The Curious Case of Bombay's Hindi Cinema: The Career of Indigenous 'Exhibition' Capital (part I)

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> **In a... recent statement you include cinema among evils like gambling, *sutta*, horse-racing etc., which you leave alone 'for fear of losing your caste'... We want decent people to take an interest in this industry, so that it becomes an instrument of social good rather than a *tamasha*. But these people may be discouraged and kept away if you and other great men like you continue to count the cinema among such vices as gambling and drinking** - K.A. Abbas, 'A Letter to Mahatma Gandhi' (Abbas, 1939)

The origins of illegitimacy - 1955

Raj Kapoor's K.A. Abbas-scripted *Shri 420* (1955) is the quintessential post-War Bombay melodrama. The story of an educated youth from Allahabad who is unable to find employment, makes a fortune through gambling, finds himself embroiled in loan sharks and financiers, and is eventually rescued by the school teacher Vidya (Nargis), encourages a reading of itself as a saga of capitalism, with its hyper-visible picturing of capital literally as money - the 'rupiyon ke jhankaar' (the jangle of rupee coins), the only sound the otherwise deaf city can hear, as the beggar (M. Kumar) says in the film's beginning.

'visible' capital as money in *Shree 420*: (Left) Maya (Nadira) flings a Rs 10 note at Raj after he has won her Rs 20,000 in a card game. (Right) Raj waves cash at Vidya (Nargis)

Slightly harder to capture is the link between the film's epic unveiling of the art of making money in Bombay, the great evils of urban pleasure to which Abbas makes mention in his complaint to Gandhi - of satta, racing, gambling, drinking - and their possible connection with the cinema; and the *further* links between all of these with wartime Bombay's drive to control, to buy or 'own', the city as a characteristic of its citizenship. Raj repeatedly expresses this drive: to the Raddiwala Kaka he says, 'Thank you Mr Raddiwala. Ab dekhte jao - is chalis rupiyese kis tarah tumhari sari Bambai ko kharidta hoon', and later to Pandit Omkarnath Shastri, Vidya's father: 'Khazaneki chaabi zaroor mil gayi hai. Sab dekhte jaaiye: thode dinon mein saari Bambai apni ho jayegi'[1] I have discussed elsewhere a representational mode that I have called 'survival-through-description'[2] : a legalized poetics of Bombay's everyday that would associate the Constitutional right to life with the right to *shelter* and thus to *ownership* - a ubiquitous connection perfectly captured by Sahir Ludhianvi's line in the post-*Shri 420* sequel Kapoor movie equally about Bombay: 'Chin-o-Arab Hamara, Hindustan Hamara, Rehne ko ghar nahin hai, sara jahan hamara' ('China and Arabia is ours/India is ours/No house to live in, the universe belongs to us', *Phir Subah Hogi*, Ramesh Talwar, 1958). This descriptive-pictorial history of belonging and discursive ownership was extensively documented in the exhibition 'Bombay-Mumbai 1992-2001' (2001) which also argued the presence of Abbas' script as figureheading this tradition alongside the work of his contemporaries like the city's famous Progressive Artists' Group[3] .

Harder yet is to bring all of this into the film's own *account* of capital. Such an account would have to emerge from the specificities of a narrative understanding of the experience of capitalism, from which *Shri 420* too derives its form. The film's account I think brings into thematic consciousness a narrative practice that is common to the post-War melodrama from that city: a *practice of capital*, shall we say, that will - along with the city's famous real-estate market (around which *Shri 420*'s climax is pivoted), and a small clutch of other businesses - also now include the Hindi film industry itself as a *constituent presence* to that practice.

The argument isn't easily made, but I hope to exploit the opportunity presented by a particular vantage point: a moment in history coinciding with the end of the Second World War, when the city's capitalist institutions go through a foundational upheaval and, it seems, the Hindi film industry plays a demonstrably significant role not only economically within that upheaval, but also, along with the city's urban brutalism and its slums, as the *primary representational form* of that upheaval[4] . This period is also *Shri 420*'s diegetic location. Although the film does not date itself, we may safely assume through its several references to the city's economy that it speaks of 1945 and the months just before and perhaps right after the conclusion of the War in the western hemisphere (although references to the Global Depression and the textile strike of 1934 are from earlier decades).

(Left) Raj's first lesson in economics with the oracle: the blind beggar. 'How can an educated person not get a job?'.
(Right) Raj's second lesson in economics with the Lady Kelewali: in the backdrop 'Rekha Mills Ltd.'

Raj travels from Allahabad on foot and elephant-back to arrive in the city. Having brought the erstwhile 'vagabond' to Bombay's doorstep in his famous Japanese shoes, English trousers and Russian hat, the film will now locate his ability to negotiate the maze within it as the protagonist in a myth would: for, to survive, Raj has to pick up the signs and learn an interior logic of capital as it operates here.

His very first encounter with a veritable Delphic oracle in the blind beggarman also gives him his first lessons on survival. The lesson is a poetics of capital in the city:

Bahere bhi aur andhe bhi
Unke kaan kuch nahin sun sakte sivay rupiyon ke jhankaar ke
Yeh Bambai hai, mere bhai, Bambai
Yahan buildingein banti hain cement ki aur insanonke dil pattharke
Yahan ek hi devta pooja jata hai
Aur woh hai paisa
Magar zara samnese hatkar khade ho mere bhai
Dhandhe ka time hai

This rite of ‘initiation’ with the beggar and the sequence with the Lady Kelewali Ganga Mai (Lalita Pawar) - the peculiar financial bargain to buy bananas at two annas for three as against three annas for two - is now followed by a significant editing sequence within the epic mode reproducing the transactive metaphor of movement (e.g. in the comic banana peel episode that introduces Nargis: people throw the peel at each other, and various people keep slipping on it). This metaphor of 'changing hands' (and the inner-speech 'you shall not slip' metaphorical injunction later repeated in the *Dil ka haal* song) is also repeated more famously in the end of the film in the lively chase by the bad guys of the bag of money that contains the collective investment of the city's poor.

Raj has apparently arrived here at a time of considerable unemployment: the location of his first night on the pavement, we may assume, is Lower Parel (having got off at the Dadar station), beneath the sign of a Rekha Mills that must refer to the numerous textile mills in the locality: a space later made famous by Sudhir Patwardhan's epic *Lower Parel* (2001). We may also assume that most of the unemployed pavement dwellers who adopt him under the benevolent gaze of the Lady Kelewali would have been textile workers in one way or another.

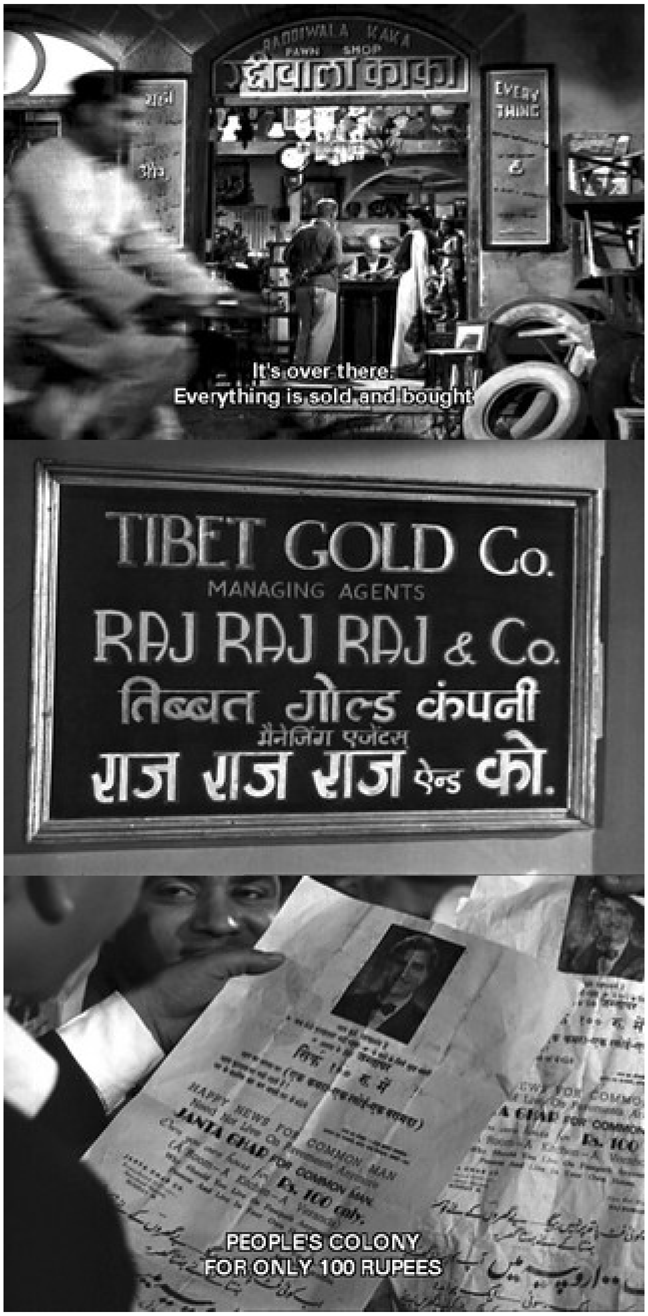
Raj arrives with some commitment to a properly proletarian future: he wants 'kaam' as befits a graduate from Allahabad University. As he says to Vidya later in the film, had he not been educated he may have found himself a job as a coolie but that now option is no longer available[5] . Unable to find the employment he seeks, he undertakes through the film a series of financial activities. We shall turn to these, as they provide the protagonist (and us) with a set of specific knowledges with to navigate through the cityscape that he wants to 'own', for each will also provide something of a commentary on the city's interwar economic history.

The first money he receives is through pawning his 'inaam' ('honesty') medal to Raddiwala Kaka (Rashid Khan), a pawnbroker and as such an important figure in the mass distress sale of gold by agrarian populations that took place during the Depression. Next, taking his turn at low-end entrepreneurship, he sells a tooth powder, the Chand Sooraj Danthmanjan, through a streetcorner speech at Chowpatti where he argues for 'roti' (bread) and makes a contorted adaptation of Communist logic, putting the need for bread alongside healthy teeth and national wellbeing as an argument for the usefulness of his product. In drawing attention to the curious need for a nationalist-historical account of a commodity, the speech - intercut with a speech that Seth Sonachand Dharmanand is himself giving, and where we see for the first time the evil Seth's own political ambitions - also parodies a Gandhian commodification paradigm being advocated by the latter, and which, in the time, was presumably associated with the Birla group.

While Raj's third source of income symbolically represents, to him, proper access to labour employment, his job at the Jaibharat Laundry in fact gives him access to another kind of space: to the *services* (as against labour) sector catering to the city's coastal elite. For this is how he is able to meet Maya (Nadira), when he delivers some laundry to her Art Deco apartment located presumably in the Churchgate area, and attracts her attention with his ability at card-dealing. (We are told nothing of how he acquired his prowess at cards, and may therefore make an inner-speech reading of this as simply 'matching your wits', especially since we are told that he is no match for his street-level buddies, for he is swindled of his forty rupees within minutes of his arrival in Bombay). As such his next financial resource, facilitated by Maya, is through the gambling metaphor; it is also presented as his ability to run a bluff as he becomes small-time royalty (the Rajkumar of Piplinagar) and the film too properly enters the decadent night life set in the city's famous Taj Mahal hotel (the location for the spectacular 'mudmudke na dekh' song number), and we encounter, one by one, all of Abbas' great vices. Raj has to learn to 'change his mask' and learn something of the nature of the financial universe into which he has now entered (the virtually untranslatable city colloquialism 'idhar ka patta udhar, udhar ka patta idhar').

Raj's last two sources of funds are seminal. He pretends to an unnamed Sindhi businessman that he is selling shares to New York and Tokyo financiers from the fictitious Raj, Raj, Raj & Co, Managing Agents for the 'Tibet Gold Company'. Both the Managing Agency (a system discussed later in this chapter) and its presumed Tibetan parent are direct references to Bombay's presence in global bullion trade, and to the gold transactions initially between Britain and India but spreading in the interwar period with, precisely, the USA and Japan. From at least the late 19th C. India was a major presence in the global gold economy and thus a key entity in the pre-WW1 and interwar process of assembling a gold standard for global currency transactions (Balachandran, 1993). Significantly, as we will see, it would also be the transactions around gold that would eventually bring together the businesses of the Raddiwala Kaka's pawn shop, Seth Sonachand Dharmanand's own interests in bullion and those of this Tibet Gold Company and its Managing Agents into an integrated, and increasingly globalized economy of Indian indigenous capital: a vital presence in the interwar capitalist restructuring of Empire.

Finally, Raj puts together with Seth Dharmanand the enormous financial scam of the Janata Ghar. This scam, offering the 'Common Man' ownership for Rs 100 for 'your own home' with 'a room, a kitchen and a veranda', directly refers to Bombay's post-War real estate economy and more particularly to the cooperative housing society movement being sponsored by the state and the origin of several of the city's leading property developers (most notably G.P. Sippy, but also famouslty, Shapurji Pallonji of Sterling Investment, producers of *Mughal-e-Azam*, 1960).



(Left) Raddiwala Kaka: Pawnbroker. (Middle) The name plate announcing Raj's managing agency. (Right) The advertisement for the Janata House.

Raj himself appears extraordinarily adept at learning all that he needs to know in order to wend his path through this thicket of capitalist discourse. It is not - we sometimes learn - all that easy. And whenever the film does mention his difficulties it also gives us something of a *longue durée* account of the city's capitalist systems. On one such revealing occasion, Raj is asked by a fellow pavement-dweller for 'pagdi', when he looks for a place to sleep on the pavement. He is unaware of the meaning of this term, and takes it to mean what it usually means, viz. a turban, and offers his Russian hat instead. Abdul, the pavement-dweller, says in some irritation: 'Roosi topi pahenta hai: pagdi nahin samajhta: Pagdi yaane nazrana: paisa, paisa. Teen rupaya deke maine pagdi li hai - dedh rupya nikalo aur aadhi le lo, jaldi karo'[6] .

The *pagdi* system is at least a century old in Bombay, and we will encounter others of similar vintage as we turn to the far more significant financial universe of Seth Sonachand Dharmanand (Nemo), presented early in the film as a Marwari with Gandhian ambitions. Dharmanand is introduced to Raj, in his new avatar as Rajkumar of Piplinagar, as the 'Cotton and Bullion King'. Later, having bought Raj over, he uses his phone call with an offscreen 'Kilachand', in a conversation about wartime food hoarding[7] , and as way to introduce the sorts of business in which he indulges. When Dharmanand asks Raj to start a business, as they discuss what business to venture into, the following conversation takes place:

> Dharmanand: 'Aaj kal log kya chahte hain?' ('These days what do people really want?')
>
> Raj: 'Seth saab, log to yeh chahte hain ki kisi tarah raat-o-raat lakhpati ban jaayen - chahe race ka ghoda lag jaaye, satte ka number lag jaaye, mitti me se sona nikaalde. ('What people want is that they become millionaires overnight, however they do it: whether they win a horse race or a lottery, or whether they extract gold from mud')
>
> Dharmanand: 'Phir tum bhi mitti me se sona nikaalo' ('Then see if you too can manage to extract gold from mud').

In the final showdown building up to the climax, Sonachand Dharmanand is accused of a number of things: says Raj: 'Magar in raddi kagazonke liye aap kya kuch nahin karte - bogus kampaniyan aap chalate hain, kala bazaar aap karte hain, insurance ka rupya lene ke liye aap karkhanon mein aag aap lagate hein'[8] . By this time Raj has obviously figured it out entirely: the last reference to setting fire to your own company is another Bombay phenomenon, to do with post-War deindustrialisation and the time when the skyrocketing of the price of the land on which textiles mills were built made them increasingly non-profitable, making millowners convert industrial land into new spaces for real-estate speculation. Several mills which had been 'locked out' in trade union disputes would mysteriously catch fire and burn down, providing owners with both insurance as well as a *fait accompli* for closure.

Dharmanand's own range of business interests, encapsulated in his own reply to Raj that he is not selling houses but bartering a dream ('Main ghar nahin bech raha hoon Raaj, ek sapna neelam kar raha hoon'), will be significant for this chapter. While viewers of *Shri 420* do not know if he has taken it over or built it from scratch, the form of business he is in has a Bombay history going back to at least the 1870s. Describing the history of indigenous merchant finance in the city, historian Rajnarayan Chandavarkar includes the role of business communities such as the Parsees, Bohras, Khojas, Memons and Bhatias who dominate the Bombay landscape in the interwar period. If we were to map Dharmanand's own business upon that history of Bombay's commercial expansion in this time, we may safely assume that the business began during the American Civil War and the boom in Bombay's cotton prices; further, that much of this trade came from Gujarat, and much of it a diversification of growing agrarian surplus. The Memons, for example, converts from the Lohana and Cutch Bania castes, moved to Bombay from as far back as the famine of 1813, and set themselves up as 'tailors in the thieves' bazar' but by the 1900s were said to 'indulge in every class of trade'. By the 1910s, Dharmanand or his ancestors would have presumably moved into bullion, and by the 1930s would have had widespread links with finance for textile industry ancillaries. By the late 1940s, as the textile industry was already being hit by deindustrialisation, Dharmanand would have - as he indeed did - sought to move into real estate. By this time as something of a free-floating venture capitalist willing to put his money in whatever was profitable, it is almost certain that by the early 1950s he too would have exposed some of his assets into Hindi film industry finance.

The origins of illegitimacy - 2005

> The nexus between the underworld and Bollywood is slowly crystallizing with an 'astonishing evidence' indicating that about 60% of the films are financed by mafia dons, the official said on condition of anonymity. As many as 20 films released recently are suspected to have been financed by the underworld don, Chhota Shakeel, who allegedly forced many stars into signing movies and rescheduling their shooting dates, he told PTI here. Since the arrest of Mr. Nazim Rizvi, producer of the unreleased film *Chori Chori Chupke Chupke*, allegedly financed by Chhota Shakeel of the notorious Dawood Ibrahim gang, Crime Branch sleuths had got a lead and were now zeroing in on more 'go- betweens' in the film industry, he said. 'A few more arrests within a couple of days are expected' - *Indian Express*, Jan 8, 2001 ('Mafia Funds 60 pc of Bollywood Movies')

Shri 420 is an unusual melodrama in the way it directly thematizes upon the aspects of capital regulation that underpin the *production* context of melodrama in post-War Bombay. I want to use the film to explore the career of what I shall call *indigenous capital*. This was a capital that was both entering the city's film industry - making this industry one of the most visible examples of such capital in Bombay - as well as the capital directly reflected in its melodramas. Raj Kapoor's famous screen self this unlocks the saga of negotiating it in Bombay at the same time as *producer* Kapoor is, along with V. Shantaram's Rajkamal and Mehboob's own studio, negotiating his own production investment into the R.K. Studio at Chembur. All three were relatively rare examples of vertically integrative economic models in Hindi cinema at the time. As we thus move into a somewhat complex domain of capitalist activity in Hindi film, we shall also move into a amalgamated description of indigenous capital incorporating thematic representation with investment in the film industry itself, especially in its exhibition trade sector.

I cut to a period precisely fifty years later: in 2005, such capital was waging a new kind of war of legibility and legitimacy, and the film industry was once again implicated. As I write, ‘dreaded’ gangster Abu Salem, possessor of an apparently lucrative sideline in film financing, has been extradited along with his movie star girlfriend from Portugal to India. He will be accused of the 1993 serial bomb blasts in Mumbai (in retaliation of attacks on Muslim minorities following the Hindu right’s demolition of the Ayodhya mosque) and may implicate in his evidence movie star Sanjay Dutt and perhaps others from within the film industry. This is the most recent of the controversies to have hit the Bombay-based film industry, as its links with offshore gangster finance are once again being investigated. Earlier police probes took place since 1993 during Sanjay Dutt’s arrest, the murder of ‘cassette king’ Gulshan Kumar followed by efforts to extradite music composer Nadeem from England, the arrest of major film financier and diamond merchant Bharat Shah, accused of links with Dubai-based gangster Dawood Ibrahim, the secret tapping of star conversations with mafia dons and, most recently, starlet Preeti Jain’s effort to get gangster Arun Gawli to put out a contract on filmmaker Madhur Bhandarkar. In many ways the Salem arrest is the worst yet, amid widespread fears that his testimony might implicate many more important individuals in the Hindi cinema than such an investigation has ever done in the past.

Little work has been done on the financial structure of Mumbai’s offshore ‘mafia’, the most recent avatar of what we have been calling indigenous capital. A common local perception would be that, in addition to extortion, protectionism and inciting ‘communal’ violence (typically in retaliation to Hindutva aggression), this particular economy has related historically to a clutch of trading practices including petty smuggling and, more importantly, various kinds of speculative finance. Two of the most visible areas of speculation have been - since World War 1, at any rate - the apparently connected economies of real estate and film. The larger link between such financial structures and the Indian State itself is complicated and riddled with contradictions and compromises. This link, I will suggest, goes back a long way in time with a *colonial* history of such capital bankrolling the state, and may indeed have a considerable presence in post-War negotiations around independent India's economic policy. The state's much-publicised war on such capital that has engulfed Mumbai from the early 1990s - and the Hindi cinema's reluctant involvement in that war - needs therefore to be historically located in contradictions *within* the state structure rather than *between* the state and opposed forces seemingly external to it. I propose that such economic contradictions also throw critical light on the Hindi cinema's functioning at this particular juncture in this particular city.

Shortly after Abu Salem's arrest, as the film industry was once again engulfed by rumours about its 'nexus' with the 'mafia', senior producer Yash Chopra tried to assuage media concerns ('Chopra Sees No Link with Dons,' 2005). There was, he claimed, no reason for the industry to worry; things *have* changed for the better. 'No underworld-film industry nexus exists in Bollywood at present', he said, since 'money is easily available'. He admitted that 'ten years ago, such a relationship was not as rare as producers were dependent on underworld dons for financing their ventures' but maintained that the situation had markedly improved since then. I believe that Chopra's 'ten years ago' must inevitably refer to this moment in the city's darkest hour, the 1992 riots and the 1993 bomb blasts, when the Hindi cinema's historical dependence on a particular kind of finance capital increasingly found it inextricably tangled in a 'terrorist' nexus, a nightmare era from which the 'clean' money of Bollywood's venture capitalists had appeared as a deliverance. The 'grey' economic and cultural status of Bombay's Hindi cinema contrasts starkly with, for example, that of India's more properly regional-national cinemas, such as the Kannada; it therefore also throws into sharp relief the remarkable conditions under which state control came to be established for the former. The Hindi cinema's nightmare past - the grim past from which the Bollywood carnival celebrates its liberation - enables us to locate the state's normalization of cinema as intrinsic to a larger state programme of control of the city's overall economy.

Of the many inquiries and detentions that involved the film industry in the 1990s and early 2000s, the most suggestive was the spectacular 2001 arrest of Hindi cinema's leading financier Bharat Shah for his links with offshore gangsters. Commenting on the significance of that arrest, financial journalist Sucheta Dalal (2001) drew attention to Shah's central presence not only within Hindi film financing as a whole in the late 1990s,but in some symbolic way in Bombay's *entire* finance economy: the precise economy controlled by the likes of Kapoor/Abbas' Seth Sonachand Dharmanand. Dalal analyses the Shah episode from an unusual viewpoint: firstly, she views the Hindi cinema industry as far more central to the city's economy than most economic analyses would, and secondly, the entry of the 'mafia' into the film industry is, for her, far larger than most analysts admit. Thirdly, she argues for a better understanding of the vantage point the film industry, and similar industries, as offering a stepping stone to larger financial ambition of controlling the city's *overall* economy. Dalal disputes the industry's official claim that 'mafia' finance existed in no more than six or seven of the 250-odd film productions underway, contending that the more accurate figure may well be closer to 30 features 'affected in some form or the other by his arrest', and an investment closer to Rs 100 crores in film finance, which does not include 'the mafia's involvement in music and distribution rights'. More to the point, if Shah's alleged connections with the mafia and his role as a conduit for extortion money are eventually proved, says Dalal, all this would show 'how close the mafia was to infiltrating legitimate funding avenues'[9] .

Shah's mode of functioning forms a pattern modelled on a paradigm inaugurated by India's ancient *hawala* market[10] : a global financial system premised on specific kinds of tertiary market control, which in his instance translated into ‘cash payments’ for satellite rights, music distribution rights, and overseas networks rights[11] . For Dalal the worrisome aspect of the Shah episode was the grip that this form of control over exhibition capital may potentially have had on an allied domain of cash trade: the city’s stock market operations. The Shah arrest, coming on the heels of the investigation into the business interests of Ramesh Taurani, financier and owner of Tips Music, an organization listed on the stock exchange, after the murder of Gulshan Kumar for which he was one of the accused, also found itself thus becoming unexpected location for questions around corporate ownership disclosure[12] .

The origins of *benami* financier-ownership on the stock exchange, typically exerted through control over the corporate financial market (as against control over industrial-productive capacity), maps with some precision onto the career of exhibition capital in the Hindi film industry and may, via Dalal’s diagnosis, indicate the paradigmatic dominance of the film industry over such capital in Bombay city. It may also thereby reveal the origins of Bharat Shah-type finances within a considerably longer career of indigenous capital. In some ways, the Shah system - if Dalal’s description is accurate - is only a variant upon on a considerably older practice in Bombay’s cinema trade from at least the 1920s, which needs film-theoretical explanation mainly because it contrasts so starkly with the Hollywood vertical integration standard when exhibition control passed in the early 20th C. into the hands of large conglomerates who in turn financed studio production. The Hindi cinema shows a continuing and historically significant nexus between the distributor - an all-powerful intermediary rights-holding category that acquires its rights in return for various kinds and levels of investment into production - and the exhibitor, conventionally the end-retailer but also typically the point of entry of the significant resource of real-estate surplus. The distributor, who usually controls the finance, rarely extends that control into the category of *production investment* - by which I mean a commitment to the *film*, the privileged end-product of the production process, as the primary vehicle of revenue, and the box office as the main site for the entry of that revenue. Most distributors at Shah's level prefer to remain *benami* in the way they concentrate on diversifying the theatrical market value of the eventual product into subsidiary enterprises, usually earning their revenue even before the film is complete primarily through mechanisms of spreading risk. Such a spread spirals both downwards, as retailers are forced to take on part of the risk by distributors (forcing the strange Indian phenomenon of an exhibitor-sanctioned black market), but it also moves upwards as exhibitors negotiate the process of claiming, either by themselves or through consortia, larger stakes in the overall profit-sharing process.

Such an economy of debt finance that can be commanded by a consolidated exhibition sector forms a substantial component of investment into the overall Hindi cinema industry[13] . This sector continues to demonstrate a remarkable ability to resolve the internal contradictions between various kinds of investment resources to generate distributor liquidity. As we explore how it does so we may be able to excavate a broad historical trajectory along the following lines. A first stage, of capital diversified from the real-estate economy and associated mainly with the box office, such as that evidenced in Bharat Shah's own style of *benami* investment, seeking constantly to diversify that investment into newer avenues, including tertiary spinoffs (such as leveraging of star commodities, music rights, satellite rights and so forth) capable of independent returns on investment and thus de-linked from the film-commodity itself[14] . The diversification impetus has been at least in part encouraged by the independent Indian state's effort to intervene through introducing production subsidies while squeezing exhibitor capital with immensely high entertainment tax. The squeeze on income generated through the box office, an outlet primarily associated with the end-retailer, has enhanced the constant search for new ways by which to absorb real-estate surplus brought in by the retailer into other kinds of investment, and in the end for new systems of spreading box-office risk[15] and for new distribution outlets that would gradually replace those associated with box office-type exhibition[16] . Only in exceptional occasions has this led to financier-investors ‘vertically integrating’ themselves into production proper[17] .

‘Anglo-bania’ links: Cinema, colonial economies and indigenous capital

The independent Indian state’s street war on exhibition capital, as it spilled over through the 1990s into extortion rackets, tapped telephones and secret video cameras showing top movie stars gyrating at private parties thrown by mafia dons, thus runs deep. The consistencies over astonishingly long historical epochs revealed by the Hindi cinema’s exhibition economy are graphically demonstrated in the way Tejaswini Ganti (2000) juxtaposes a 1990s film distribution map she got from distributor Shyam Shroff, giving the divisions of ‘exhibitor territories’ in India, such as the Central Province, Central India, East Punjab, Nizam etc., with one showing their colonial origins in 1913 British India. 1913 is of course a critical year in the British colonial economy, and the WW1 map appropriately reproduces from that year the late 19th C. financial networks of the industry, involving funds, says Ganti, drawn from classic Sonachand Dharmanand fields as ‘construction, jewellery, diamond trading, real estate’: connecting that economy with one in 2000 as filmmakers ‘borrow money at monthly rates of interest of 3-4%, which works out to an extortionary 36-48% per annum’ through ‘financial transactions… in cash where the accounting is highly secretive and most contracts are oral’.

This component of my argument makes a detour, to enable a wider economic horizon for our argument and so bring in several *longue durée* phenomena that not only enhance our functional understanding of the film industry (and of related industries), but also provide a narrative understanding of the way Hindi film renders these phenomena startlingly *visible*. It will effectively show that in terms of organization of capital, the Shah model of exhibition control primarily reveals an updated indigenous credit system defined around bills of exchange run by mercantile communities in Western India commonly termed

‘Banias’, or ‘Shroffs’ - Hindu and Jain merchants engaged in trade and banking, brokerage and moneylending[18] . This credit process had originally involved the *batta*, or the rate of exchange and interest and the rate of discounting in the conversion of bullion into local coins, with the mode of exchange working through the *hundi*, a kind of written order made by one person on another for the payment on demand or after a specific time, of a certain sum of money at a particular place and after allowing a discount: both terms, along with the already-mentioned *pagdi* system of real estate trade, widely used even in present-day informal banking practices. According to Lakshmi Subramanian (1987), this was the most characteristic element of an elaborate banking and brokerage system that has existed from as far back as the Mughal period. The two functions of the *hundi* - enabling access to advances against resources elsewhere, and the remittance of funds from one place to another without incurring the risks of physical transportation across uncertain frontiers - were through the 19th and early 20th C. to find themselves unexpectedly central to the economy of colonialism itself and, we will see, implicated some of the Indian state’s overall economic policies after Independence that the regulation of its cinema would bring sharply into focus. The Hindi cinema’s evident borrowal of an older economic structure native to India, thus bears - contrary to its seemingly indigenous structures - a major *colonial* stamp: or at least a major colonial investment into the production of indigenist practices.

From the 18th C., indigenous credit had critically established itself as a basic component in *state* formation, writes Subramanian, with ‘every category of successor states (having) their banking clients’ - the ‘Jagat Seths of Murshidabad, the house of Kashmiri Mal in Oudh, the firm of Hari Bhakti in Baroda, the Poddars of Ramgarh and the Hyderabad Sahukars’. Such capital was also involved in the colonial administration, forged in an ‘Anglo-Bania order’ around Surat between 1760 and 1810 that saw Western Indian Shroffs effectively bankrolling the East India Company[19] . It was later also implicated in India’s 19th C. export industry in trade with Britain and other countries in Europe and Asia, and was thus a defining presence in colonial negotiations around monetization, the gold standard and tariff protectionism in the interwar years[20] .

Well into the early 20th C., India's internal credit network provided 'the most important set of institutions that mediated between the Indian producer and the consumer and the world economy', writes B.R. Tomlinson (1979 8). Even as recently as 1930, '90 per cent of total credit was provided by the indigenous banking sector'. While the ways in which the native money market actually worked, and its 'links to both the peasant and the 'westernised' credit institutions', are unclear, what *is* known is that provincial native bankers certainly loaned money to rural traders, and were thereby catalysts for enabling rural commoditization (a condition the Hindi cinema's narrative directly inherits and reproduces) as well as for bringing India's rural economy into the larger colonial finance and tax market. Bringing together the three levels of semi-urban, metropolitan and transnational activity incorporated in *Shri 420* into the deeply interconnected businesses of the Raddiwala Kaka, Sonachand Dharmanand and the Tibet Gold Company, these bankers effectively ran the *global* trade in gold bullion which had by 1913 become the preferred savings medium of the bulk of the rural population, making India a 'bottomless sink' for precious materials that on the eve of WW1 accounted for nearly a quarter of the global output of gold (Balachandran, 1993), making Indian credit systems with access to rural gold a definitive presence to Britain's effort to define the gold standard around the sterling.

Also important for our argument around the economic primacy of the film industry's exhibition sector, it appears that such capital was historically inimical to industrial investment: so while the Shroffs borrowed from Presidency Banks, they preferred not to lend to the industrial sector, staying with rural trade and marketing even when the rates offered by the exchange and joint-stock banks (to the industrial sector) were appreciably higher. Barring the limited exception of Ahmedabad where 'native bankers' did for a brief while invest into large-scale industry, finances for industrial capital were inevitably hard to come by. This fact remains significant given the strong and abiding nexus between India's indigenous finance and British 'gentleman capitalism'[21] , and the surprisingly marginal place occupied by industrial capital in that nexus. The 'Bania-British' nexus thus was at its peak in pre-WW1 *laissez faire* and, in the post-War restructuring of Empire trade relations, also provided inter alia a context for colonial film policy, both in England itself (with the Empire Marketing Board) as well as in the Empire colonies of India and Africa.

In Western India, by the beginning of the 20th C., financier capital had acquired its most visible face in moneylending, with communities such as the Marwaris and the Chettiars. While indigenous credit capital has historically depended on agrarian usury, following legislations such as the Deccan Agriculturists' Relief Act of 1879 and the Punjab Land Alienation Act of 1900, in this time it enters the urban economy through investments into a set of characteristic areas such as real estate and also - I shall now show - the new entertainment sectors of theatre and film. The Deccan Act followed the riots of 1875, which saw villagers in the Poona and Ahmednagar districts rise in revolt against moneylending castes, and was, it seems, only passed to prevent a general Maratha uprising against this system. Even more significant for our argument around the cinema was the 1900 Punjab Act. Both Acts committed British rule to maintaining agriculture as a 'static traditional society'; following the Punjab Act, it was clear that, as Metcalf (1962) says, 'status was to (once again) replace contract as the criterion of landholding; rural society was to be preserved in its traditional form by a paternal government free of theoretical principles'.

Historically, this mode of ex-agrarian investor finance probably first entered the cinema in Lahore right after the Punjab Act. Lahore's own finance economy traces its origins to as far as 1885, when following the establishment of cash-rich 'canal colonies' in Western Punjab along the Beas, Sutlej and Jhelum rivers and the growing prosperity of agricultural owners here, land found itself commodified into new kinds of social expenditure, including as real estate. Intended to protect new agrarian cultivators from *sahukar* dominance, the Punjab Act effectively resulted in driving large amounts of non-agricultural finance into the cities[22] through the complicated process that Imran Ali (1988) calls 'social extraction'. Such finance had, in its search for investment avenues, in many cases also provided the preconditions for early commoditization, organizing newly available capital into investment opportunities with joint stock companies, banking, and real estate speculation[23] . Investment into the new entertainment sector locates film exhibition alongside a range of allied crossover financial activities. For example, Ali (1988 76) quotes a government report on a new breed of 'bankers, contractors, shopkeepers, manufacturers, moneylenders and even civil employees', whose presence leads to severe economic dislocation as they try to relocate their capital, he says elsewhere, to 'Anarkali or the Chandni Chowk'.

Pakistan cinema historian Mushtaq Gazdar documents the nostalgia associated with the cinematic origins of this form of capital investment in Lahore, where young men with ideas emerging from the growing entertainment industry were finding enthusiastic financial backers primarily from the exhibition-real estate sector seeking to get into production. Gazdar (1997 6) recalls the 'Bhatti Gate group' of young film enthusiasts with extraordinary careers in store: future directors Nazir and A.R. Kardar, future actor M. Ismail (of the seminal *Khazanchi*, 1941, the first direct impact of the Lahore school on Bombay) and future composers Rafiq Ghaznavi and Ghulam Haider. Backing these filmmakers with funding support were a new breed of exhibitors, former landed elites who now sought new investment avenues: such as 'Hakim' Ram Parshad, proprietor of Lahore's Capital Theatre (later the Ranjit cinema) who funded Kardar's Playart Phototone and the first sound film from Lahore, *Heer Ranjha* (1932), starring most of the Bhatti Gate circle including Ghaznavi, Ismail and Lala Yakub. A key financial investment of the time was in the Punjab Film Corporation (1926) supporting filmmaker

Roshanlal Shorey[24] , with investment by Jaswant Singh of Sant Nagar and land acquired from the landlord Fida Husain. Yet other emerging financiers included Seth Hari Ram, investor into the Punjab Art Studios[25] , and Daulat Ram, a wealthy Lahorite who invested in a film studio at Muslim Town that made three films with *Anarkali* author Imtiaz Ali Taj as his in-house artist and front man. It is easy enough to trace in such men the ancestries of several big-ticket Bombay financier-distributors who would later dominate the sector in Bombay[26] .