

Pay Roll Automation for Disbursement of Monthly Allowances (PADMA)

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In news– PADMA, an automated Pay & Allowances module for the Indian Coast Guard was inaugurated by Controller General of Defence Accounts (CGDA), Ministry of Defence.

What is PADMA?

- **PADMA is an automated platform leveraging latest technology** which will provide seamless and timely disbursement of Pay & Allowances to around 15,000 Indian Coast Guard personnel.
- This module has been **developed under the aegis of Defense Accounts Department** and will be **operated by Pay Accounts Office Coast Guard, Noida**.
- The launch marked the **beginning of the Centralized Pay System (CPS)**, the foundation of which is being laid down by the Defence Accounts Department Headquarters to provide one stop pay accounting solutions for all organisations under the Ministry.
- Launch of PADMA will strengthen E-Governance and the Digital India concept.

What is Centralized Pay System (CPS)?

- **Centralised Payment Systems (CPS) in India are Real Time Gross Settlement (RTGS) and National Electronic Funds Transfer (NEFT) systems**, both owned and **operated by Reserve Bank of India**.
- RTGS is a specialist funds transfer system where the transfer of money or securities takes place from one bank to any other bank on a “real-time” and on a “gross” basis.

- NEFT is an electronic funds transfer system maintained by the Reserve Bank of India. **Started in November 2005**, the setup was established and maintained by Institute for Development and Research in Banking Technology.
- **The NEFT and RTGS systems were made available 24x7x365** with effect from December 2019 and December 2020 respectively.
- Apart from banks, **very few select non-banks have been given approval to participate in CPS so far.**
- **The non-banks which are permitted membership / access to CPS are** standalone primary dealers, clearing corporations of stock exchanges, central counter parties, retail payment system organisations, **select financial institutions (NABARD, EXIM Bank) and Deposit Insurance and Credit Guarantee Corporation(DICGC).**

Controller General of Defence Accounts (CGDA)-

Controller General of Defence Accounts is the head of Defence Accounts Department (DAD) that functions under the administrative control of Ministry of Defence.

The mandate given to the Department is broadly audit, financial advice, payment and accounting of all charges pertaining to Armed Forces, including bills for supply and services rendered and for constructions and repair works, pay and allowances, pension etc. of Defence Personnel and Civilians, audit of cash and store accounts of all organizations under Ministry of Defence, viz. Army, Navy, Air Force, Indian Coast Guard, Border Roads Organisation (BRO), Ordnance Factories, Director General of Defence Estates (DGDE), Defence Research and Development Organisation (DRDO) etc, maintenance of manufacturing accounts and store accounts of Ordnance Factories and manufacturing accounts of Naval Dockyard.

Further reading:
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