

Islam, Muslim Merchants, and Commerce in Early Modern South Asia: Economic Encounters among Diverse Communities

This study seeks to reorient our approach to teaching early modern South Asia and Mughal India in particular. Before doing so, a discussion of the general pedagogical paradigm often employed in the classroom and an overview of the geographical setting is in order. Since the publication of J. S. Mill's *History of British India* in the early nineteenth century, Indian history from around 1200 CE to 1750 CE is generally understood as the Muslim or Islamic period.¹ The successive Arab, Turkish, Afghan, and Mughal conquests of parts of the Indian subcontinent (during the eighth to sixteenth centuries) are interpreted as Islamic conquests leading to the establishment of Muslim or Islamic rule. Islam as a religion, consequently, became central to any understanding of Indian history of this period, so much so that in many standard world-history textbooks published in the U.S., the Mughal Empire is treated as an Islamic empire. Religion-based periodization of Indian history has come under scrutiny only recently. Most notably, Richard Eaton has questioned the tendency among scholars to conflate empires with the personal faith of their rulers and offers an alternative approach to Indian history.² The treatment of Islam (and other religions as well) as monolithic or homogenous and antithetical to modern economic or capitalist rationality by many colonial and postcolonial authors is also problematic. It not only glosses over the immense diversity of beliefs and practices within the subcontinent, but it also has led many to regard certain religious values as obstacles to economic growth. It is important, therefore, to consider the many forms of Islam and the great diversity of Muslim communities in any discussion of Islamic faith in the region. A number of primary sources related to this article for student discussion have been provided in an Appendix.

Studies of Muslim presence in South Asia have mainly focused on Islam's interaction with local religions and cultures and have generated contradictory interpretations. Some



Image 1: The Port City of Surat, 1690. Surat was the most prosperous port in the Mughal empire, graced by the mansions and the bustling warehouses of local merchant princes, Hindu and Muslim, doing business with a number of international traders, including Armenians and the French, English and Dutch East India Companies. As seen in this image, the European merchants flew flags from their “factories” or commercial establishments to identify their location to ships entering the port. Jacob Peeters, 1690. In the Public Domain under licensing provisions at Wikimedia Commons.

scholars have emphasized syncretism and argued that Islam was much indigenized as the Muslim communities retained many local non-Islamic practices and beliefs.³ Others have underscored the distinctiveness of Islam and the tendency among some Muslims to turn to “original” or “pure” Islam.⁴ In these discussions, scholars have focused more on the socio-cultural aspirations and activism of Muslim religious and political elites than on the lived experiences of ordinary believers. This essay turns to the professional world of Muslim merchants, an arena in which the dialectics of Islamic and non-Islamic commercial institutions and practices played out, and explores the formal and informal or customary commercial institutions that facilitated their enterprise. It examines how conscientious they were about Islamic laws (the so-called *sharia*) and to what extent their commercial activities were in conformity with it and the liberalities extended by the schools of Islamic jurisprudence. The analysis of their commercial activities is also important to counter the Eurocentric view that the Muslim inheritance laws, caste system, and other social practices restricted the scale and scope of commercial enterprise and inhibited economic growth.⁵ The inheritance laws, which have traditionally caused fragmentation of property, are held to have weakened the development of supra-personal economic institutions in Middle Eastern Islamic societies.⁶ By shifting our focus from identifying institutions as defined and discussed in Islamic prescriptive texts to exploring the merchant’s world and the complexities of their commercial undertakings we can better understand the extent of their adherence to

and deviation from business-related provisions of *sharia* as well as the interplay of Islamic institutions and the economic performance of South Asian merchant communities.

In South Asia, several port cities on the western and eastern coasts and urban centers in the interior had a large concentration of Muslims involved in maritime commerce. In the fifteenth and sixteenth centuries, Cambay in Gujarat and Calicut on the Malabar Coast were the premier ports of the subcontinent's oceanic trade. As Tomé Pires wrote, "Cambay stretches out two arms, with her right arm she reaches out towards Aden and with the other towards Malacca, as the most important places to sail to."⁷ At both of these places, Muslim merchants had come to dominate the maritime trade by the fourteenth century.⁸ On the Coromandel Coast and in Bengal, the immigrant and local Muslim merchants acquired prominence in overseas trade.⁹ Thus, around 1500, when the Portuguese arrived in Indian waters, Muslim merchants were in full control of shipping and maritime trade in the Arabian Sea and the Bay of Bengal.

By the late sixteenth and seventeenth centuries, Surat in Gujarat and Cochin on the Malabar Coast assumed greater significance owing to the increasingly important role they came to play in Indian Ocean commerce under the aegis of the Mughal Empire and the Kingdom of Travancore respectively.¹⁰ Surat eventually emerged as the largest port of the Mughal Empire and was the headquarters of the English East India Company and Dutch East India Company (Verenigde Oost-indische Compagnie) in north-western India for much of the seventeenth and eighteenth centuries. On the Coromandel Coast, commercial fortune moved from one city to another depending on how favorable a particular port was for the local and European merchants. Madras, Masulipatnam, Porto Novo, Pulicat, and Nagapatnam were prominent ones and became the abode of numerous merchants of different ethnic and cultural backgrounds.¹¹ In Bengal, cities such as Hugli, Murshidabad, and Dhaka, were chief commercial centers, each with a sizeable presence of local merchants and European companies and private traders. Since the early seventeenth century, the fortunes of many of these cities were closely linked with European trade.¹² The Muslim merchant communities remained nevertheless an important factor in the port-to-port trade of the Indian Ocean.

Islam in South Asia

It is essential that students of South Asia understand that the followers of Islam were not a monolithic social or religious phenomenon and that a variety of Islamic religious traditions arrived in South Asia in different ways, via different actors, and at different times. Many North American students are familiar with the concept of a differentiated Islam: they know of Sunni and Shi'a. However, extending their knowledge beyond this simple divide can be easily demonstrated by examining the complexities of commercial interactions among diverse merchant communities in South Asia and the flexible, financial institutions created to facilitate exchange in the seventeenth and eighteenth centuries.

The rise of Islam in Arabia and its rapid expansion eastward in the seventh and eighth centuries intensified commercial interaction along the western Indian Ocean littoral. Arabian navigational expertise and maritime enterprise blossomed in the subsequent centuries as Arab ships plied the waters between the Red Sea and the South China Sea providing a great deal of unity to the Indian Ocean world.¹³ This commercial dominance was so much so that Arab merchants came to control much of the maritime trade of the western Indian Ocean at the turn of the second millennium CE.¹⁴ By the early twelfth century, in the words of Andre Wink, “the Muslims dominated all important maritime and caravan trade routes with the exception only of the northern trans-Eurasian silk route from China to India and Russia, and one major trade centre, Byzantium.”¹⁵ The newly converted Muslim Arab and Persian merchants trading with South Asia introduced Islam to that region in the eighth and ninth centuries. Many such merchants had established themselves permanently or quasi-permanently in several major coastal regions such as Gujarat, the Malabar and Coromandel Coasts, Ceylon, and Bengal.¹⁶ The immigrant merchants needed a social base to support their businesses; hence integration with local society was a crucial step toward turning circumstances to their favor. Many visiting merchants married local women and gradually formed a local Islamic society on the coasts of South Asia. The Mappila Muslims of Malabar and the Labbais and Marakkayars of Coromandel are communities that came into being out of such integration in the thirteenth and fourteenth centuries.¹⁷

South Asia also witnessed, from the northwest, a series of military expeditions much more likely to appear in history texts than the merchant activity just described. This military action was primarily motivated toward establishing political control over the territory.¹⁸ The Ghori invasions of the late twelfth century led to the establishment of the Delhi Sultanate, which was ruled by successive Turk and Afghan Muslim dynasties. Because of these conquests, a new Muslim aristocracy substituted the formerly Rajput governing classes in the newly conquered territories. Additionally, a Muslim socio-cultural base began to be built mainly through articulating power in such a way that a number of Muslims, settled in clusters in those regions, was culturally assimilated and many more people were encouraged to come into the folds of the new faith.¹⁹ The Islamic cultural ethos was strengthened even further under the auspices of the independent sultanates in Bengal, Gujarat (1347–1573), the Bahmani Kingdom of the Deccan (1347–early fifteenth century), and subsequently under the Mughal political regime (1526–1757).

A third strand in the formation of the Muslim community in South Asia was represented by the Sufis, who came from West Asia equipped with the Islamic philosophy of mysticism. Being mostly Sunnis and followers of the *Hanafi*, the most liberal of the four schools of Islamic jurisprudence, the Sufi saints introduced a less orthodox form of Islam in the subcontinent.²⁰ The Sufis usually lived among ordinary people, spoke their language, borrowed and adopted many of their cultural practices, and, above all, welcomed everyone into their hospices (*khanqahs*) and had respect for people of other faiths. It was through the

efforts of the Sufi saints that Muslim societies developed in the Punjab and the Deccan.²¹ While some Sufis believed that true love for God was the essence of every religion and thus it did not matter to them how one worshiped, some considered conversion of their non-Muslim followers to Islam to be a noble objective.²²

The Muslim community that emerged in South Asia thus comprised people of different cultural persuasions representing three strands of orthodox, liberal political, and pluralistic Islam. The Arab settlers of coastal South Asia represented the most orthodox form of Islam and were mainly followers of the *Shafi'i* school of Sunni jurisprudence. They adhered rather strictly to their supposedly superior culture and tradition and did not let local cultural influences permeate their so-called purist Islam. As Susan Bayly has remarked, the Marakkayar Muslims settled along the Coromandel Coast were Shafi'is who claimed to be "pure descendants of the 9th and 10th century Arab traders and seafarers" and consequently "stigmatize[d] other Tamil-speaking Muslims as 'mere converts', persons of humble origin who converted from Hinduism in the relatively recent past."²³ The political conquest of Bengal, Gujarat, and the Deccan by the Sultans of Delhi resulted in the expansion of the Muslim ruling classes. The majority of Muslims who came to these regions in the course of the Turkish invasions were followers of the Hanafi School. Local converts found it convenient to adhere to this school, which allowed them to retain some practices and beliefs of their former religion. The Muslim cultures that emerged in South Asia differed in matters of rituals and customs, and differed quite substantially from the Islam of Arabia.²⁴

In many South Asian ports, Muslims formed the second major group after the Hindu and Jain merchants (the Banias in western India and the Chettis and Komatis in Coromandel).²⁵ The Muslim merchant community was heterogeneous, incorporating several sub-communities based on different ethnic, linguistic, or regional affiliations.²⁶ A majority of Muslim merchants adhered to Sunni Islam while others were Shias. The West Asian Arabs, the Turks, the Mughals, and a section of Gujarati Bohra merchants followed the Sunni tradition. The Khojas, the Persians, and a section of the Bohras followed the Shia tradition. Among the Sunnis, a majority followed the Hanafi School of jurisprudence and others followed the Shafi'i or another school.

This heterogeneity was also expressed quite explicitly in their social and commercial cultures. The expansion of political Islam in South Asia allowed its new converts to retain some of their customary practices and beliefs. This is evident in the regional differences in social customs and cultural practices throughout the subcontinent.²⁷ Excepting the basic tenets of Islam (*faraiz* or mandatory beliefs and rituals), local pre-Islamic cultural practices and values remained prominent and, in some cases, even dominant in everyday life.²⁸

Islam emerged in a society that thrived on commerce. Right from the beginning, the pre-Islamic practices were adapted as legitimate methods of conducting trade except the prohibition of usury (*riba*).²⁹ The pre-Islamic institutions of commenda (a commercial

contract between an investing merchant and a traveling merchants) and partnership were incorporated into *sharia* and recognized as legal instruments of pooling resources, such as cash, goods, skills, or a combination of all, to carry out commercial activities.³⁰ There is no consensus among the four schools of Sunni jurisprudence regarding the nature and mode of application of these institutions. Of all, the Hanafi School and the liberality with which it legitimated the commenda arrangements (not valid in Shafi'i jurisprudence) broadened the scope of this institution to accommodate different types and forms of commercial dealings. With the application of juristic preference (*istihsān*) or legal devices (*hiyāl*), instruments to circumvent any prohibition, many forms of commercial dealings were considered permissible under the Hanafi law of commenda and partnership. Abraham L. Udovitch has attributed the affluence of the Muslim world in the early Middle Ages to the superiority and flexibility of the commercial techniques available to merchants.³¹

In South Asia, the Mughal Empire and Muslim sultanates in the Deccan, embraced heterogeneity and diversity and provided a broad institutional framework for merchants to carry out trade and other economic activities. It is important for students to know that as sovereigns, Muslim rulers did not really follow Islamic laws. Many of their actions and policies, in fact, were adaptations of local non-Islamic rituals and practices. States unbound by *sharia*, thus, gave Muslim merchants a wider space to pursue their calling. Their fiscal and commercial measures and policies greatly facilitated trade and benefited merchants. What follows below is an exploration of the state as an institution and the extent to which its policies and practices conformed to or deviated from *sharia*.

The state as an institution

The seventeenth century was a period of unprecedented growth in South Asian commodity production and trade. The Mughal Empire's fiscal and trade policies stimulated the economy and contributed to economic growth. The territorial integration of northern and western India connected the productive interior with the ports of Gujarat and Bengal and brought the region into the orbit of Euro-Asian trade, both oceanic and caravan. The relative peace and internal security within the empire and the standardized currency system further encouraged extensive trading. The systematization of revenue collection in cash induced peasants to cultivate high-value crops and stimulated them to use money as a means of exchange. Whereas the state benefitted the most as large revenues annually flowed to its exchequer, the fortunes of the merchants and manufacturers also grew rapidly.³² The Mughal state regulated the commercial taxation and imposed a uniform duty on imports and exports. The state disregarded the *sharia* stipulation of a lower rate for Muslims and a higher rate for non-Muslims.³³ It was not until 1663 when Emperor Aurangzeb (1657–1707) imposed differential customs duties whereby all Muslim merchants were asked to pay 2.5 percent of the value of merchandise while the others paid the usual 5 percent, the rates prescribed

by *sharia*.³⁴ Two years later even this reduced duty was abolished altogether for all Muslim merchants.³⁵ However, due to the loss of revenue, the emperor reinstated the 2.5 percent customs duties for Muslim merchants.³⁶ Whatever the legality of these regulations from the point of view of the *sharia*, one can hardly deny their implications for maritime trade. The reduction and then the abolition of the custom duties on all imports and exports must have given to Muslim merchants a certain advantage over others in the sale and purchase of merchandise.³⁷ The assessment and collection of customs duties were arbitrary.³⁸ In the eighteenth century, European merchants paid lower custom duties than Muslims at many ports of the Persian Gulf and the Red Sea.³⁹ In levying commercial taxes, the Mughal and other empires of West Asia were governed by their fiscal and political expediencies rather than by *sharia*.

Like the Mughals, the sultanates of Gujarat and Golconda took interest in maritime matters and played crucial roles in attracting merchants and merchandise to the ports they controlled. Sinnappah Arasaratnam has emphasized the role of Golconda and Bijapur rulers in the growth of commercial fortunes of their respective ports of Masulipatnam and Nagapatnam located on the Coromandel Coast.⁴⁰ The commercial success of the Chulia Muslim merchants in the seventeenth and eighteenth centuries was largely due to the supportive institutional framework put in place by the rulers of various Muslim states in the Malay-Indonesian archipelago such as Perak, Kedah, Aceh, and Bantam.⁴¹ The Mughal Empire and other states, thus, played a vital role in the growth and expansion of trade and commerce and the overall economy in South Asia. States' fiscal and trade policies certainly created favorable conditions for merchants. But what enabled merchants to carry out their enterprise was a stable set of mechanisms and modes of pooling capital, expertise, and other resources and sharing the risk. The rest of this essay focuses on commercial institutions and practices, such as partnership, commercial intermediation, and banking, that fostered mercantile success.⁴²

Commenda and Partnership

Commenda (*mudāraba*) and actual partnerships, limited (*inān*) and unlimited or universal (*mufāwada*), were the most common forms of pooling resources in long-distance trade. A person with cash or merchandise could make a commenda agreement with an agent-manager who was to trade with it and return the capital together with the previously agreed-upon share of profit to the former.⁴³ The remainder would be the share of the agent-manager as a reward for his labor. The agent had no liability for the losses resulting from the exigencies of sea travel or from an unsuccessful business venture.⁴⁴ Often, merchants had recourse to actual partnership by jointly investing capital and sharing the profit. Mulla Fakhruddin, a Muslim merchant of Surat, traded in partnership with an English merchant in Bombay in the 1730s and 1740s.⁴⁵ In Coromandel, a Muslim merchant, Mohammad Shafi, owned a ship

jointly with D'Aqueres and Shaikh Sultan, another Muslim merchant, traded in partnership with Kupa Chetty, a Tamil Hindu merchant.⁴⁶ In Surat, a Parsi merchant, Mancherji Khurshedji, traded in partnership with his co-broker and Bania merchants, Rudraram Raidas and his son Govindram Rudraram, during 1750–80.⁴⁷ In a social milieu where familial values were highly respected and considered the basic unit of all commercial ventures, the joint family itself traded as a unit. Mulla Fakhruddin's sons, Mulla Waliuddin and Mulla Abdul Fateh carried on the family business under joint ownership.⁴⁸ There are examples of commercial partnership where family members jointly invested their resources, shared liabilities, and carried on trade together. The timber merchants of Broach in Gujarat, Karim Khan, his brother Ismail Khan, and the latter's son Nusrat Khan jointly negotiated loans.⁴⁹ This brief sketch reveals that although trade partnerships were commonly formed within the family or community, Muslim merchants had no difficulty trading in partnership with merchants of other communities. Likewise, they had no difficulty in utilizing the services of Bania or Parsi bankers and brokers.

Commercial intermediation: *wakil* (agent) and *dalal* (broker)

A large part of South Asia's exports was handled by its own merchants. Major ports such as Surat, Masulipatnam, Porto Novo, and Hugli were commercial hubs with significant concentrations of merchants, agents, brokers, bankers, and suppliers. Although people of all ethnicities and faiths participated in commercial activities, traditionally, Muslim merchants engaged in oceanic trade. The logistical and geographical dimensions of early modern Indian Ocean trade rendered any enterprise impossible without the active cooperation of a group of spatially dispersed people with navigational and book-keeping skills. Any successful commercial undertaking depended on networks of trustworthy merchants performing a variety of agency services.

Islam permits Muslim merchants to use the services of brokers and agents.⁵⁰ The affluent Muslim merchants and shipowners involved in multi-dimensional trading ventures, managed their trade through an agent (*wakil* or *gumashta*) or a broker (*dalal*). Apparently, the distinction between a broker and an agent was functional. In practice, however, each took such diverse forms that no designation captures all modes of business dealings. The exact nature of employment of agents and forms of remuneration are not clearly stated in our sources. Possibly, they were rewarded for their services by certain commercial privileges or allowance or a share in the profit. Generally, the stewards on ships were agents transacting business on behalf of the shipowners. They were merchants in their private capacity and for servicing the shipowners enjoyed certain privileges, which in many cases included a right to carry their own merchandise on board free of freight and other charges.⁵¹ In a *farman* (imperial order) of Shahjahan (dated 25 *Shawwal* 1053 A.H. /9 January 1644), Shaikh Abdur Rahim and Shaikh Abdus Samad, the stewards of the imperial ship *Ganjawar*

were allowed to carry on board their goods to Jeddah free of charges. Mukarram Abdur Rasul, the agent and steward of Mancherji's ships, had a similar privilege when he sailed to Malacca and Siam. At the latter places, he was to sell the merchandise belonging to the shipowner and procure a return cargo for his principal.⁵² As an agent, he apparently had no entitlement to any share in the profits and was instead allowed to carry merchandise on board on his own account free of charges. In 1763, he was authorized to carry goods worth 5,000 rupees on board Mancherji's ship, the *Emmudi*, sailing to Siam.⁵³

Although, the merchants generally trusted members of their family, clan, or community as agents, dependable networks were also built with persons outside the family and community. Mulla Abdul Ghafur, for instance, entrusted the task of bringing back the *Faiz Rasan* from Batavia with the additional responsibility of procuring from there a cargo of suitable merchandise to Yar Mohammad son of Sher Mohammad, probably a Bohra Muslim.⁵⁴ Tipu Sultan's agent at Masqat was a Muslim, Mir Qasim. The Imam of Masqat had Ghaus Mohammad Khan, a Muslim, as his agent at Manglore while Imam Said's agent at Cochin was Shaikh Ibrahim who later became Sultan bin Ahmad's agent at Bombay.⁵⁵ Abdullah ibn Yusuf, a Jewish merchant of Basra, had Ishaq Dawud, a Jew, as his agent in Surat while he himself acted as the broker of Tipu Sultan of Mysore.⁵⁶ Most Muslim merchants availed themselves of the services of the Bania and Parsi brokers and bankers. A Muslim merchant, Abdur Rahman Sulaimanji, had Girdhar Das son of Purshottam Das of Surat as his broker and Vishnu Das, a Bania merchant, was the broker of Haji Khalil at Masqat and served as the English East India Company's broker during 1799–1803.⁵⁷

The relationship between agents and their principal merchants was based on trust and a conscientious performance of duty. Usually, the agents were careful not to lose their principal's trust but because they were also merchants with their own commercial interests, trust was sometimes breached. A dispute occurred when Mokarram Abdur Rasul, the agent and *nakhuda* (steward) of the ship of a Parsi merchant, Mancherji Khurshedji, allegedly committed fraud in the sale and purchase of goods belonging to Mancherji at Malacca and delayed the departure of the ship from there to serve his own private trading interests.⁵⁸

Financial intermediation: bankers (*sarrafs* and *sahukars*)

Muslim merchants generally refrained from providing financial/banking services primarily because *sharia* prohibits usury. While explaining the logic of its prohibition, scholars have emphasized the exploitative nature of usury and argued that the Islamic ban on interest is essentially to prevent exploitation of the poor.⁵⁹ Commercial lending is somewhat different from ordinary loans and *sharia* laws did not apply to every type of lending.⁶⁰ There are nevertheless examples of Muslim moneylenders and moneychangers in South Asia., though these are exceptions to the norm.⁶¹ The money market in South Asia was dominated by the Gujarati Banias, Marwaris, and Parsis. In West Asia, too, the practitioners of usury

were mostly Jews, Parsis, and Banias.⁶² It is interesting to note that even though Muslims generally spurned usury, they were, nonetheless, the major recipients of interest-bearing loans throughout the Islamic world. Nowhere is this more evident than in shipping and overseas trading, activities in which Muslim merchants were primarily involved and where the stimulus for investment and pooling of resources was imminent.

Maritime banking: bottomry and respondentia

Bottomry and respondentia were the two forms of maritime investment and of pooling resources. In many ways, these were variants of commenda and partnership. Whereas in the latter, profits were usually shared by the investors and the managers, in respondentia and bottomry loans the lender received a fixed premium on the money invested. The lender had to bear risks and the borrower had no liability until the ship and the merchandise (both being surety for the loans) arrived safely at the intended port. Upon arrival, the creditor or his agent received the capital along with the premium regardless of the actual transactions. A high premium was the reward to the lender for bearing the risk.⁶³ The beneficiary had the advantage of keeping for himself whatever was above the stipulated amount payable to the lender if the transactions were favorable. At times, however, the beneficiaries suffered losses and were unable to pay the stipulated sum. Such instances led to disputes which were usually resolved through the adjudication of three or more arbiters appointed by the concerned parties.⁶⁴

Because of the seasonal nature of Indian Ocean trade, Muslim merchants were often forced to borrow money on interest from Bania and Parsi moneylenders to carry out their trading enterprise. In the eighteenth century, merchants intending to sail or send their goods to West Asia willingly accepted respondentia loans offered by the English East India Company. The English used respondentia loans as a means of obtaining funds for their coffee investments in Mokha. The recipients of this loan, overwhelmingly Muslims, undertook to pay the money lent at Surat to the company at Mokha at the stipulated rate of exchange (54–56 German coins full weight for 100 Surat Rupees).⁶⁵ This provided merchants with their initial capital and induced them to buy merchandise and ship them to their agents at the destined ports. The goods on board served as security for the loans, and the merchants had full assurance that their goods would be delivered safely to their agents or representatives.

The Muslim shipowners also accepted bottomry loans from other merchants and invested the money in procuring goods for overseas trade. In 1796, Antoba Sunderji, a merchant of Surat, lent a sum to Malik Ahmad (a Muslim merchant and probably the owner of the ship, *Fath-i Khars*) to run on respondentia and the latter, in a written bond, promised to pay 2,505 dollars to Sunderji.⁶⁶ Thus, Muslim merchants like all others, were beneficiaries of the maritime loans. Shipowners and commodity traders generally accepted loans from prospective investors and paid interest. Those who lent money on interest or borrowed

and paid interest on it certainly took advantage of the ambiguity of *sharia* and followed local customary practices.

Local pre-Islamic institutions and practices were wholly or partly integrated with *sharia*, as evidenced by bottomry and respondentia loans, which originated independently of Islam and were widely practiced in the Indian Ocean. Similarly, variants of commenda and partnerships were common among Muslim merchants everywhere. They had commenda arrangements and partnerships with non-Muslim merchants despite the fact that a more conservative interpretation of Islam approves only close-community partnerships.⁶⁷ The broad institutional framework and the degree of elasticity in incorporating diverse modes of commercial dealings contributed to Muslim merchants' preeminence in Indian Ocean commerce in the two centuries preceding the beginning of the British colonial rule in South Asia in the 1750s.

Conclusions

The commercially complex world discussed above clearly underscores the syncretic nature of Islam in South Asia and the diversity of the Muslim merchant communities. It also offers an outline for a classroom strategy to help twenty-first century students learn about the nexus of society, economy, politics, and religion in South Asia and the larger Indian Ocean trade system. A discussion of the modes of operation and forms of commercial engagements utilized by the Muslim merchants of South Asia will reveal to students that those commercial activities were largely carried out in accordance with the institutional framework sustained and supported by the state in conjunction with *sharia*. Throughout the period under review, Muslim merchants, quite like their European Christian counterparts, were able to circumvent the prohibitions imposed by their religion.⁶⁸ Muslim merchants did not deliberately violate *sharia* but sometimes when commercial logic was in direct confrontation with Islamic law, they disregarded the latter.⁶⁹ This was so because Islamic prohibition of certain commercial practices carries with it social and ethical rather than religious significance.⁷⁰ Nevertheless, all business transactions were to be conducted with fairness and in accordance with the terms of the contract. And, by and large, merchant's behavior was in tune with the provisions of the contracts and with prevailing moral and ethical codes.⁷¹

The nature of the Muslim presence in South Asia and the predominance of the Hanafi school of Islamic jurisprudence made it possible for rulers and merchants to juxtapose local customary practices with those sanctioned by Islam. In commerce, pragmatism preceded every other consideration in the same way that political expediency was the hallmark of state formation under the Delhi Sultanate and Mughal Empire. Thus, Muslim merchants inhabited a highly complex world and benefited from commercial institutions some of which were pre-Islamic but had been integrated with *sharia*. The versatility and sophistication of the banking, agency, and brokering institutions in South Asia challenge the argument that

a strict adherence to religious, caste, and community values obstructed economic growth. Indeed, the existence of a reasonably stable set of South Asian commercial practices deemed acceptable despite their deviation from *sharia* strongly suggests otherwise.

Appendix

Abstracts of Primary Sources for Student Discussion

1. *British Library (G/36/60) Factory Records Surat, no. 60, Letter to the Super Cargo of Glatton to Mocha, Mr. Thomas Porteus, Surat, 30 March 1784, p. 97.*

Surat merchants freighted goods to their agents in Mocha on the *Glatton*, an East India Company ship. In the letter to the super-cargo of the ship, the East India Company chief in Surat delivered “bills for 10,274:18 new German crowns full weight payable to you (the super-cargo) at Mocha.” This sum was for “Surat Rupees 18,346:2:75 lent here at respondentia at the rate of 56 new German crowns full weight per 100 rupees.” A list of all those merchants who had received the loans and the names of those from whom the super-cargo was to recover the amount in German crowns at Mocha is enclosed with the letter.

2. *British Library (G/36/74), Factory Records Surat, no. 74, Consultations at Surat, 6 June 1796, pages 592–94.*

Petition of Antoba Sunderji of Surat

Antoba Sunderji, a merchant of Surat, lent his own money to Malik Ahmad, the owner of the ship, *Fath-i Khars*, to run at “respondentia” with a payment of 2,505 Mocha dollars due to the petitioner after the ship’s safe arrival at the port of destination. Malik Ahmad also executed a bond with the same terms. However, when the ship reached the destination, Antoba Sunderji was unable to secure payment from Malik Ahmad. The arbiters decided in favor of Sunderji stating that the sum of 2,505 dollars was “justly and undoubtedly” due to him. Malik Ahmad did not pay and that caused a great loss to Antoba Sunderji. The latter petitioned the East India Company’s chief in Surat to intervene and persuade the Nawab of Surat to settle the matter in his favor.

3. *British Library (G/36/75), Factory Records Surat, no. 75, Consultations at Surat, 24 September 1796 and 12 October 1796, pages 857–58, 904–6.*

- a. A petition of Mulla Waliuddin, son of Mulla Fakhruddin, regarding the continuation of the customs exemption to the value of rupees 200,000 (*maa’fi*). [pp. 857–8]

In 1796, Mulla Waliuddin petitioned the East India Company chief in Surat requesting the company to help him secure half of the exemption, that is exemption from customs duties on goods worth rupees 100,000, leaving the other half

to his younger brother, Mulla Abdul Fateh. Mulla Waliuddin further declared that, after his father's death, he and his younger brother have jointly carried out family business but have kept the exemption from customs separate for certain unspecified reasons. Through this petition, Waliuddin wished to have his share separated from that of his brother so that no further disputes arise between the two brothers.

b. A petition of Mulla Abdul Fateh complaining against his brother, Waliuddin's claim to a share in the exemption (*maa'fi*). [pp. 904–6]

Mulla Abdul Fateh objected to his brother, Mulla Waliuddin's efforts to separate his share in the customs exemption from his brother. In a petition to the East India Company chief in Surat, Abdul Fateh makes his case by raising the following points: (a) that his father entrusted him with everything, including taking care of the family and children, which he has done for over fifteen years; (b) that his brother, Mulla Waliuddin, is a troublesome person and has quarreled with his sisters and treated them with disrespect; (c) that Waliuddin is under the influence of some wicked people and is trying to destroy the credit and reputation of our family; (d) that he obtained favorable letters from Mr. Boddam and Mr. Ramsay (East India Company governors in Bombay) confirming his entitlement to carry on the family business before his brother got such a letter from the late Nawab of Surat; (e) that Waliuddin is not entitled to any share in the customs exemption. Abdul Fateh also records in the petition that while he cannot give up his rights to his brother, he will do everything in his power to continue supporting him as he has done and continues to do so for the entire family.

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NOTES

¹ J. S. Mill, *The History of British India*, 6 vols. (London: Baldwin, Cradock and Joy, 1817); W. H. Moreland, *The Agrarian System of Moslem India* (Cambridge: W. Heffer & Sons, 1929).

² Richard M. Eaton, *India in the Persianate Age, 1000–1765* (Oakland, CA: University of California Press, 2019).

³ Imtiaz Ahmad, *Ritual and Religion among Muslims in India* (New Delhi: Manohar, 1981); Asim Roy, *The Islamic Syncretistic Tradition in Bengal*, (Princeton, NJ: Princeton University Press, 1983); Asim Roy, *Islam in South Asia* (New Delhi: South Asian Publishers, 1996). Many scholars have challenged the notion of Islam as a monolithic entity, static, and intolerant of others: Richard M. Eaton, *Essays on Islam and Indian History* (New Delhi: Oxford University Press, 1987); Katherine P. Ewing, *Shari'at and Ambiguity in South Asian Islam* (Berkeley: University of California Press, 1988); Muzaffar Alam, *The Languages of Political Islam in India, 1200–1800* (Chicago: University of Chicago Press, 2002).

⁴ Barbara D. Metcalf, *Islamic Revival in India: Deoband, 1860–1920* (Princeton, NJ: Princeton University Press, 1982); Francis Robinson, *Islam and Muslim History in South Asia* (New Delhi: Oxford University Press, 2000), see especially, chapter 2.

⁵ Max Weber, *The Protestant Ethics and the Spirit of Capitalism* (London: Routledge, 1992). For a critique of this view, see Morris D. Morris, “Values as an Obstacle to Economic Growth in South Asia: An Historical Survey,” *Journal of Economic History* 27, no. 4 (1967), 588–607. See also a brief discussion on some of the related issues in John Goheen et al., “India’s Cultural Values and Economic Development: A Discussion,” *Economic Development and Cultural Change* 7, no. 1 (1958): 1–12.

⁶ Timur Kuran, “The Islamic Commercial Crisis: Institutional Roots of Economic Underdevelopment in the Middle East,” *Journal of Economic History* 63, 2 (2003): 414–46.

⁷ Tomé Pires, *The Suma Oriental of Tomé Pires The Suma Oriental of Tomé Pires, An Account of the East, from the Red Sea to Japan, written in Malacca and India in 1512–1515, and The Book of Francisco Rodrigues, Rutter of a Voyage in the Red Sea, Nautical Rules, Almanack and Maps, Written and Drawn in the East before 1515 Volume I*, trans. Armando Cortesão (London: The Hakluyt Society, 1944), 42–5; André Wink, *Al-Hind: the Making of the Indo-Islamic World*, vol. 3 (Leiden: Brill, 2004), 196.

⁸ Wink, *Al-Hind*, 3: 197, 199–200, 203–5.

⁹ Wink, *Al-Hind*, 3: 209–12.

¹⁰ See Ashin Das Gupta, *Indian Merchants and the Decline of Surat, 1750–1800* (Wiesbaden, DE: Franz Steiner Verlag Wiesbaden GmbH, 1979); Ashin Das Gupta, *Malabar in Asian Trade, 1740–1800* (Cambridge: Cambridge University Press, 1967).

¹¹ Arasaratnam has underscored the distinct character of the Coromandel Coast, especially the absence of a major trade emporium like that of Surat, Calicut, Cochin, or Hugli and the decentralized nature of trade on the coast. See Sinnappah Arasaratnam, *Merchants, Companies and Commerce on the Coromandel Coast, 1650–1740* (New Delhi: Oxford University Press, 1986), chapters 1 and 3; Sinnappah Arasaratnam, *Maritime Trade, Society and European Influence in Southern India, 1600–1800* (Aldershot, UK: Ashgate, 1995).

¹² K. N. Chaudhuri, *The Trading World of Asia and the English East India Company, 1660–1760* (Cambridge: Cambridge University Press, 1984); Om Prakash, *The Dutch East India Company and the Economy of Bengal, 1630–1720* (Princeton, NJ: Princeton University Press, 1985); Om Prakash, *European Commercial Enterprise in Pre-Colonial India* (Cambridge: Cambridge University Press, 1998).

¹³ K. N. Chaudhuri, *Trade and Civilisation in the Indian Ocean: An Economic History from the Rise of Islam to 1757*; (Cambridge: Cambridge University Press, 1985); Michael Pearson, *The Indian Ocean* (New York: Routledge, 2003); Prakash, *European Commercial Enterprise*; Patricia Risso, "Muslim Identity in the Maritime Persian Gulf/Indian Ocean Region," *International Journal of Middle Eastern Studies* 21 (1989), 381–92; Wink, *Al-Hind*, 3: 184.

¹⁴ Satish C. Misra, *Muslim Communities in Gujarat: Preliminary Studies in their History and Social Organisation* (Baroda: Maharaja Sayajirao University, 1964), 3; Sinnappah Arasaratnam, *Islamic Merchant Communities of the Indian Subcontinent in Southeast Asia* (Kuala Lumpur, MY: Sri Lanka Endowment Fund Lecture, University of Malaya, 1989), 3.

¹⁵ André Wink, "Al-Hind': India and Indonesia in the Islamic World-Economy, c. 700–1800 AD," Peter J. Marshall, et al, eds., *India and Indonesia during the Ancien Regime* (Leiden, NL: Brill, 1989), 34.

¹⁶ For a brief survey of the early Muslim settlements along the coasts of India, see Wink, *Al-Hind*, 3: 195–213.

¹⁷ Wink, *Al-Hind*, 3: 206, 209.

¹⁸ Misra, *Muslim Communities in Gujarat*, 3–4.

¹⁹ Wink, *Al-Hind*, 1: 68–69.

²⁰ In the course of institutionalisation of belief and practices there emerged four schools of Sunni Islamic jurisprudence, namely *Shafa'i*, *Hanafi*, *Maliki*, and *Hanbali*. Each school differs from the other in certain minute aspects of religious and social practices.

²¹ Richard M. Eaton, *Sufis of Bijapur, 1300–1700* (Princeton, NJ: Princeton University Press, 1978); Richard M. Eaton, *The Rise of Islam and the Bengal Frontier, 1204–1760* (Berkeley: University of California Press, 1993); Richard M. Eaton, *Essays on Islam and Indian History*. See, also Alam, *Languages of Political Islam*.

²² In his study of Islam in South Asia, Muzaffar Alam has discussed this inherent tension in the Sufi Islamic tradition. Alam, *Languages of Political Islam*, 98–114, 151–167.

²³ Susan Bayly, "Islam and State Power in Pre-Colonial South India," in Marshall, et al., *India and Indonesia during the Ancien Regime*, 145–7.

²⁴ The extraordinary flexibility of Islam and its assimilation or integration of local Indic traditions and rituals were not new but part of a process that began very early. Once Islam spread out of Arabia, the land of its origin, it began to accommodate aspects of other cultures, especially Persian, and thus a syncretic trend developed. Marshall Hodgson, *Rethinking World History: Essays on Europe, Islam and World History* (Cambridge: Cambridge University Press, 1993).

²⁵ In seventeenth-century Surat and Diu, the two prominent ports of Gujarat, the Hindu and Jain merchants outnumbered their Muslim counterparts, although some of the richest merchants were Muslims. M. N. Pearson, *Merchants and Rulers in Gujarat: The Response to the Portuguese in the Sixteenth Century* (Berkeley: University of California Press, 1976), 103. On the Coromandel Coast, the predominant Muslim presence is reported at Porto Novo and to some extent, at Cuddalore, Karikar, and Nagore. Sinnappah Arasaratnam, "Factors in the Rise, Growth and Decline of Coromandel Ports circa 1650–1720," Arasaratnam, *Maritime Trade, Society and European Influence*, chapter 9, 28.

²⁶ See Misra, *Muslim Communities in Gujarat*.

²⁷ For a discussion on the varying marriage rituals and ceremonies among the Muslims of India, see Imtiaz Ahmad (ed.), *Family, Kinship and Marriage among Muslims of India* (New Delhi: Manohar, 1976); Roy, *The Islamic Syncretistic Tradition in Bengal*; Roy, *Islam in South Asia*.

[28](#) To the extent that sometimes Muslims were regarded as half-Muslim (Roy, *Islam in South Asia*) or as “mere converts” and “persons of humble origins” as in the case of south-eastern India Muslims (Bayly, “Islam and State Power”).

[29](#) Scholars have different views on usury in Islam. *Sharia* or Islamic law as interpreted by the scholar-theologians of Islam and as put into practice by the Ottoman, Mughal, or their successor states, does not allow Muslims to practice usury. In eighteenth-century Aleppo, the courts did not permit money lending on interest as it was considered usurious and thus against *sharia*. Bruce Masters, *The Origins of Western Economic Dominance in the Middle East: Mercantilism and the Islamic Economy in Aleppo, 1600–1750* (New York: New York University Press, 1988), 153, 160–1. Here we find that, despite the “well-known ban on usury” in Islam and the courts’ disapproval, many Muslim merchants used tricks to contravene the ban and extended or received interest-bearing loans.

[30](#) Abraham L. Udovitch, “At the Origins of the Western Commenda: Islam, Israel, Byzantium?” Princeton Near East Papers 9, (Princeton, NJ: Program in Near Eastern Studies, Princeton University, (1969), 1–12. See also his *Partnerships and Profit in Medieval Islam* (Princeton, NJ: Princeton University Press, 1970).

[31](#) Udovitch, *Partnerships and Profit*, 261.

[32](#) B. G. Gokhale, *Surat in the Seventeenth Century: a Study in Urban History of Pre-Modern India* (Bombay: Popular Prakashan, 1979); Gupta, *Indian Merchants*. Ghulam A. Nadri, “The Maritime Merchants of Surat: a Long-term Perspective,” *Journal of the Economic and Social History of the Orient* 50, nos. 2–3 (2007); Ghulam A. Nadri, *Eighteenth Century Gujarat: the Dynamics of Its Political Economy, 1750–1800* (Leiden, NL: Brill, 2009), 54–60.

[33](#) Hassan S. Khalilieh, *Islamic Maritime Law: An Introduction* (Leiden, NL: Brill, 1998), 82–83.

[34](#) *Mirat-i Ahmadi: A Persian History of Gujarat*, English translation by M. F. Lokhandwala (Baroda, India: Oriental Institute, 1965), 230. Differential rates favourable to Muslim merchants were common in West Asia and at ports under Ottoman rule. Patricia Risso, *Merchants and Faith: Muslim Commerce and Culture in the Indian Ocean* (Boulder, CO: Westview Press, 1995), 69. In Aleppo, revenue farmers usually collected 2.5 percent from Muslim merchants and 5 percent from non-Muslims. Masters, *Origins of Western Economic Dominance*, 138.

[35](#) *Mirat-i Ahmadi: A Persian History of Gujarat*, 237, 256

[36](#) *Mirat-i Ahmadi: A Persian History of Gujarat*, 271

[37](#) A considerable disadvantage indeed for non-Muslim merchants, who often found means to circumvent such strictures. Thus, many Hindu merchants passed their goods through the custom-house (*furza*) in the name of their Muslim friends as alluded to in Aurangzeb’s instructions to his officials for the prevention of such acts. *Mirat-i Ahmadi*, I, 265.

[38](#) At times, Mughal emperors exempted European companies from custom duties against an annual lump sum payment. In the early seventeenth century, the Dutch secured from Emperor Shah Jahan (1628–56) exemption from internal transit duties in Bengal. John F. Richards, *The Mughal Empire* (Cambridge: Cambridge University Press, 1995), 203. Note here that the English East India Company also obtained similar concessions.

[39](#) At Mokha, Europeans paid a consistently lower custom on imports and exports than Turkish, Arab, and Indian merchants. At Masqat, English, French, and Portuguese merchants paid 5 percent whereas Arab and Persian Muslim merchants paid 6.5 percent and Indian merchants paid 8 percent. It was only in 1801 that Muslim merchants reportedly paid a low 5 percent custom while others

paid 7 percent. Patricia Risso, *Oman and Muscat: An Early Modern History* (New York: St. Martin's Press, 1986), 78, 83, 103, 193.

[40](#) Arasaratnam, "Factors in the Rise, Growth and Decline of Coromandel Ports."

[41](#) Sinnappah Arasaratnam, "The Chulia Muslim Merchants in Southeast Asia, 1650–1800," in Sanjay Subrahmanyam (ed.), *Merchant Networks in Early Modern World* (Aldershot, UK: Ashgate, 1996), 159–77.

[42](#) As noted above, to encourage student discussion, I have appended abstracts of several primary sources to illustrate these standard business practices as well as the challenges some merchants faced conducting business in early modern South Asia.

[43](#) Commenda as a means of financing trade is a contract in which one person or party invests capital and the other person or party invests labor. John H. Pryor, "The Origins of the Commenda Contract," *Speculum* 52, no. 1 (1977), 5.

[44](#) The absence of liability has been a crucial aspect of commenda that distinguishes it from the Jewish practice of *isqa* and the Byzantium *chreokononia*, both of which place liabilities on the agents as well. Udovitch, "At the Origins of the Western Commenda;" Abraham Udovitch, "Commercial Techniques in Early Medieval Islamic Trade," D. S. Richards, ed., *Islam and the Trade of Asia: A Colloquium* (Philadelphia, PA: University of Pennsylvania Press, 1970), 47–62.

[45](#) Michelguglielmo Torri, "Mughal Nobles, Indian Merchants and the Beginning of British Conquest in Western India: The Case of Surat 1756–1759," *Modern Asian Studies* 32, no. 2 (1998): 257–315.

[46](#) Arasaratnam, *Merchants, Companies and Commerce*, 282.

[47](#) Ghulam A. Nadri, "The Commercial World of Mancherji Khurshedji and the Dutch East India Company: A Study of Mutual Relationship," *Modern Asian Studies* 41, no. 2 (2007), 315–42.

[48](#) British Library, Factory Records Surat (hereafter FRS), 75, Proceedings of the English Council at Surat, 24 September. 1796, 857–8.

[49](#) Tamil Nadu State Archives, Chennai, India, Dutch Records from Surat, No. 1652, Doc. Nos. 34, 37 and 38, Broach, 1765.

[50](#) Irfanul Haque, *Economic Doctrines of Islam: a study in the doctrines of Islam and their implications for poverty, employment, and economic growth* (Herndon, VA: The International Institute of Islamic Thought, 1996), 113.

[51](#) Jafar Beg, the *nakhuda*, carried on trade in his private account. Dutch Records from Surat, No. 1652, Doc. No. 82, Surat 1760. Many of the *nakhodas* in Surat were "eminent" merchants and also acted as agents of other merchants and shipowners. Gupta, *The World of the Indian Ocean Merchant*, 69, 418–19.

[52](#) Dutch Records from Surat, No. 1654, Surat, 1763, Document nos. 40 and 55.

[53](#) Bibliothèque nationale de France, Paris, Blochet 482, collection of Persian documents pertaining to Surat, f. 28^{a-b}.

[54](#) Nationaal Archief (Nationa Archives), The Hague, VOC 1746, Translaat Persiaans contract van den Moors coopman Molla Abdul Gaffoer (Translation of the contract in Persian of the Muslim merchant Mulla Abdul Ghafur), 212–13.

[55](#) Risso, *Oman and Muscat*, 100, 103, 114, note 51.

[56](#) Thabit A. J. Abdullah, *Merchants, Memluks, and Murder: The Political Economy of Trade in Eighteenth-Century Basra* (New York: State University Press of New York Press, 2001), 94.

[57](#) VOC 2104, Bruijnink at Surat to Matheus de Haan at Batavia, 15 March 1728, p. 62; Risso, *Oman and Muscat*, 192. See, A. J. Qaiser, "The Brokers in Medieval India," *Indian Historical Review* 1,

no. 2 (1974): 220–46; M. N. Pearson, “Brokers in Western Indian Port Cities: Their Role in Servicing Foreign Merchants,” *Modern Asian Studies* 22, no. 3 (1988): 455–72; Nadri, *Eighteenth-Century Gujarat*, 73–6.

[58](#) Dutch Records from Surat, No. 1654, Surat, 1763, Document nos. 40 and 55.

[59](#) Irfan Habib, “Usury in Medieval India,” *Comparative Studies in Society and History* 6, 4 (1964), 417.

[60](#) See, Haque, *Economic Doctrines of Islam*.

[61](#) Mirza Masum, the son of a merchant Haji Zahid Beg, lent money on interest. Gokhale, *Surat in the Seventeenth Century*, 126. The presence of Muslim *sarrafs* in seventeenth-century Surat is documented. Om Prakash, “Sarrafs, Financial Intermediation and Credit Network in Mughal India,” in Eddy H. G. van Cauwenberghe (ed.), *Money, Coins and Commerce: Essays in the Monetary History of Asia and Europe (From Antiquity to Modern Times)* (Leuven, BE: Leuven University Press, 1991), 473–90. Some Labbai Muslim merchants of the Coromandel Coast were also moneylenders. Arasaratnam, *Merchants, Companies and Commerce*, 219.

[62](#) In eighteenth-century Basra, Jews were the principal *sarrafs* and dominated this profession. Abdullah, *Merchants, Memluks, and Murder*, 90–1. At Masqat, Muslim merchants borrowed money from Bania bankers/brokers. Risso, *Oman and Musqat*, 200.

[63](#) The percentage varied depending upon the risks involved, destination, and the duration of voyage. In 1749, the premium on bottomry investment of Mancherji Khurshedji on a ship going to Mombassa in East Africa was 15.25 percent. Dutch Records from Surat, No. 1644, Document no. 32, Surat, 10 Feb. 1749, 127–9. On the voyages between Surat and Batavia the premium varied from 4.5 to 9 percent. Dutch Records from Surat, No. 1652, Doc. No. 40, Surat, 1760; *Ibid.*, No. 1665, Doc. No. 123, Surat, 16 Jan. 1790, 315–17; *Ibid.*, Doc. No. 161, Surat, 17 Dec. 1790, 401–3.

[64](#) Although we have no evidence of any dispute involving a Muslim merchant, an analogy can be drawn from cases involving other merchants. One such dispute occurred in 1789 when a Dutch shipper in the service of the Dutch East India Company at Batavia took 2,000 rixdollars on bottomry payable at Surat but suffered loss on the sale of merchandise and was unable to pay the stipulated amount. He instead promised to pay only 1190 rixdollars to the authorised person in Surat. Dutch Records from Surat, No. 1665, Doc. No. 112, Surat, Dec. 1789, 291–2.

[65](#) In 1784, the EIC lent money at respondentia on the *Glatton* sailing to Mokha. FRS 62, Letter to the Super Cargo of Glatton to Mokha, Mr. Thomas Porteus, Surat, 30 March 1784, 97; *Ibid.*, Surat to Bombay, 7 April 1784, 109. In 1789, it extended respondentia loans to the merchant of Surat on the *Winterton* sailing to Mokha in order to raise funds to buy 2,000 bales of coffee for England. British Library, Bombay Commercial Proceedings 49, Consultations at Bombay, 3 Feb. 1789, 67–8, 76–7.

[66](#) FRS 74, Proceedings of the English Council at Surat, 6 June 1796, 592–4.

[67](#) Although Islam does not rule out the possibility of partnership trade with people of other faiths, in eighteenth-century Basra, out of forty-three recorded commercial partnerships, only two were between merchants of different religious communities. Abdullah, *Merchants, Memluks and Murder*, 92.

[68](#) Joseph A. Spengler, “Comment on ‘Usury in Medieval India,’” *Comparative Studies in Society and History: an International Quarterly* 6, no. 4 (1964): 422.

[69](#) This is not unique to Muslims. Merchants’ behavior and their business ethics throughout the world, as Dwijendra Tripathi has argued, did not conform to their personal ethics or religious

values. Dwijendra Tripathi, 'Indian Entrepreneurship in Historical Perspective: A Re-interpretation', *Economic and Political Weekly* 6, no. 22 (1971): M-60.

⁷⁰ As Abraham Udovitch has pointed out, the prohibitions were based on two considerations: "the bias against unjustified enrichment" and "the exclusion of any chance or unknown element in a contractual relationship." Udovitch, "Commercial Techniques in early Medieval Islamic Trade," 40.

⁷¹ There were nevertheless digressions when merchants undermined the moral codes and violated their contracts. VOC 2054, *Translaat messeer of algemeen versoek en getuigschrift door de onder-tenoemene Moorese en Turkse kooplieden alle woonagtig binnen de stad Souratta* (Translation from Persian of a general request and testimony by the under mentioned Muslim and Turkish merchants of Surat), 29 Aug. 1725, 126–31.