

Name: _____ Date: _____

From Trade to Territory

Q1. Describe the changes that occurred in the composition of the Company's army.

Ans. _____

Q2. How did the assumption of Diwani benefit the East India Company?

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Q1. Describe the changes that occurred in the composition of the Company's army.

Ans. Several changes occurred in the composition of the Company's army:

- i. The East India Company started recruiting peasants into their armies and training them as professional soldiers, which came to be known as the sepoy army.
- ii. As warfare technology changed from the 1820s, the cavalry requirements of the Company's army declined.
- iii. The soldiers of the Company's army had to keep pace with changing military requirements and its infantry regiments now became more important.
- iv. In the early nineteenth century the British began to develop a uniform military culture. Soldiers were increasingly subjected to European-style training, drill and discipline that regulated their life far more than before.

Q2. How did the assumption of Diwani benefit the East India Company?

Ans. Finally, in 1765 the Mughal emperor appointed the Company as the Diwan of the provinces of Bengal. The assumption of Diwani benefited the East India Company in several ways.

- i. The Diwani allowed the Company to use the vast revenue resources of Bengal.
- ii. From the early eighteenth century its trade with India had expanded. But it had to buy most of the goods in India with gold and silver imported from Britain. This was because at this time Britain had no goods to sell in India. The outflow of gold from Britain slowed after the Battle of Plessey, and entirely stopped after the assumption of Diwani.
- iii. Now revenues from India could finance Company expenses. These revenues could be used to purchase cotton and silk textiles in India, maintain Company troops, and meet the cost of building the Company fort and offices at Calcutta.