

Angadia system

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In news— Recently, an FIR was registered against three Mumbai Police officials for allegedly threatening Angadias and extorting money from them in south Mumbai.

About the Angadia system-

- It is a century-old parallel banking system in the country where traders send cash generally from one state to another through a person called Angadia that stands for courier.
- It is by and large **used in the jewellery business with Mumbai – Surat being the most popular route** as they are two ends of the diamond trade.
- The cash involved in this system is huge and it is the responsibility of Angadia to transfer cash from one state to another for which they charge a nominal fee.
- Generally, it is the Gujarati, Marwari and Malbari community that are involved in the business.
- **This system works completely on trust** as large sums, at times in crores, are involved.
- Generally, traders have the same Angadias for decades together.
- They also have fixed trains that leave from Mumbai at night and reach Gujarat by early morning.
- Usually, to verify authenticity, the trader will, for example, will give a Rs 10 note to the Angadia and provide the number of the note to the recipient.
- It is only after the recipient confirms the note number that the Angadia will hand over the money to the person. After making the payment, the Angadias return to Mumbai the same day.
- **While the Angadia system per se is legal, there hangs a cloud over the activity as it is suspected that a lot of**

times it is used to transfer unaccounted money.

- Since the business deals in cash and there is no account maintained for the same, **there have been suspicions that it is also used for transfer of black money like the hawala transaction** which is generally used across countries.