

the EIC started to assert control not only over territories but also over domestic trade, primarily through the use of agents called gomastas. Gomastas were local agents or middlemen employed by the East India Company to procure raw materials, particularly textiles, directly from Indian weavers and artisans. They acted as intermediaries between the Company and the local producers in Bengal and other parts of India.

The EIC, with its political power, passed laws and enforced strict policies to suppress Indian traders. They imposed customs duties on local traders while exempting themselves from such taxes, which gave them an unfair advantage in the domestic market.

Shah Alam II (reigned 1759–1806) faced considerable challenges during his reign. Following his father Alamgir II's assassination by Alamgir's wazir Imad-ul-Mulk in 1759, Shah Alam II had to flee from Delhi as the Mughal Empire was in decline and he lacked effective control over much of his empire. After wandering and facing threats from various factions, Shah Alam II sought the support of regional rulers to regain his authority, and one of his key allies was Shuja-ud-Daula, the Nawab of Awadh.

BATTLE OF BUXAR, 1764 (09:13 AM)

in 1772

It led to the EIC getting **power to rule** India (the EIC used power and began ruling).

Qasim shifted from Murshidabad to Bihar to be physically away from the British to act independently.

He was an efficient administrator and gathered money by punishing Zamindars who didn't pay the right land revenue (LR), to build his own army.

After 1757, EIC and EIC officials began dominating even domestic trade through their Indian agents called **Gomastas** but did not pay domestic taxes. (link Dasnami sanyasi's revolt 1780-1850)

To bring parity for Indian merchants and get their support, Qasim ended all internal duties.

EIC did not like autonomous behaviour and hence defeated and replaced Qasim with Jafar.

Qasim escaped to Awadh with wealth and built an alliance with **Shuja ud Daula and Shah Alam II**.

Shuja agreed to a promise of 3 crore rupees from Bihar and its treasury post-victory.

Shah Alam II was in Awadh as he escaped Delhi to save life from Wazir Imad ud Mulk.

He was frustrated with factionalism in court and wanted to set up his own kingdom in Bengal that had stopped sending revenue to Delhi since the 1740s. (1745-51 Bhosle vs Bengal therefore high war cost therefore Bengal stopped sending revenue that is why Shah Alam II had no option other than joining alliance.)

REASON FOR DEFEAT (10:05 AM)

Tactical mistake- Shuja deployed an offensive strategy rather than a defensive strategy of cutting off supplies of the EIC army in Buxar.

He ignored the advice of Qasim. Therefore Hector Munro emerged victorious (Clive was in England).

Importance-

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EIC treated Shah Alam II with respect as, in him lay sovereignty of India and with him at their side EIC could have greater influence.

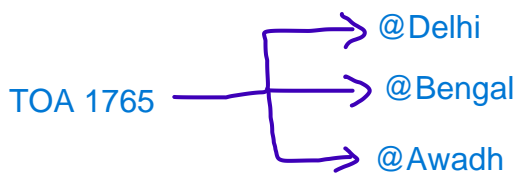
After the Battle of Buxar in 1764, Shah Alam II did not immediately return to Delhi. Instead, he resided in Allahabad under the protection of the British East India Company.

At the time of Shuja-ud-Daula's attack during the Battle of Buxar (1764), the forces of the East India Company (EIC) were stationed at Fort Ramnagar.

Fort Ramnagar, located near Buxar on the banks of the Ganges River (in present-day Bihar), was a key strategic position for the East India Company during the battle.

The Company forces, led by Hector Munro, used the fort as a base of operations during the battle.

Shuja-ud-Daula, the Nawab of Awadh, along with the Mughal Emperor Shah Alam II and Mir Qasim, the deposed Nawab of Bengal, attacked the British forces positioned near the fort.



TREATY OF ALLAHABAD (TOA 1765) (10:35 AM)

sent from England for TOA

Signed by EIC (**Clive**), Shah Alam II and **Shuja**. ← Nawab of Awadh

EIC promised 26 lakh rupees as an annual tribute and promised to help the emperor recapture Delhi from Rohilla Afghans. Allahabad was given to Shah Alam II (had since 1761 till 1771) 6006 (as homeless). Therefore, EIC was now a Mansabdar with the name Company Bahadur.

Bengal and TOA ↓ now company is paying annual tribute and maintaining army that means company is acting like Mansabdar so they are doing so for becoming part of politics of India.

EIC got Diwani of Bengal suba i.e. Bengal, Odisha and Bihar i.e. revenue administration and revenues of the richest province.

Therefore EIC for the first time got sovereign function i.e. power to rule and now became a potential ruler (1765) from conqueror (1757).

It got an additional source of income i.e. LR of Bengal Suba and other taxes.

Dual Govt (1765-72) in Bengal:

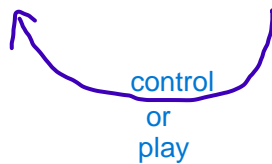
Diwani i.e. revenue administration was given to EIC and Nizamat i.e. Non-revenue administration stayed with Nawab.

Thus, work was divided under two top authorities.

However, the administration continued to be Indian as EIC appointed Md Reza Khan, deputy Subedar as EIC's Diwan.

Therefore, Indian civil servants continued to administer Diwani but were now under the control of EIC and not Nawab.

POIR = Puppet ruler + Br Resident



so nawab is the puppet of EIC at gun point and deputy nawab is chosen by EIC



deputy nawab
or

Policy of indirect rule (POIR)-

Nawab was a puppet of EIC and EIC got the right to appoint a deputy Subedar who handled Nizamat for Nawab.

Therefore, EIC could indirectly control Nizamat with Nawab and Deputy Nawab as its puppets.

A British resident was stationed in court in 1765 who by 1772 became the real ruler of Nizamat.

Therefore EIC began POIR in 1765 and fully implemented by 1772. i.e. from two top bosses to single boss and nawab = like powerless president today or like chhatrapati in 1750 (treaty of Sangola).

Over Diwani, EIC had control legally.

Therefore, in practice, EIC controlled both Diwani (legally) and Nizamat (illegally).

Dual govt was ended in 1772 as Nizamat was taken over from Nawab and direct rule of EIC began from 1772 i.e. EIC admin or EIC officials began administering Diwani and Nizamat.

Reason- Poor LR collection and law and order which was blamed upon Indian officials by Warren Hastings. The great Bengal Famine of 1770 led to poor LR and law and order.

AWADH AND TOA (11:40 AM)

Duty-free trade for EIC in Awadh therefore misuse of dastaks began.

POIR- Initiated as now Shuja, a puppet of EIC, and British resident could not be stationed in Awadh court.

The policy of Ring Fence was initiated (mainly associated with Warren Hastings)- It meant creating a buffer around core interest regions of EIC by signing a military alliance with neighbours.

Now with a military alliance, EIC could use Awadh's military resources for the protection of Bengal.

Shuja was made to pay 50 lakh rupees to EIC.

Mini Subsidiary alliance-

An EIC army was permanently stationed and it was to be paid for by Awadh via annual subsidy.

Therefore, Awadh came under the military control of EIC and the Military alliance between EIC

and Awadh. (EIC- Thank you to Dupleix4254 because this type of same thing is done by Dupleix in Hyderabad where Bussy(commander of Dupleix) put Salabat Jung as puppet.)

(It is like outsourcing military function to EIC)

POSA = Br Resident + Military Alliance + Foreign Policy with EIC + EIC will maintain army for Indian State in return for annual subsidy.

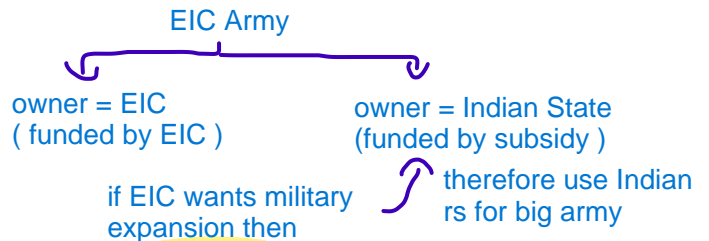
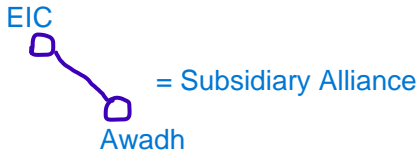
= POIR (illegally) + PORF

imp. line because

if only "EIC will maintain army and get subsidy" then Indian ruler is owner of this army since paid for it.

but now add Military Alliance:- Indian ruler may still not help if attack on Br i.e. didn't honor alliance.

but now add Foreign Policy:- now Br decide matters of war, peace, diplomacy therefore EIC maintained army will be used for EIC.



(POSA)

POLICY OF SUBORDINATE/ SUBSIDIARY ALLIANCE BY WELLESLEY (12:12 PM)

military alliance between two unequals

By Wellesley

British Resident was stationed in the court of the Indian ruler.

Military alliance between EIC and Indian ruler.

Foreign policy with EIC

EIC will maintain an army for the Indian state in return for an annual subsidy.

TOPIC OF NEXT CLASS- EIC CONQUEST OF INDIA (TO CONTINUE)

(Policy of Subsidiary Alliance or POSA is mainly associated with Richard Wellesley 1793-1805)

Q. Robert Clive was initiator of strategic policies later used by EIC for empire building. Explain.

Hint:- mentions about TOA, Policy of Ring Fence, Policy of Subsidiary Alliance.