

The East India Company: The British Company That Once Ruled India

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In an open-sided tent, East India Company officers and administrators sit and stand under a canopy. This picture once belonged to Warren Hastings (1732-1818), the first governor-general of India. Photo by: Ann Ronan Pictures/Print Collector/Getty Images.

The East India Company was a private company that came to rule India in the 1800s. It was officially formed in 1600 during the rule of Queen Elizabeth I. The original company was made of a group of London merchants who hoped to trade for spices in the islands of present-day Indonesia. This is a country in southeast Asia.

Soon, the company came into conflict with Dutch and Portuguese traders who were active in the region. The East India Company decided to concentrate on trading in India instead.

The East India Company began to focus on importing from India

In the early 1600s, the East India Company began dealing with the Mughal dynasty, which ruled India at the time. English traders set up trading posts along the Indian coast. These were set up in places that later became the cities of Bombay, Madras and Calcutta. (Today, those cities are known as Mumbai, Chennai and Kolkata.)

Silk, cotton, sugar, tea and opium began to be exported out of India. In return, English goods such as wool, silver and other metals were shipped to India. The company also hired its own armies to defend its trading posts. Over time, the business also became a military and political organization.

British influence spread across India in the 1700s

In the early 1700s, the Mughal Empire was falling apart. Various invaders entered India, but the British were more worried about the French. The French were starting to take over the British trading posts.



However, the company was able to expand even more. At the Battle of Plassey in 1757, the forces of the East India Company defeated an Indian army that was backed by the French. The company took Bengal, then an important region of northeastern India, which greatly increased the company's power.

In the late 1700s, company officials often returned to England and showed off the enormous wealth they had gained while in India. These rich men were called "nabobs." This was the English pronunciation of nawab, the word for a Mughal leader.

Alarmed by reports that company officials were becoming rich through corrupt deals, the British government began to take some control of the company. It created the position of governor-general, which became the head of the company. The governor-general was chosen by the British government itself.

The East India Company in the early 1800s

One of the people who served as governor-general was Lord Cornwallis. Cornwallis is remembered in America for having surrendered to George Washington during the American War of Independence. At the head of the East India Company, he eliminated corruption among the company's employees.



The company kept expanding its territory in the years that followed. In 1833, the Government of India Act actually ended the company's trading business. It essentially made the company into the new government of India.

In the late 1840s and 1850s, the governor-general was Lord Dalhousie. He began to use a rule known as the "doctrine of lapse" to add more territory. The rule said that if an Indian ruler wasn't doing his job, or died without an heir, the British could take the territory.

Religious discord led to the 1857 Sepoy Mutiny

Tensions kept rising between the company and the people of India. The fact that the British kept taking land caused widespread anger.

There were many problems centered on religion, too. Most people in India followed the religions of Hinduism and Islam. A number of Christian missionaries had been allowed into India by the East India Company. Many Indians started to wonder if the British wanted to convert all of India to Christianity.



In the late 1850s, a new type of cartridge for rifles was introduced. The cartridges were wrapped in paper coated with grease. Rumors spread that the grease on the cartridges came from cows and pigs. Hindus view cows as sacred, while Muslims are not allowed to eat pork. Since soldiers would usually bite the cartridges to open them, this became a problem.

The Indian soldiers who worked for the company were called sepoy. Many of them were Hindu and Muslim, and they became suspicious. Were the British trying to get them to go against their religions?

The sepoy were outraged and said they would not use the new rifle cartridges. This led to a bloody rebellion in 1857, also known as the Indian Revolt. The British were able to stop the rebellion, but the government decided that the East India Company's time had come. It declared that it would rule India directly from then on, and the British government ruled India from 1858 to 1947.

India finally became free of the British in 1948.

Quiz

- 1 Read the section "British influence spread across India in the 1700s."
Select the paragraph that suggests that the British government did not approve of how the East India Company was operating.

- 2 Which sentence from the article shows why the East India Company eventually gained so much political power?

- (A) English traders set up trading posts along the Indian coast.
- (B) The company also hired its own armies to defend its trading posts.
- (C) The French were starting to take over the British trading posts.
- (D) He began to use a rule known as the "doctrine of lapse" to add more territory.

- 3 Read the paragraph from the section "The East India Company in the early 1800s."

In the late 1840s and 1850s, the governor-general was Lord Dalhousie. He began to use a rule known as the "doctrine of lapse" to add more territory. The rule said that if an Indian ruler wasn't doing his job, or died without an heir, the British could take the territory.

How does this paragraph contribute to the entire article?

- (A) It introduces the link between British policies and anger among the Indians.
 - (B) It provides another example of how the British were able to grow the company.
 - (C) It makes the claim that Lord Dalhousie was the most aggressive governor-general.
 - (D) It raises the question of the effectiveness of Indian leaders at the time.
- 4 How effective is the introduction [paragraphs 1-2] at introducing the East India Company?
- (A) The introduction is not effective because it mainly discusses plans for the company that were quickly abandoned.
 - (B) The introduction is not effective because it does not capture how the company took advantage of the Indians.
 - (C) The introduction is effective because it offers a brief summary of how and why the company took the form that it did.
 - (D) The introduction is effective because it provides a brief summary of the company's influence while in operation.