was beneficial to the Indians. For many reasons this approach gained a lot of attention could be that, the British when they entered India, they had already knew that they had a lot of competition with other European countries and but instead of boasting of their modern and western ways, they invested most of their time to learn about India, its culture, trade and business, historical and spiritual books which in my opinion was one of the great assets of British that they had an urge to learn something new and this helped them a lot with the conquer over south Asia

The second phase of approach was in “nationalist movement”, the historians emphasized on India’s past and achievement and how they were successful due to their “artistic, political and religious” value, and they were constantly on verge of depreciation due to Mughal invasion and the others. This strategy or approach utilised by British made Indians aware that they were losing their touch, their culture and basically everything which made India a great country due to constant change in Mughal policies and their greed to acquire more land and make themselves richer than to develop India’s infrastructure or to help Indians. This approach was one of the main reasons, British were instantly able to gain trust of Indians. British by gaining trust, and the declining Mughal rule were set to conquer India for political as well as economical causes

The third approach was Marxist approach, who blamed British for India’s political as well financial decline<sup>3</sup>. It stated how the nation which already had its own problems, dwindled into

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<sup>2</sup> Gyan Prakash, “Writing Post-Orientalist Histories of the Third World: Perspectives from Indian Historiography, Comparative Studies in Society and History, 32(2), (1990), 383-408.

<sup>3</sup> Prakash, “Writing Post-Orientalist Histories,” 393-396.

the more adversities. Due to British rule, the whole of the nation was divided on the bases on caste, religion, creed, race, gender etc. When the British arrived in India, they brought with them new concepts from the Renaissance, the Reformation Movement, and the numerous revolutions that occurred in Europe, such as liberty, equality, freedom, and human rights. These concepts resonated with various segments of our society, resulting in a number of reform movements around the country.

Whereas, the fourth approach of social history, who didn't completely perceive India as a nation but, how the different region communicated with each other<sup>4</sup>. This approach was one of the kind, as it not only helped the British to supremely establish a rule, but it was also primarily focused on the agreements between Indians and the British, this approach helped British to legally maximise their profits, acquire majority of lands and thus have their political and economic influence on Indians.

## **II. HOW MUGHAL DECLINATION, ACTED AS A CATALYST FOR BRITISH TO ACQUIRE INDIA**

During the 1600's, the British laid their foundation in India, and it took them about of 200 years to gain control over whole of nation. Queen Elizabeth 1, gave a charter to the predecessor of the east India company, and that's how they entered India<sup>5</sup>. After Aurangzeb's death, when the Mughal rule was declining and there was no concentrated power in the centre to govern the country, as decentralization took place, and power was given to many local regions which drained a lot of Mughal empire's money, consequently what could be seen was British took the advantage of fights between Mughals and Indians and of lack of power at the central India, gave them enough boost to conquer India at a slow yet quite rigorous pace. They also came across a number of newly self-governing provinces that could be challenged against each other to prevent a large portion of India from uniting together to effectively retaliate.

East India company, when first entered India, they did not come with intentions to gain political power over the sub-continent, but to turn up their profits due to what India particularly had to offer, but there were in constant competition with the European countries like, France, Netherlands and Portugal. These countries had an advantage in conducting business in India because they had been doing so for longer than the British had<sup>6</sup>. To avoid competition and

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<sup>4</sup> Prakash, "Writing Post-Orientalist Histories," 396.

<sup>5</sup> Dennis Judd, *The Lion and Tiger* (Oxford: Oxford University Press, 2004)

<sup>6</sup> (Om Prakash, "Cooperation and conflict among European Traders in the Indian Ocean in the Late Eighteenth Century" in Sanjay Subrahmanyam, *Land, Politics, and Trade in South Asia* (Oxford: Oxford University Press, 2004), 20-43.

maximise profits, the British decided to gain influence over the subcontinent's regions and exclude their competitors. Thus, the new beginning of an era had begun. India was indeed unaware, that their acts which us inclusive of British acts were going to be part of history in near future.

With the decline of Mughal empire, the British immensely started inserting themselves at the ocean trade with the merchants, and with a less centralised government, movement the resource distribution of wealth became more important. New groups had taken over from the imperial bureaucracy in deciding how resources would be distributed to appear in order to aid in the facilitation of trade. The British quickly found that it was much easier to operate within these trade routes and to use the merchants and nobility to help facilitate trade.

### **III. DRAIN EFFECT**

India was known as “jewel of the British crown” because of the wealth it brought to England, and very soon England started draining India out of its own economy to facilitate its own needs and satisfaction, they had a tremendous control over the import and export, they started having “the drain-effect”, which basically was more export than import and many members of the parliament were the merchants and they supported these policies. another reason for trading with India during this time related to fashion. Fashion was becoming more important for the upper classes in England, and India had everything one needed to be fashionable. According to Audrey Douglas, “the East India Company had discovered that the exploitation of fashion for profit is a more artful business than a mere dictatorship exercised by the ‘trade’<sup>7</sup>. The drain effect which the British wanted Indian economy to have, was indeed successful and Indians started drowning in their own economy, they were left penniless, and had no other supplement to secure food, clothing and shelter. This in turn made India immensely reliant on British to do it trade control, which British took advantage of. Thus, it could be safely stated that, not only this one particular British approach was successful, they had a direct control over Indian merchants, and in addition they had an enormous control over the nations export and import. India did suffer greatly as a result, and it would be regarded "crippling for any economy."<sup>8</sup>

With their increase in acquisition of land, they started gaining more political as well economical influence over the people, the brutish after the acquisition of land, would implement high land revenues and in turn had higher tax rates. The British government's time constraint and overwhelming desire for income drove peasants to seek out loans from moneylenders. These

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<sup>7</sup> Audrey Douglas, “Cotton Textiles in England: the East India Company's Attempt to Exploit Developments in Fashion, 1660-1721,” *Journal of British Studies*, 8, no. 2 (1969): 28.

<sup>8</sup> Pearson, *Merchants and States*, 87-94

moneylenders frequently exploited peasants by demanding exorbitant interest rates. They frequently utilised deceptive methods such as fraudulent bookkeeping, fake signatures, and thumb imprints. The British created a new legal structure and policy that solely benefited moneylenders. In most cases, the peasants failed to pay back the loan with full interest. Thus, their lands gradually passed into the hands of the money-lending class

They were earning a lot of money here in India, and used to save those monies to United Kingdom. The members of the east India company were gradually becoming wealthy and could afford all the luxuries in the world. Not only the members but in fact the employees were indeed getting rich and prosperous.

#### **IV. COMPETITION WITH EUROPEAN COUNTRIES**

Finished and fine clothes were exported to most of the European countries in a huge scale, whereas during the napoleon war, British naval created a blockade for export, which made European countries buy clothes from England, which was inversely advantageous to the British, although the charter of 1813, ended the monopoly of east India company's trade with India, and thus led to "de-centralization", instead of pouring profits, Indians could not compete with the cheap yarn and qualities clothes of British<sup>9</sup>, and England was still able to dominate the European market where once Indian clothes were exported heavily.

European countries were immensely interested in opium, spices and silk which India had to offer, but Indians were not interested in dealing with these European countries, so to tame their interest they started paying for these goods in exchange of 'silver', but very soon east India company started conquering over the parts of India and levied high revenue taxes on those lands, and they started paying for the goods in form of cash and not silver anymore<sup>10</sup>.

One of the most important aspects, for the success of British was when, Sir Thomas Roe, and prince khurram had an agreement amongst themselves to let British come to Surat and commence trade, although soon Indian merchants realised that the English men could be a threat to their own business and they took this petition to prince khurram, but the British vessels getting the news of them unable to trade started attacking Indian ships, and also threatened prince khurram, to continue pirating against Indian ships, having no choice the Mughal did not want wage a war against the British, gave them some concession along with trading, these concession were; permission to trade in Surat, freedom from English judicial retaliation, and

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<sup>9</sup> Irfan Habib, "Studying a Colonial Economy—Without Perceiving Colonialism," *Modern Asian Studies*, 19(3) (1985): 355-86.

<sup>10</sup> Rama Dev Roy, "Some Aspects of the Economic Drain from India During the British Rule," *Social Scientist*, 15(3) (1987), 39-47

the ability to acquire property<sup>11</sup>. Consequently, British trade grew swiftly all over India.

The last straw, for British army and their piracy was when Aurangzeb's ship 'Gunj-I-Suwaee', which was carrying wealthy passengers returning from a pilgrimage to Mecca, was assaulted. Pirates seized about £180,000 from the ship and assaulted several of the women on board<sup>12</sup>. Instead of planning on removing British from India permanently he was more concerned with the Mughal war with Deccan and he was negligent, and which led start of British colonization in India, and they started to acquire more land and gain more political power.

## **V. NAVAL SUPERIORITY**

Another important aspect of British success in South-Asia was their superior navy, the Mughal emperor, Aurangzeb had no navy to fight against British piracy, and thus British became more dominant in open seas but eventually as time evolved, British agreed to indemnify for their losses and give protection to Indian vessels on yearly fees. With the decline of Mughal empire, British dominated their military forces in India, and started their colonization, with the gain of more political power and concentrated this power in central India.

## **VI. CONCLUSION**

To conclude, it could be seen that British had no intention of gaining political power in India, and start conquering India, but the pre-condition of India, like the Mughal empire which was at the decline, the trader's agreement, the wealth, the standard of living India had to offer, and the most important the agreement with the Mughal emperor which instituted a war, thus which escalated. With acquisition of more land in India, as they gained more power, British started governing Indians, according to their own needs and satisfaction, made India more reliant on England, and took all of India's wealth and economy which included silver, gold and diamond. The East India Company was a hugely profitable business. It began as a firm primarily focused on commerce since circumstances were changing and it aspired to be a trade pioneer. However, trading patterns, consumer preferences, and general economics are all subject to change. The East India Company began with an emphasis on trade, but by the end, it wanted information about Indian culture, theology, government, laws, culture, organizations, and the overall operation of the country. The East India Company used the knowledge it had learned to its own operations back home in Britain. When the firm first began, it had one objective in mind, but by the end, it had acquired an entirely other reason.

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<sup>11</sup> Chakraborti, Rise of the East India Co 120-142

<sup>12</sup> Bradley Nutting, "The Madagascar Connection: Parliament and Piracy, 1690-1701," *The American Journal of Legal History*, 22(3), (1978).

The British governed India for almost 200 years, during which time there was terrible poverty and hunger. During the next two centuries, India's riches plummeted. Since they recognised the country's vulnerability under Mughal authority, the British were methodical in their approach and initial plan. With their powerful military force and a methodical approach to both the combat and the economy, they maintained their control everywhere they went. As stated in the text, "Aurangzeb" was under intense attack by the Maratha, and because he was destitute and had nowhere to escape, The British flew in to take advantage of the situation, establishing economic supremacy as well as battlefield superiority, with the navy serving as their trump card to start it all off for them.

They wasted little time in thoroughly grasping Indian techniques and culture, and created a plan to entirely isolate Indians from their source of revenue. The British seized everything from them and brought them fully under their rule, bringing India to its knees, and on how the British evolved from being a tiny group of traders to wielding control over a country which is culturally diverse, geographically and in richness.

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