

How a Company Bankrupted an Empire

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Abstract

Much has been written about East India Company (EIC) from trading to treading into power. However, certain critical aspects of her transformative journey have remained obscure yet whose impact was so enormous that it shaped the politico-legal system of the British India while its foundational influence remains intact till date in the politics of the subcontinent. The article attempts not only to highlight those aspects of her policies and practices but also analyse as to how far the company remained observant to the then principles of justice, equity, and good conscience in her journey of paradigm-shift from a trading corporation to become the master of India. It is interesting to note that the policies and actions of the EIC were so grave that they attracted attention of the British parliament at one point of time and were subjected to critical debates and discussions in the House of Commons leading up to trials in the House of Lords. On the other hand, this is also an irony that the abundance of fortunes amassed by the EIC in the subcontinent and brought to England also influenced the direction of the debates, deliberations and particularly judicial verdicts in the parliament against the EIC.

Keywords: East India Company; Charters, Colonial Power; Exploitation; Tax; Land Revenue; Mughal Empire; Crown; Subject; Nawabs

Article history:

Received on: October 11, 2025

Revised on: December 25, 2025

Accepted on: December 26, 2025

Published on: December 31, 2025

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How to Cite

Siddiqui, T. U. (2025). How a Company Bankrupted an Empire. *Journal of History and Social Sciences*, 16(4), 228–239. <https://doi.org/10.5281/zenodo.18335977>

INTRODUCTION

East India Company (A public joint-stock company with limited liability) was chartered by Queen Elizabeth I in 1600 with monopolistic rights to trade in the East Indies (Present-day Indonesia, Malaysia and Philippines etc). The aim of the charter was to enable English traders to compete with the Dutch traders who were enjoying good volume of spice-trade with the East Indies. However, the EIC did not gain considerable success in its endeavours for breaking monopoly of the Dutch spice-trade particularly in Indonesia as English traders were massacred by the Dutch in 1623. Thus, it decisively shifted its concentration from the East Indies towards India. Here the EIC had already faced another rival force, Portuguese merchants, who were dominating the European trade with India and did not want to let the EIC set its foothold on the Indian soil. In pursuance, Portuguese had put pressure on emperor Jahangir to reverse his verbal permission, granted to the EIC to open its factory in 1609. However, the subsequent Portuguese naval defeat by the EIC in the battle of Swally in 1612 paved the way for it to gain the emperor's formal approval again to set up its base in Surat in 1612.

By the royal Farman of the emperor Jahangir, the EIC obtained the privilege to reside in India and trade in textile, spices and silk etc. Thus, the EIC set up its first factory in Surat (a coastal city in Gujrat of India) in 1613. Subsequently, the EIC sought permission from a local ruler to set up another factory in Madras (Present-day Chennai) in the south-eastern Indian territory in 1640 along with construction of a fortified building. However, the EIC's motivation for ambitious plans can be traced to the Charter, issued from King Charles II in 1661. The Charter gave the EIC extensive powers or in other words a power to create a state within a state. For examples the charter allowed the EIC to raise forces and fleets, wage war, make peace and negotiate diplomacy. It further empowered the EIC to set up colonies and control territories, set up its own courts, make laws, administer justice, impose penalties and punish criminals. Likewise, the coinage minting rights were also awarded to the EIC under the same Charter of 1661 along with the power to set up forts for defence (Haig Z. Smith, 2022). All the above powers and privileges were to be exercised by the EIC at her discretion. Thus, by such a heavy and powerful mandate, the company became obviously motivated to expand its network to other rich and strategic provinces of India.

The EIC moved its headquarters from Surat to Bombay in 1687 (Bombay was a group of seven islands, gifted by the Portuguese king to his daughter Catherine as a dowry upon her marriage with the British King Charles II in 1661; The king later leased out the islands to the EIC in 1668 for 10 pounds per annum). Similarly, Calcutta was made another head office of the EIC in 1690 and later a fort was also built there named Fort William, which subsequently turned into a formidable military base of the EIC in the whole region of Bengal, the richest province and a fertile land of the subcontinent.

The EIC's First Imperialistic Attempts (Aggression)

Child's War (First Anglo-Indian War 1686-1690)

The first ambitious plan was placed in action by the EIC when it demanded an increase in the concessions, given by the governor of Bengal, Shaista Khan, in 1682 (Farhat Hasan, 1991). The EIC sought permission to trade across India by simply paying an outdated annual fee in lieu of local duties as per the laws of the provinces. Her aggressive policy and subsequent break off the

ongoing-negotiation by Josiah Child, the EIC's governor, in 1685 led the governor of Bengal to react by an increase in the tax from 2% to 3.5%, which was refused by the EIC to pay. The company attempted to force the governor to accept the tax on its terms while threatened to capture the port of Chittagong in Bengal. The ambitious plan also included to fortify the company's territories across the region and build relationship with other provinces to attain independence of the entire region surrounding the Bay of Bengal (John Keay 2010).

In order to execute the plan, the company requested the British King James II to send warships (Ayub Premi 1987). Thus, with the fleet of 12 British warships loaded with 200 canons, 600 troops and reinforced by 400 troops from Madras, the governor of the EIC Josiah Child in London ordered to capture Chittagong port. In pursuance of the order, the English fleet navigated but could not reach Chittagong port, instead it landed on Hooghly port mistakenly in 1686. Here, the EIC's soldiers were taken to task by the Mughal officials and were ultimately defeated badly (Sekhar Bandyopadhyay 2004). Frustrated by the defeat in Bengal (the eastern coasts of India), the EIC attacked the Mughal ports on the western coasts of India in 1688. They blockaded the ports and captured the Mughal cargo ships including the Muslim-pilgrim ships (Wheeler, James Talboys 1886). This enraged the Mughal emperor Aurangzeb Alamgir as a holy insult by piracy of the pilgrim-ships, bound to Mecca for hajj. He ordered to confiscate all the English factories across India and to launch a counter attack on the British naval fleet.

The Mughal army besieged the EIC's strong fort in Bombay in 1689 which lasted for over a year. The starved and desperate EIC's commander Josiah Child surrendered to the might of the Mughal forces and sent an embassy to the emperor's court for a pardon. They were pardoned against a reparation of 1.5 million rupees (equivalent to \$ 4.4 million) in addition to an oath not to repeat such an aggression again. The emperor restored their trading rights. Thus, they rebuilt their base in Bombay and one in Calcutta (Emily Erikson 2016). The EIC learned a lesson for ever not to come in forefront for fight with the Mughal rulers. The EIC subsequently resorted to other unfair means to establish its trading hegemony in India. She appeared to bargain future trading concessions with the rulers through diplomacy, bribery and proxy in local wars for successions. The history witnesses that the East India company never came in forefront to wage a full-scale war again after the crushing defeat by the Mighty Mughal empire until it went weak while bribery and betrayals became the tools of conquests.

Historic English Piracy of the Pilgrim Convoy (1695)

The Mughal convoy was on its way back from Mecca to India carrying the pilgrims and huge treasures. The convoy was attacked by the English Pirate, Henry Every and his crew. They first attacked and captured the escort ship (Fateh Muhammad) carrying a cargo worth 50,000 pounds. Then they pursued the Mughal flagship Ganj-i-Sawai. During the exchange of canon fires, a canon exploded in the Mughal flagship killing its crew and damaging the ship. Amid the confusion and commotion, Henry Every boarded the Mughal flagship with his pirates and tortured its crew and passenger to find out the hidden treasure. Many pilgrims were murdered, tortured including women pilgrims raped, many of whom reportedly jumped into the sea to death. Moreover, the looted possessions of the Mughal flagship estimated between 325,000 to 600,000 pounds (Douglas R Burgess, Jr. (2014). The emperor Aurangzeb Alamgir was infuriated by the news and ordered for closure of five key ports of the EIC namely Bombay, Surat, Ahmadabad, Agra and Broach. He further ordered closure of the trading posts of the EIC across India. The emperor refused to lift the

embargo until the pirate, Henry Every is captured and executed and the loss is compensated in full. The EIC made its efforts to capture the pirate which is called the world's first global manhunt. However, the pirate and the treasure were never traced and the EIC decided to pay reparation estimated at 350,000 pounds ((Douglas R Burgess, 2008).

The EIC's Second Imperialistic Attempts (Diplomacy)

The Mughal Emperor's Farman of 1717 (Royal Decree / Magna Carta of the EIC)

The Mughal Emperor Farrukhsiyar issued a Farman (a royal decree) whereby the EIC was allowed to conduct import and export in Bengal against payment of a meagre amount of 3,000 rupees annually. Other trading concessions were given in Hyderabad and Gujrat. These lucrative concessions were granted in acknowledgement of the medical services, given by an English Surgeon, William Hamilton, who had cured the emperor's disease (Samaren Roy, 2005). As a result of the ground-breaking concessions, the company acquired huge cost advantage over other local and foreign competitors and seized a great opportunity to generate huge profits for having monopolistic position in the market by paying little annual custom duty. The company was also allowed to issue dastak (passes) to avail exemption of custom-duties on the goods-in-transit across India (Vipul Singh, Jasmine Dhillon, Gita Shanmugavel). The EIC was also given a concession to purchase lands around its populaces in Calcutta. These perks and privileges to the EIC laid foundation for future political influence of the company over the affairs of the richest province of India – Bengal and subsequently proved to be catalyst for the fall of the Mughal empire.

The EIC's Third Imperialistic Attempts (Proxy Wars)

Carnatic Wars (1740s)

Carnatic is a region in south India. Following the death of its ruler, Nawab Dost Ali Khan, a battle broke out between his successors to ascend the throne. One side was supported by the British East India Company while the other side by the French East India Company. The confrontation resulted into retreat of the French East India Company and vulnerability of the Muslim state while the British East India Company gained regional dominance. This proxy policy continued in other successive battles fought among the successors of the deceased rulers of different states (M.S. Naravane, 2006). Thus, this was the first experience of the EIC by indulging into proxy wars against the foreign trading corporations and the local rulers and ultimately establishing its hegemony in the region. This successful proxy experience bolstered the EIC to go on further adventures and conflicts with other local rulers and one among such was the Nawab of Bengal.

The EIC's Fourth Imperialistic Attempts (Bribery)

Battle of Plassey (1757)

It is interesting to note that the EIC though a trading company yet started fortification of its fort named Fort William in Calcutta in 1756. The ruler of Bengal Nawab Siraj-ud-Daula, urged the EIC to stop fortification work but she refused compliance and continued fortification. Finally, the ruler of Bengal marched to Calcutta and defeated the EIC's stronghold, Fort William, and liberated the territory from the EIC's de facto control. However, the commander-in-Chief of the EIC, Robert Clive recaptured the area in the following year in February (M.S. Naravane, (2006). While Nawab

Siraj-ud-Duala focused to reorganize his force to recapture the territory, Robert Clive resorted to bribe the commander-in- chief of the Nawab's army, Mir Jaffar.

As a result, in the battlefield, the commander-in- chief, Mir Jaffar, betrayed his ruler with other traitorous troops leading to the crushing defeat of the Bengal's army. Nawab Siraj-ud-Duala fled to the capital named Murshidabad but Mir Jaffar's son ordered his assassination shortly after (Nick Robins. Gresham College Lectures 2008). The story of the historic betrayal and infamy did not end here. The betraying Commander-in-Chief, Mir Jaffar, was himself betrayed as deposed by the EIC from the governorship of Bengal in 1760 (for his inability to fulfil his promise of massive payments to the EIC, although he was reappointed as the governor of Bengal in 1763 till his death in 1765 after deposing Mir Qassim, his son-in-law) and replaced with Mir Qassim. Mir Qassim was initially loyal to the EIC, as was his father-in-law, by offering huge and precious gifts to the EIC officials.

Confrontation Between Mir Qassim and the EIC (1763)

However, subsequently, Mir Qassim's levy of import and export duty angered the EIC who claimed exemption from all custom duties in Bengal under the pretext of the Farman of the Mughal Emperor Farrukhsiyar decreed in 1717. Whereas the ground reality was otherwise as the EIC officials had been misusing the Mughal license (dastak) by private trade under the claim of custom exemptions. Whereas this concession was given for the Company's goods and not for private trade. Moreover, the EIC officials were selling these passes (dastaks) to local merchants and traders who would also trade under such exceptions. Thus, the EIC official had long been committing violation of the emperor's Farman of 1717 while enriching themselves behind the company's privileges. These corrupt practices had also affected the fair and free competitive environment among the local and foreign traders in Bengal, the then richest province of India. The illegal sale of passes and goods (under duty-exemptions) in the pretext of the royal Farman was also causing huge losses to the revenue of the province of Bengal. In short, other local and foreign traders were paying all taxes whereas the EIC was enjoying all exemptions thus minting money for further imperialistic designs.

Battle of Buxar (1764)

Therefore, Mir Qassim, once the EIC's favourite governor of Bengal, turned against the EIC's corruption and defiance. The EIC in return deposed him in 1763 (Mohammad Shah, (2012). However, being frustrated by the corruption and long tax evasions of the EIC, he continued his opposition and gathered an army to fight against the EIC in 1763. Although he could not withhold the force of the EIC on the battlefield and was pushed back yet his retreat realized him to build a larger force in order to meet the EIC 's strength once again. Thus, he approached the Mughal Emperor Shah Alam II and the Nawab of Awadh (Present-day Uttar Pradesh - UP and Lucknow being its capital) to lend him support by a combined force to fight against the EIC. Both the leaders agreed and supported Mir Qassim to make a united front. A decisive battle took place in Buxar, a place in Bihar (Parshotam Mehra 1985). However, the victory was again credited by the EIC. As a result of the defeat, the emperor Shah Alam II and his allied ruler Nawab of Awadh were forced to come down to the terms of the EIC. These terms made the EIC virtual ruler of India in the subsequent years. This is called Treat of Allahabad.

Before we move on to analyse the terms of the treaty of Allahabad, it is pertinent to highlight as to why and how such a formidable Mughal force could be defeated despite being large by alliance. The answer lies in the preceding events at the centre, Delhi where the Marathas had gained power and made a nexus with the Wazir (Prime Minister) Imad-ul-Mulk of the Emperor, Ahmad Shah Bahadur to influence the affairs of the empire. Previously, the wazir, under the Maratha's influence, did not only depose the emperor Ahmad Shah Bahadur in 1754 and had him blinded but also had abetted assassination of the succeeding emperor Alamgir II in 1759, until the brave afghan ruler Ahmad Shah Abdali marched toward Delhi and gave a crushing defeat to the Marathas in Panipat in 1761. Therefore, these crushing events in the centre had badly weakened the Mughal capital, Delhi, to the extent that the 'restored Mughal Emperor Shah Alam II' had to stay in Allahabad from 1759 to 1772 under the protection of Nawab of Awadh and the EIC successively.

Allahabad Treaty (1765)

The backbone of Bengal, the then richest province of India, was its remarkable revenue. The treaty pressed the emperor Shah Alam II to grant its Diwani rights and defence to the EIC, which was going to be the greatest deal of the EIC on the soil of India so far. Diwani rights meant the authority to collect the entire revenue of Bengal, Bihar and Orrisa along with entire administration of civil justice in these provinces. Thus, the EIC became sole politico-economic power of the East India. The treaty further included that the emperor would be allowed protection under the EIC in Allahabad and an annual tribute of 2.6 million rupees was fixed for him. Whereas administration of criminal justice was left over to the local ruler of Bengal, though this role was also subsequently taken over by the EIC in 1790 by abolishing administration of Islamic law and substitution with Cornwallis Code of 1793 (the code was criticized for its judicial racism as the European officials were considered superior to their Indian counterparts). Thus, a dual system was enforced rendering the local ruler merely a nominal figure in administration of the rich province of Bengal. Whereas the terms of the treaty with the defeated nawab of Awadh included a reparation of 5 million rupees to the EIC (the reparation amount was paid in one year). In addition, the Nawab was bound to surrender the district of Kora and Allahabad to the EIC, which were granted to the emperor as his political dependency on the EIC (Faridah Zaman, (2015).

Treaty of Banaras (1775)

The life of the Nawab of Awadh ended in 1775 but the story did not. Now his son, Nawab Asif-ud-daulah was pressed to cede Banaras, Ghazipur, Chunar and Jaunpur to the EIC. He was further put under condition to pay more for the EIC's troops as used for his protection and administration of state. Thus, the politico-economic influence of the EIC began to exert in the Northern part of India as well after its complete control in the East (Irfan Habib and Faiz Habib 2014).

The EIC's Revenue Policies and the Catastrophic Famine of Bengal 1770

The EIC had become the master of the destiny of the Indian subject after the fall of Bengal and other eastern provinces as a consequence of the battle of Plassey and Buxar. But this destiny of the people turned into disaster when hit by the drought in 1768 followed by another yet more sever in 1770 (Massimo Introvigne. 2023). The famine shattered one third of the entire population of the province. The credit goes according to the historians to the EIC's aggressive and exploitative tax policies after taking over the diwani rights in 1765. Approximately 30% tax was increased in land

revenue, contributing to the famine (Fareeha Arshad, 2022). The drought began by 1768 due to poor crops-production, causing price-rise of the grains in the following year, 1769. The EIC further increased land tax by 10% in the peak of the famine in April 1770. Further the EIC's officials hoarded rice in huge stocks as much as ten times for profit and for the EIC's own troops which further caused price-hike of the rice. When the starving people of Bengal could not pay the taxes, the EIC sent its sepoy platoons to collect the taxes by force.

On the other hand, the EIC, despite having cash reserve, did not plan to provide relief to its famine-stricken subject. Rather the EIC had set tax collector's quota and those collectors who would meet the quota were given bonuses. Thus, the collectors also proved to be stiff and strict in extracting taxes from the public despite being unable to pay during famine. Among the main reasons of the famine was the EIC's force upon the framers to cultivate commercial cash crops like opium poppy, indigo etc instead of food grains which severely caused shortage of the food grain in the subsequent seasons. This is also ironic that the revenue of the EIC increased in the following year of the great famine of 1770 for the reason that it had collected more tax from the survivors. Many historians call it a genocide, if it was a genocide then perhaps the only genocide caused by taxes in the history. Historians William Dalrymple and Jon Wilson, in their recent accounts, argue that the Bengal famine was caused by exploitation, mismanagement and EIC greed under Clive's leadership (Dr. Suki Haider, 2020). Whereas, the Mughal rulers, on the contrary, used to reduce taxes in events of droughts and provide private relief for alleviation of the severity of food shortage.

The EIC on the Verge of Bankruptcy (1772)

Despite being the sovereign of the richest province of India, it fell to seek a bail-out package from the British government back home. The reasons for its financial crunch were many. Among them were the huge dividends being paid by the company's directors to the shareholders back in England, many of whom were influential politicians and parliamentarians. Despite the company's continuous losses, these lucrative dividends were being paid to maintain the EIC's influence over them. Another reason was that Alexander Fordyce who was a partner in a London bank lost £300,000 while shorting East India Company stock ('shorting a stock' means to borrow shares from a broker and to sell them immediately with the hope that the price of those shares will fall and to buy back once the price is down and to return the borrowed share to the brokers and retain the difference of the sold and bought-back shares as the profit. It's a speculative investment. This speculative practice was invented in 17th century specifically to target the Dutch East India Company, the first-ever joint-stock company) (William Dalrymple, 2015). The losses by the 'shorting' caused collapse of the bank and further created crisis in the credit markets of England and thus impacted the EIC as well (within two weeks, eight banks in London and later around 20 banks across Europe collapsed).

Similarly, other reasons included the EIC officials' (nabobs, derived from nawab: anglicised) widespread corruption by way of private trading and profiteering, funding local wars to increase political influence in vast regions, costly military-maintenance, burden of huge expenses on maintaining civil administration of the vast East India including Bengal, Bihar and Orrisa also caused financial crunch of the company. Death of millions of tax payers in Bengal also added in less collection of taxes. Therefore, the EIC appealed the British parliament for a loan of one million pound in 1772. The appeal brought the parliament's attention to the corruption and

mismanagement of the EIC. Though the loan was sanctioned yet a regulatory framework was also placed on the EIC to keep an oversight on the company's affairs.

British Parliament in Action and Inaction

Parliamentary Inquiry Against Robert Clive (1772-1773)

The most prominent parliamentary inquiry was held against the two-time governor of Bengal, Robert Clive, who was also among the most notable nabobs. When he left India for London in 1767, he brought 410,102 pounds (equivalent to £67.9 million in 2023) through remittance by Dutch East India Company (Watney, John Basil, 1974). The allegations levelled against him were many. The most obvious was his accumulation of huge amount of wealth such as he had accepted 234,000 pounds in return to install Mir Jaffar as a governor of Bengal in 1757. Similarly, in his conspiracy against the Nawab Siraj-ud-Daula, he forged a treaty document to deceive an Indian merchant namely Omichund. Likewise, his brutal tax and cash crops policies led to the famine of 1770, resulting into the death of millions of Bengalese. In his defence, Clive said in his speech which became his famous words, "I stand astonished at my own moderation" meaning that from his perspective he exercised restraint as he could accumulate more wealth being the whole sole ruler of the richest province of India. He also asserted that he rendered "Great and meritorious services for Britain and the EIC". Although he admitted some wrongful acts on his part yet he justified on the basis of "motive" which according to him was to strengthen Britain against its rival France.

It proved to be ironic that the parliamentary proceedings concluded in a resolution, passed in recognition of "Great and meritorious services" of Clive, despite the fact that strong evidences existed against all his corruption, treacheries and greedy policies including the forced cash crops cultivation policy, hoarding policy, drastic increase in taxes and dual governance system etc which turned the Bengal famines into human catastrophe by loss of millions of the human lives. The reason for his acquittal is ascribed by the historian that he had financial relations with the members of the British Parliament, many of whom were the shareholders in the EIC and were bribed with huge gifts and treasures before to keep influence over them. In addition, Britain had acquired a rich empire as a gift by simply a governor of a chartered company which was beyond a human imagination.

Parliamentary Prosecution Against Warren Hastings (1788-1795)

Second most prominent figure of the EIC was Warren Hastings, who was the first governor general of Bengal under the Regulating Act of 1773. Thus, he held top position to govern the affairs of the province from 1773 to 1785. After his return to London, his impeachment process began in the House of Commons in 1786, followed by his arrest in 1787 as he was brought before the impeachment committee to hear the charges against him (Turnbull, Patrick 1975). Subsequently, he was tried in the House of Lords in 1788, under an impeachment committee, headed by Edmund Burke, member of the Parliament from the opposition side (David Dwan 2012). It is interesting to note that the prime minister William Pitt, who was supporting Hastings before the impeachment, withdrew all his support after the impeachment began. Eleven specific charges were levelled against Hastings including his execution order (Maharaja Nandakumar was hanged in 1775, considered a judicial murder to silence his opponents), sentence to excessive punishment (Raja

Chait Singh of Banaras was kept under house arrest and subsequently was deposed as a ruler of Banaras), corruption, abuse of power and tyranny in India.

Hastings attempted to justify all his actions that they were according to the customs and laws of India, “geographical morality”. Whereupon Burke, the lead prosecutor, objected that the law of morality is universal to which he was bound to observe in all his actions instead of taking plea of the local customs and laws and geographical morality. Burke also accused him for plundering the resources of India to enrich himself and the EIC which is against the British principles of governance. He further argued that injustice was inflicted upon the people of India because the prime motive of the EIC was to profit from trade and not to manipulate to subvert the traditional governance and legal structure of India. He recognized the Mughal system of politics, governance and law and argued that Hastings and the EIC were in no need to impose their laws on the long-established, sophisticated and well cultivated systems set by the Mughal dynasty, which is a sheer violation of the Indian systems, well in order.

He also argued that the British authority in India was a trusteeship for protection of the rights of the people of India whereas Hastings’s arbitrary rule, exploitative tax policies and unjust wars were violation of this trust (Mithi Mukherjee 2009). He also observed that it was not legitimate for a corporation, chartered for trading, to rule such vast regions of the sophisticated empire, thus unqualified to rule by its own charter of incorporation. He referred to a Roman maxim “*Eundem negotiatorem et dominum*” (the same man cannot be both a merchant and a sovereign), and argued that merchant and sovereign are two distinct roles which should not be held by a single entity (Jakob Fortunat Stagl 2012). Although the powerful prosecution delivered by the Impeachment Committee consisting of nineteen members, led by Edmund Burke and continued for seven years, yet the outcome turned entirely different. The whole process took a paradigm-shift when the Hastings’s successor-Governor-General of Bengal, Cornwallis appeared on the scene and gave his testimony in his predecessor’s favour. Cornwallis was also asked if he deemed any just cause for impeachment of the character of Hastings, he replied in negative (Franklin B Wickwire and Mary Wickwire (1980).

Moreover, he praised Hastings as universally popular among the inhabitants and rejected all the allegations posed against him. To make the things worst, another EIC fellow followed the same suit that of Cornwallis and also gave a testimony in Hastings’s favour that he had accumulated no illegal money from the fortunes of the Indian treasures. This fellow was William Larkins, the former Accountant General of Bengal. These two testimonies of the EIC officials who had arrived from India in 1794 during the proceedings, adversely affected the whole impeachment process of the last six years starting from 1788. Although Edmund Burke gave a nine-day long reply against the testimonies and the defence of Hastings yet the Lords had changed their views.

Thus, the next year, the verdict was pronounced whereby Hastings was also set on acquittal same as his predecessor-governor of Bengal Robert Clive was set on acquittal by the British parliament in 1773 (who had then committed suicide the next year in 1774, perhaps a natural retribution to what he had committed with the Indian subject back in Bengal where due to his greedy revenue policies, millions had succumbed to famine and death). The critics raise the question as to why Prime minister William Pitt had withdrawn his support outright after the impeachment began. They maintain that this reflects solid grounds for his impeachment due to which the prime minister would have wanted to save his position by outright withdrawal from his support. Edmund Burke’s

contentions are eye-openers hence still worth reading. Despite being an Englishman, he best prosecuted the case of the Indian oppressed subject in British Parliament as an unpaid advocate, thus remembered in the history for his upright position and merit tribute. In other words, it may be said that it was the first contribution towards the consequent freedom of the subcontinent.

Ineffective Regulatory Oversight on the EIC

Despite the Regulating Act of 1773 and Pitt's India Act of 1784 to regulate the EIC, corruption, tyranny, bribery and dismantling local systems and structure of governance continued. It may be noted here that the trials against the two governors of Bengal, ending up in their acquittal, bolstered the EIC officials to carry on accumulation of wealth at the cost of the Indian bankruptcy. For example, the EIC forced the local weavers of fabrics to work exclusively for the EIC against meagre remunerations and suppressed the artisans in order to destroy the local Indian textile industry which eventually caused retrogression. Likewise, in order to generate finance for purchasing Indian goods like tea, cotton and spices etc, the EIC forced the local peasants in the north of India to cultivate poppy crops to sell in China and acquire foreign exchange for local purchases. The force applied on the peasants included harassment, kidnapping and imprisonment. Moreover, the EIC would buy these products from the peasants at a very low price to maximise its profits from both sides, i.e. India and China. When the Chinese government banned the opium trade for widespread addiction and ordered the English traders for destruction of the opium-stock including those of the EIC, the British empire engaged china in war with the result that China had to retreat and was forced to sign a treaty to allow opium trade in China (called first opium war between 1839 to 1842).

Despite the trials of his two predecessor governors, Wellesley (Governor General) followed the same pursuit of aggression by capturing the states of India who had only trade agreements with the EIC. The policy of aggression was further supported by the company's massive force as it held 200,000 soldiers on its back by the year 1800. Thus, subsequently, the EIC's expansion reached to ultimately dominating over two-third of the Subcontinent by 1818. In short, the oppressive collection of huge taxes, exploitation of labour and peasant, brutal contractual obligation and their enforcement through harsh physical and financial punishments and disregard to the Indian subject's religion collectively contributed to a mutiny in 1857. As the soldiers of the EIC turned their guns on their officers and rebelled against them. Though the rebellion was crushed brutally yet it led to the dissolution of the EIC in 1858 and substitution with the British crown through the Government of India Act 1858.

CONCLUSION

Had the British parliament conducted fair inquiry of Robert Clive (the two-time governor of Bengal) and a fair trial of Hastings (the first governor-general of Bengal) India would not have suffered further for century-long as it did from the fall of Bengal in 1757 to the fall of Delhi in 1857. Facts reveal that the trial and the inquiry were under the influence of at least a quarter of all the members of the parliament (MPs) who had significant shares and stakes in the EIC. In addition, many Executives of the EIC themselves were the members of the parliament. Moreover, the EIC had been lobbying the parliament by offering precious gifts brought from the Indian treasures. Thus, the EIC's influence over the parliamentarians was manifest and the cost of this nexus

between the House of trade (the EIC), House of Commons and the House of Lords, was paid by the Indian subject by losing everything including peace, prosperity, cultural identity and son on.

Competing Interests

The authors declared no known competing interests.

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