No. 2017/AC-II/9/10 Pt 3

New Delhi, Dated 19.06.2018

General Managers,
MCF, RCF, RWF, ICF, DLW

Sub: Implementation of payment through Letter of Credit (LC) as option in domestic Supply/Works contracts.

Ref: Railway Board’s letters no. 2017/AC-II/9/10 Pt 1 dated 20.02.2018 (RBA No. 10/2018) and 9.5.2018 (RBA No. 48/2018)

Please refer to guidelines vide letters under reference, wherein detailed working instructions for enabling implementation of payment mode through letter of credit, have been issued. With implementation of IPAS in all Zonal Railways, 3 Production Units (DMW, CLW, RWP), COFMOW, RDSO & Railway Board, process of payments through LC is uniform for all these units. However, as on date, 5 Production units viz. MCF, RCF, RWF, ICF and DLW are not on IPAS. These units shall follow the following process flow for capturing and sharing of data/information with CRIS:

(i) In the case of those contracts, which have been finalized on IREPS, and selected contractor/vendor has exercised option of payment through Letter of Credit, the nominated officers of Executives Department concerned, shall send request letter to Associate Accounts Office in prescribed format (circulated vide RBA No. 48/2018) and Accounts Office will open the LC accordingly on the e-portal of SBI.

(ii) Production Units not on IPAS, shall capture following details from their Local Application System and upload an XML file on IREPS, for which a utility will be provided in IREPS:

Contract Details->

- Tender No
- Tender Closing Date
- Contract ID (PO No./LOA Number)
- Contract Date
- Contract Value
- Nature of Contract (Supply/Works)
➢ Description of Goods/Service

Beneficiary Details→
➢ Vendor ID (As per IREPS)
➢ Name of Contractor/Supplier
➢ Address

Beneficiary Bank Details→
➢ IFSC
➢ Bank Name
➢ Address
➢ Account No.

(iii) Data once uploaded will be available to the PU users to view, verify and confirm. Once the data is confirmed, the same will be pushed by IREPS to IPAS. IREPS will validate the data (Tender no. etc) before giving it to IPAS.

(iv) LC opening will be done by PUs, by going directly on the SBI e-trade portal in the same way as planned for Zonal Railways and conveyed vide letter no. 2017/AC-II/9/10 Pt 1 dated 9.5.2018.

(v) After the LC is opened by the PUs, banks will provide LC data on their server for IPAS to pull it for all Zonal Railways and PUs. LC Data pulled by IPAS will be shown to nominated users of PUs through IPAS for confirmation. PUs may authorise users in the same manner as for the Account Current and GST Module.

(vi) LC Data will be pushed by IPAS to IREPS for information of vendors.

(vii) Production Units shall pass the bills through their Local Application with a separate mode of Payment for “Letter of Credit” against the bill/contract.

(viii) Production Units must ensure that the existing FMIS is modified so that it does not allow any payment through cheque against contracts where payment is contracted to be through “Letter of Credit”.

(ix) Once the payment claim is processed on the FMIS by the Production Unit for transactions where payment is through Letter of Credit, the data of that transaction will be uploaded through XML file on IPAS. The attributes of the transactions to be captured on the XML file are as under:

**LC DA details**

i. LC Number, LC Date, LC Value, LC Validity
ii. Contract ID, Date, value, Nature, Description of Goods
iii. Beneficiary details (Vendor ID as per IREPS, Name of Contractor/Supplier, Vendors Bank IFSC code, Bank Name, Account No)
iv. Invoice Details (Invoice Number, Invoice Date, Invoice Amount, CO6 Number, CO7 Confirmation / Abstract date)

**LCDA details verification**

i. System will show details of LCDA based on attributes detailed above
ii. User will confirm the LCDA payments
iii. System will generate LCDA number for each payment
(x) This will be available for viewing by the officer, who is processing claim in the Production Unit, to validate and confirm before the data is used by IPAS for generation of the LCDA.

(xi) Once LCDA attributes are confirmed, LCDA will be generated through IPAS which will be digitally signed by authorised officer in Production Units as detailed in RBA no. 48/2018 referred above and pushed to Bank & IREPS through IPAS.

(xii) Vendors will be able to see and download LCDA through IREPS for submission of their claim to their banker (negotiating bank) for further processing. The claim shall comprise LCDA, Bill of Exchange and Invoice.

(xiii) On receipt of debit scroll from bank through direct connectivity between CRIS & SBI Server, the debit scrolls for PUs will be placed on IPAS as an MIS report to be used by PUs for reconciliation purposes.

(xiv) All necessary changes in the FMIS of the Production Units that are not on IPAS may be immediately commissioned as per instructions above.

(xv) Although these 5 PUs viz. MCF, RCF, RWF, ICF, DLW units are not on IPAS, they are using limited access of IPAS for uploading Account Current and GST Data. In a similar way, LCDA related functionalities may be used by these PUs for implementation of payment through LC.

All necessary coordination may be carried out with GM/F/CRIS and confirmation may be given at the earliest.

(Annex Goyal)
Pr. Executive Director, Accounts
Railway Board

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- PSQ/ME for kind information of ME
- PSO to DG(RS) for kind information of DG(RS)
- MD/CRIS
- DF/CRIS

Copy for information and necessary action to:
- EDCE(G), EDRS(G)
- PFAs/PCMMs, MCF, RCF, RWF, ICF and DLW
- GM(Finance)/CRIS, GM (VIMS)/CRIS