



# BATTLE OF PLASSEY: CAUSES AND CONSEQUENCES

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The Growth of British Territorial Empire in India

1757: An important watershed in history.  
The Battle of Plassey was fought between the young Nawab Siraj-ud-Daula and the English East India Company under Robert Clive.



SOURCE: MEDIUM

**NAWAB SIRAJ-UD-DAULAH**  
1734-1757



SOURCE: PINTEREST

**ROBERT CLIVE**  
MILITARY COMMANDER OF THE ENGLISH  
EAST INDIA COMPANY

# REASONS BEHIND THE BATTLE OF PLASSEY

- Relations between the Bengal Nawab Siraj-ud-daulah and the English East India company
- The illegal, private trade vis-à-vis the official trade of the Company officials
- Farukhsiyar's Farman of 1717
- The rampant abuse of 'Dastak'

# REASONS BEHIND THE BATTLE OF PLASSEY

- Company's defiance of the Nawab
- Company's monopoly vis-a-vis Nawab's monopoly in trade in salt, betelnut and tobacco
- Siraj's relation with the Murshidabad Darbar
- Opposition of the Bengal aristocracy against the nawab

# REASONS BEHIND THE BATTLE OF PLASSEY

- Darbar' conspiracy and alliance with the English company against Siraj
- Siraj's personality
- Betrayal of Siraj's officials against him

# RESULTS OF PLASSEY

- Result: Defeat of Siraj by betrayal and his murder by Mir Jafar's son Miran
- Besides forcible loot and plunder of Bengal's wealth, also known as 'Plassey Plunder'
- 2,75,000 pounds given to the English Company

# RESULTS OF PLASSEY

- Brief rule of Mir Jafar, followed by his son-in-law Mir Qasim
- Issue of Company's illegal private trade and high demand for revenue bone of discontent with the new Nawab
- Battle of Buxar 1764



# RESULTS OF PLASSEY

- Nawab defeated by the British
- Mir Qasim, Nawab Shuja-ud-daulah of Ayodhya and Emperor Shah Alam II unite against the English
- Another All-India battle in 1765

# RESULTS OF PLASSEY

- Defeated
- End of the rule of the independent Nawabs of Bengal



SOURCE: THE FINANCIAL TIMES

## GRANT OF DIWANI 1765

# THE ALLAHABAD TREATY AND THE GRANT OF DIWANI

- Grant of Diwani in 1765 by the Mughal emperor Shah Alam II to the EEICO
- The emperor granted the right to collect the revenues of Bengal, Bihar and Orissa to the company without having to pay taxes
- This is known as the Diwani
- It gave the Company immense power over the purse strings of Bengal

# GRANT OF DIWANI

- Nawab was made a puppet in the hands of the English
- He was the Nazim or administrator with full responsibility and no power
- Beginning of Dyarchy or Double Administration
- The English henceforth became the masters of Bengal

# GRANT OF DIWANI

- Ceding of the fertile districts of Kora and Allahabad to the EEICO by the Treaty of Allahabad
- Paying huge wealth, jewels and war indemnity to the EEICO
- Uncontrolled private, unofficial, illegal trade by the Company's servants

# DRAIN OF WEALTH

- Large amount of bullion shipped from Bengal to London by the Company's servants
- Home Charges formed an important component of the drain
- Indiscriminate abuse of 'Dastak' or duty-free trade
- All this amounted to what historians later termed as the 'Drain of Wealth' from India

# DEINDUSTRIALISATION

- Apart from 'Drain of Wealth', several Indian industries affected by the British rule
- Cotton textile industry affected most
- Primary producers forced to sell at low prices
- Company officials shipped raw cotton to England



# DEINDUSTRIALISATION

- This was processed into finished textiles in their factories
- Market: India and China as these were densely populated
- India lucrative market as a trading Company became a political power
- Company dictated terms to weavers, sold finished goods in India at very high prices

# DEINDUSTRIALISATION

- Established 'Domination', as historian Sabyasachi Bhattacharya would call it, over the Bengal cotton textile industry
- India's balance of payments affected
- Exports declined and imports increased
- Indian economy suffered

# DEINDUSTRIALISATION

- Production of cotton textile industries came to a standstill
- Handicrafts destroyed
- Economic and extra-economic forms of coercion employed by the British on the weavers of Bengal
- All of this contributed to the 'Deindustrialisation' or the beginning of decline of Indian industries

# CONCLUSION

- This is how a mere trading company like the English East India Company became interested in the political affairs of Bengal.
- Lack of unity among the Bengal aristocracy
- Greed for wealth and power amongst them
- Coupled with the lust for profits led the Company to establish total political and economic domination in Bengal
- Beginning of what we term as a 'colonial economy' that was the most important feature of British rule in India

# SUGGESTED READINGS

- Bandyopadhyaya, Sekhar, From Plassey to Partition: A History of Modern India, Orient Longman, 2004
- Marshall, P.J., Bengal: The British Bridgehead, New Cambridge History of India