



# TRUST BASED INFORMAL PAYMENT SYSTEM: ANGADIA

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## ABSTRACT

Angadia is one of the business which is operated in a very secret manner, Angadia are majorly in the business of informal payment system which basically means transfer hard cash from one businessman to another businessman they also transfer precious jewels from one person to another. The business in mainly operate between Mumbai to Gujarat and it's a complete trust based business operated by mostly Gujarati community. The study shows how angadias operating their business and what type of coding system are used and how they different from hawala traders.

**Keywords:** Informal Payments, Angadia, Hawala, Diamonds, Trusted Unofficial Couriers, alternative remittance systems, underground banking, Reputation Based Remittance System

## INTRODUCTION

Angadia is a Hindi language word meaning courier in Hindi. Angadia is a Hindi word that is also used for designations that serve as Havildars in India. Angadias are those who act as a parallel informal banking system in this country which simply work on the basis of mutual trust. It is a parallel banking system specially built and serves to provide money transfer service for businessmen in India from one city in India to another in the same city. Angadias is the pillar of casual dispatch and banking administrations. They

serve financial specialists and finance managers who are predominantly operating in the region of Mumbai and Gujarat.

They are experts in transferring Gold, diamond, jewel and money from one city to another within the country. These individuals move these incredibly important things, only for an ostensible charge. They require around 24 hours at the greatest, to emerge any exchange of cash or move of different resources.

Angadia will just delegate people they know in business since individual honor and business notoriety are in question. By and large, great references for effectively utilized laborers are liked. The organization initiates experienced representatives who have a demonstrated history of genuineness, perseverance, and commitment in their field of work. The originators accept that there is a need to make individuals mindful of uninvolved abilities, the enormous possible intrinsic inside them. Moreover, they never request that an individual demonstration beneath his/her degree of capacity.

### **OPERATING SYSTEM OF ANGADIA'S**

They charge commission for their courier service. The commission can be anywhere from 0.2% to 0.5% for every transaction done by them. The commission charged for money transfer from city to another varies is Rs 100 for every One Lakh transfer. Angadias work and make due based on the trust that they acquire from their customers. They keep an elevated level of trust factor and are set up to go to any degree to secure their customers. They additionally can go to any length to conceal the substance of their dispatch administration.

Angadia maintains its messenger business from various districts in Mumbai city. These territories are Bhuleeshwar, Opera House or Jhaveri Bazar zones in the southern piece of Mumbai. They likewise have a base in North Mumbai. They work from places like Malad, Borivali and Ghatkopar in North Mumbai.

These individuals give this dispatch administration to objective Gujarat, moving cash and different assets, utilizing ship administration to Mumbai Central Railway Station. Angadias use vehicles for this piece of their excursion and these vehicles have accompanies. These escorts are normally security work force, who are secretly recruited by Angadia .

They disseminate money and different assets consistently and like to venture out to Gujarat by Gujarat Mail train also called the "Angadia Mail"- a large portion of the seats between train numbers S-4 and S-7 are involved by Angadias, which is a significant connection in the exchange of valuable stones. They re-visitation of Mumbai the following day by a similar train. The flight of Gujarat Mail is from Mumbai Central Railway Station at 10 am. It shows up in Ahmedabad at 6.25 am. While getting back to Mumbai, the train withdraws from Ahmedabad railroad station at 10 am and arrives at Mumbai Central at 6.45 am the following day. Angadia has held around 30% to half seats in railroad mentors and they are heading out in

gatherings because of security. These individuals like to remain conscious the entire evening or rest on the other hand.

The trust factor in Angadia is high to the point that they will go to any length to ensure their clients and furthermore shroud the substance. As they are initially inhabitants of the Kathiawaror Kathiawad locale of Gujarat, which incorporates regions. For example, Surendranagar, Jamnagar, Junagadh, Porbandar, Rajkot, Amreli and Bhavnagar. What's more, a considerable lot of them are from the Leva-Patel people group. Angadias have been doing business since Independence Day. They have to be sure been the pillar of casual messenger cum-banking administration for individuals situated in Mumbai and Gujarat.

There are around 200 Angadias in the city of Mumbai. In Gujarat, there are practically equivalent Angadia living in various urban communities. These urban communities are Ahmedabad, Surat and Baroda. High worth products and money worth a couple hundred crores of rupees are taken among Mumbai and Gujarat consistently. As indicated by certain evaluations, the complete estimation of merchandise made by these individuals, including money, is between Rs 70,000 crore and 1 trillion every year.

### **CODING FRAMEWORK OF ANGADIA'S**

These artists have an extraordinary code framework. They utilize this code framework when leading their business. The code framework comprises of peculiar words, for example, "Joakim" and "Jewer". These codes are utilized to depict the idea of the substance, which are inside the package.

They utilize coded words for the exchange of greenbacks. They just pass on the word and the greenbacks is moved from the city of Mumbai to the objective in the territory of Gujarat. In any case, other valuable things, for example, precious stones and jewelery, and to convey them actually.

The sender at that point educates Angadia who advises the equivalent to individual toward the finish of the beneficiary. Next, it is conveyed and a 10 rupee note is taken of that cash number - as verification of conveyance. Now and again phone numbers are likewise utilized instead of money note numbers. Here the beneficiary settles on a missed decision to the messenger cell to check the number.

The actual conveyance of money or jewels happens consistently. Normally, they leave through Gujarat Mail and return the following day from Gujarat Mail. The Gujarat Mail leaves Mumbai Central at 10 am and arrives at Ahmedabad at 6.25 am the following day, while the return heading leaves Ahmedabad at 10 am and arrives at Mumbai Central Railway at 6.45 am the following day. 30 to 50 percent of the seats in the two mentors of this train are reserved by Angadia. For security reasons, they travel in gatherings. They ordinarily sit for the time being or rest on the other hand.

## HOW ANGADIAS ARE DIFFERENT FROM HAWALA TRADERS

Hawala is a widely used form of informal value transfer, especially between the countries lacking a financial system or containing various areas not served by formal financial systems. In such countries, Informal Value Transfer Systems (IVTS) may be the only method for financial transactions. Not all countries have regulated hawala. The result is that hawala remains illegal in several countries around the world.

Hawala is used by migrant workers who frequently send remittances to relatives and friends in their countries of origin find the hawala system advantageous. Whereas Angadias is mostly used by diamond merchants, individuals, to transfer Gold, Diamond, Jewel and Money from one city to another within the country.

Hawala facilitates the flow of money between poor countries where formal banking is too expensive or difficult to access. In addition to the convenience and speed of conducting hawala, the commission rates are usually low compared to the high rates that banks charge. To encourage foreign exchange transfers through hawala, dealers sometimes exempt expatriates from paying fees. The system is also easy to use, as one only needs to find a trusted hawaladar to transfer money.

## CONCLUSION

Cash administrators and well off monetary trained professionals, who are arranged in the territory of Mumbai or Gujarat, trust continually these Angadia, beyond a shadow of a doubt. They use Angadia to move their money since they are speedy, dependable, and regarded. Because of its absence of administration, absence of paper trail and no Know Your Customer (KYC) documentation, troublemakers may come to support this sort of settlement framework.

These rich monetary trained professionals and account chiefs in like manner advantage the organizations of organ present for the move of exorbitant items, for instance, jewelery and valuable stones. The domain of Gujarat, especially Surat city is the essential market for valuable stones; those people are reliably moved from that city to Mumbai by methods for Angadia for extra business trades.

As the framework has numerous points of interest, it represents an open door for tax criminals and psychological oppression agents. In this manner, in areas where the progression of money is prepared, generally through casual settlement frameworks, equilibrium should be reached among oversight and guideline.

## SUGGESTIONS

Build up an instructive program to bring issues to light of the maltreatment for illegal tax avoidance and fear monger financing through casual installment move specialist co-ops and other comparable settlement frameworks. Develop an educational program to raise awareness of the abuse for money laundering and terrorist financing amongst hawala service providers and other similar remittance systems.

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