



## Pay Roll Automation for Disbursement of Monthly Allowances (PADMA)

**For Prelims:** PADMA, Indian Coast Guard, Centralized Pay System, Digital India, Atmanirbhar Bharat, Special Economic Zone (SEZ), RTGS, NEFT

**For Mains:** Various Security Forces & Agencies & Their Mandate, Centralized & Decentralized Payment System, Indian Coast Guard

### Why in News?

Recently, the Ministry of Defense inaugurated **PayRoll Automation for Disbursement of Monthly Allowances (PADMA)**, an automated Pay & Allowances module for the [Indian Coast Guard](#).

### What are the Key Highlights about PADMA?

- **About:**
  - **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 the Defense Accounts Department and will be operated by **Pay Accounts Office Coast Guard, Noida**.
- **Significance:**
  - The launch marked the beginning of the **Centralized Pay System (CPS)**, the foundation of which is being laid down by the **Defense Accounts Department Headquarters** to provide one stop pay accounting solutions for all organizations under the Ministry.
  - Launch of PADMA will strengthen the **Digital India** Vision. Also, it is an **'Atmanirbhar Bharat'** initiative as the **entire module has been designed and developed by Indian entrepreneurs assisted by domain experts**.

### What is a Centralised & Decentralized Payment System?

- **Centralized Payment Systems** in India are [Real Time Gross Settlement \(RTGS\)](#) and [National Electronic Funds Transfer \(NEFT\)](#) systems, **both owned and operated by the Reserve Bank**.
  - **RTGS:** It enables real-time transfer of funds to a beneficiary's account and is primarily meant for large-value transactions.
    - Real time means the processing of instructions at the time they are received and gross settlement implies that settlement of funds transfer instructions occurs individually.
  - **NEFT:** It is an electronic fund transfer system in which the transactions received up to a particular time are processed in batches.
    - It is generally used for fund transfers of up to Rs. 2 lakh.
- The **decentralised payment systems** will include clearing houses managed by RBI (**Cheque**

**Truncation System (CTS)** centres as well as other banks (**Express Cheque Clearing System (ECCS)**) centres and any other system as decided by RBI from time to time.

- **Cheque Truncation:** It is the **process of stopping the flow of the physical cheque issued by a drawer at some point by the presenting bank en-route to the paying bank branch.**
- **Express Cheque Clearing System:** **Funds move from one account to another to settle a check payment.** The amount is usually credited to the bank account of deposit and an equivalent amount debited at the bank from which it is drawn.

## What is Indian Coast Guard?

### ▪ About:

- It is a **maritime law enforcement and search and rescue agency** of India with **jurisdiction over its territorial waters** including its **contiguous zone and exclusive economic zone.**
  - **Contiguous zone:** It is a band of water extending farther from the outer edge of the territorial sea to up to 24 nautical miles from the baseline.
  - **Special Economic Zone (SEZ):** It is an area in a country that is subject to different economic regulations than other regions within the same country.
- It comes under the under the **Ministry of Defense.**
- The concept of forming **ICG came into being after the 1971 war.**
- The blueprint for a multidimensional Coast Guard was conceived by the visionary **Rustamji Committee.**

### ▪ Functions:

- **Preventing Smuggling:** One of the primary duties of the ICG is prevention of smuggling through maritime routes.
  - It has jurisdiction over the territorial waters of India including contiguous zone and **Exclusive Economic Zone (EEZ).**
- **Aid to Civil Authority:** It has also **rescued approximately 13,000 personnel to date during various 'Aid to Civil Authority' operations** viz. assistance provided to civil authorities during floods, cyclones and other natural calamities,
- **Maritime Security:** It is also collaborating with littoral countries to combat transnational maritime crimes and enhance maritime safety in its area of responsibility and in the **Indian Ocean Region.**
  - Under **SAGAR' - Security and Growth for all in the Region & 'Neighbourhood First' policy**, the ICG has nurtured professional relationships across oceans and established ties with countries in the Indian Ocean Region for Ocean Peacekeeping.
- **Role in Disaster Management:** The ICG has successfully averted major ecological disasters and emerged as the **'First Responder'** in the region.
  - For example, by undertaking a major fire-fighting and pollution response operation off the Sri Lanka coast, the most recent being **'Sagar Aarakshan-II'** onboard Chemical carrier MV X-Press Pearl.

**Source: PIB**