

A Short Write-Up on the Defence Accounts Department

History of the Defence Accounts Department (DAD): The DAD is one of the oldest departments of the Govt. of India. Its origin can be traced to the Military Pay Masters under the East India Company, when in January 1750, the First Pay Master was appointed for paying the Garrison at Fort Williams, Calcutta. Payment to the troops in the field was made by a Commissary. In 1776 a Commissary General was appointed to regulate these accounts. The designation of Commissary General – that exercised control over all military disbursements – was changed to Military Auditor General, in 1788.

When the British Crown started administering India in 1858, there were Military Accountants Generals in the Presidencies of Bengal, Madras and Bombay. The office of the Accountant General, Military Department, was created in April 1864 as the Head of the Military Accounts Department. Post-independence, the Department was christened as Defence Accounts Department (DAD) on October 1st 1951 and the Departmental Head designated as Controller General of Defence Accounts (CGDA), an officer of the rank of Secretary to the Government of India.

Mandate of the Department: The Department is responsible for Payment, Financial Advice, Internal Audit and Accounting of the expenditure and receipts of the Armed Forces and allied services, viz, Defence Ordnance Factories, DRDO Laboratories/Projects, Coast Guard, DGQA, DGBR, DG NCC, Defence Estates and CSD etc. The Department handles Rs 1,51,514 crore of Defence Budget, which constitutes about 21% of Government of India's total Non-Plan Budget. Further, the Department handles Defence Pension Budget of Rs 25,000 crore, DGBR Budget of Rs 3882 crore, Coast Guard Budget of Rs 1982 crore, DAD budget of Rs 961 crore and CSD annual turnover of Rs 8065 crore (FY 2009-10). It discharges contractual obligations to Defence PSUs like Hindustan Aeronautics Limited (HAL), Bharat Earth Movers Limited (BEML), Bharat Electronics Limited (BEL), and Bharat Dynamics Limited (BDL) on behalf of the Army, Air Force, and Navy. It also maintains the Pay Accounts of the Army Officers and Jawans.

Principal Controller of Defence Accounts, Bangalore: The Office of the Principal Controller of Defence Accounts (PCDA), Bangalore – one of the largest offices of the DAD – is responsible for making payments to the Army units/formations in Karnataka and Goa, Defence PSUs such as HAL, besides disbursing pay and allowances to jawans of the ASC, MEG, Parachute Regiment, CMP, PCTC and MLI. The payments to these Jawans are made by the various sub offices under the control of the PCDA Bangalore. These Offices are known as Pay Accounts Offices (Other Ranks) or PAO (ORs).

Up until now these jawans and other personnel below officers ranks were paid advances every month as per their salary entitlement and their accounts – maintained on Individual Running Ledger Account (IRLA) – were closed on a quarterly basis. This was being done right from 1939 to ensure that the families of these jawans – back home in small towns and villages – were not financially affected while their men battled the enemy in the frontiers during the 2nd World War. The practice has gone on ever since. Money made available by the Principal Controllers/Controllers of Defence Accounts in charge of the Pay and Account Offices (PAOs) are held by Imprest holders in different army units to make these disbursements directly to the jawans, when they so wished.

Monthly remittances were sent over to the families of jawans as per the latter's requests to the PAOs.

One of the largest PAOs of the Defence Accounts Department is the PAO ASC (South) that maintains the pay accounts of the Personnel Below Officer Rank (PBOR) or the jawans of Army Supply Corps. The largest PAOs under the Office of the Principal Controller Of Defence Accounts, Bangalore, this office handles approximately 65000 Individual Running Ledger Accounts (IRLAs), as the salary Accounts of the PBORs are known. This PAO not only maintains the pay accounts of PBORs but also ensures prompt settlement of entitlements due to these personnel and those retiring from Service or becoming 'non-effective', as they are called.

These jawans are stationed in far-flung locations, far away from their homes – protecting our nation, in difficult and uncongenial terrain, uppermost in their minds. They have little or no time to look after their pay & allowances and other payments due to them. It has been the motto – “In Service of the Services” – of our department to ensure that while these men in the olive greens selflessly serve the nation, they need have little or no worry about their pay packages. It is our aim to offer them quality services and to ensure that they get their correct entitlements on time.

The Proposed Change: With changing times and with the humongous advances made in the field of IT and Banking technologies and the ever-rising expectation of the client, it was felt it was about time we leveraged this facility in our workplace and switched over to the monthly pay system. In the monthly pay system, the monthly net entitlements will be credited directly into the bank accounts of the PBORs through National Electronic Fund Transfer (NEFT)/Electronic Clearance System (ECS) and monthly pay slips sent to them (as against the advances paid earlier every month and closure and issuance of pay slips on a quarterly basis) by closing the IRLA on a monthly basis. This is being introduced now. The 3 PAOs (ASC Bangalore, MEG Bangalore, and MLI Belgaum) that handle about 1.2 lakh of jawans' accounts is moving over to this monthly payment platform from June 2010. Earlier 3 other PAOs (Corp of Military Police Bangalore, Pioneer Corp Training Centre, Bangalore and Para Regimental Training Centre, Bangalore) have already switched over to this monthly system in March/April 2010.

Further, we have successfully developed the website of PAO ASC (South) in collaboration with the National Informatics Centre (NIC), which is being launched today. This enables us to upload the salary statement of our jawans on the internet (as also onto the army intranet), who can access the same anywhere, anytime, and download the same and take a print-out, if they so desire. In any case, their accounts, like any savings bank account held with any internet-enabled Bank, will be hosted by the PAOs in their site. Given the time earlier taken to reach the salary statements through snail-mail and the difficult and inaccessible location of their working environment, this is indeed a paradigm shift that would warm the cockles of our jawans' hearts. This will also facilitate quick redressal of grievances of jawans and provide delight, even ecstasy, to our valued customers.

To conclude, perhaps it may not be presumptuous for us to say that we believe in being **A DEPARTMENT THAT BUNGS IN BANG TO THE JAWAN'S BUCK!**
