(भारत सरकार) GOVERNMENT OF INDIA
(रेल मंत्रालय) MINISTRY OF RAILWAYS
(रेलवे बोर्ड) RAILWAY BOARD

RBA No. 48 /2018

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

New Delhi, dated 09.05.2018

General Managers,
All Zonal Railways and PUs

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

Ref: Railway Board's letter no. 2017/AC-II/9/10 Pt 1 dated 20.02.2018 (RBA No. 10/2018)

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Subsequent to issue of guidelines vide letter under reference, detailed working instructions for enabling implementation of payment mode through letter of credit, as envisaged in Guidelines have been approved by the Board. These are as follows:

1. **Opening of LCs**

a) 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 **(Annexure-1)** and Accounts Office will open the LC accordingly on the e-portal of SBI.

b) The request letter will indicate the stage wise payment expected and the initial LC amount will correspond to first stage of payment. The SBI will raise LC opening charges on Railways accordingly. The concerned Executives Department officers are expected to exercise full due diligence while settling the amount of Letter of Credit. This amount will be amended as the contract/supply progresses. Since the ultimate charges are to be borne by contractor/vendor, consultation as necessary may be recorded.

c) The request for opening of LC shall be made under maker-checker protocol. The maker makes the request, which is validated and approved by the checker. Both the makers and checkers shall be from Accounts Department only.

d) SBI/ SME shall provide "Admin rights" to the PFAs and FAs of IR, to issue Maker/ Checker rights to Accounts officials authorised to open Letter of Credit. FA&CAOs in-charge of Books & Budget at HQ of each Zone/ PU shall be the "Admin" for this purpose.

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Date: 2026.06.22 11:34:08 IST
Reason: IREPS-CRIS
Location: New Delhi
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e) SBI/SME shall impart necessary training to the Admins to create Maker/ Checker authorisation. The date of workshop shall be advised subsequently.

f) Once these Maker/ Checker id and passwords are created for the nominated officers (Section Officers of Stores/ Engineering bill passing branches to be the makers and Accounts Officers concerned to be the checkers or as may be decided by the respective PFAs), the maker/ checkers can access the e-Trade portal to apply online for opening of LC as per request letter received from Executive Department.

g) Training shall be imparted to makers/ checkers by SBI for this purpose through special workshops and also through nominated bank branches.

h) After successful registration of application for opening of LC, the PDF of application will be available for download. The physical copy of application so downloaded will be signed by authorised officer of the respective Accounts unit and sent to the nominated Bank Branch. One copy thereof shall be placed in relevant file as office record.

i) A list of authorized signatories of Accounts department, authorized to open LCS, with their specimen signatures, shall be sent by the Nodal officer to SME/SBI/Mumbai for record and communication to respective branch. Change of authorized officers shall also be communicated in the same manner.

j) SBI, on receipt of application for opening of LC shall raise an invoice for payment of LC opening charges against the unit concerned. On receipt of payment, the bank will open LC and send a PDF thereof to the beneficiary bank on SFMS and Account Officer who made request at his official email. The PDF copy of LC so received from Bank shall be downloaded and authenticated. The authenticated copy of LC shall be compared with the request letter as mentioned vide para (a) above and kept in safe custody.

k) XML and PDF copy of the LC shall also be sent to CRIS through SFTP on IPAS server. The PDF copy of LC shall be ported in IRPES also which would be accessible to the Beneficiary (supplier/ contractor).

l) There shall be a provision for closing/terminating LC, once the contract is over/ terminated.

2. Document of Authorization:

(i) The contractor/supplier's bills as received, will be registered in IPAS or in bill passing module of Production Units, and will be subjected to all prescribed internal checks.

(ii) These bills will be flagged in IPAS for payment through Document of Authorization and on passing of the bill, the option for issue of Document of Authorisation only will be available and not for issuing cheques. A similar provision must be ensured in payment protocol of Production Units and any other non IPAS accounting unit.

(iii) The format of Document of Authorization (DA) shall be as per **Annexure 2.**

(iv) The LCDA will be auto-generated on IPAS for all fields,

(v) Each LCDA shall have a system generated 18-digit alpha-numerical no. as under:

Accounting unit	Year	LC Running No	DA (Alpha)	LCDA Running Number
4 digits	2 digits	7 digits	2 digits	3 digits

(vi) The LCDA shall be system generated from IPAS, including pre-printed Names, designation, office of the person whose login id and password has been utilised to open the LCDA stream. The digitally signed 'XML' copy along with PDF thereof under digital signature of Authorized signatories (AFA/ Books), shall be transmitted by CRIS to SBI server through SFTP.

(vii) One copy of DA shall be posted on IREPS also for download by the party for submission of their claim to their banker (negotiating bank) for further processing. The claim shall comprise LCDA, Bill of Exchange and Invoice.

(viii) Apart from e-LCDA, a hard copy of DA duly signed and stamped by authorized signatory shall also be sent to the bank branch.

(ix) The negotiating bank shall forward the claim to Railway's banker (SBI branch which issued LC) for arranging payment.

(x) SBI on receipt of the claim shall assign an internal bill no. to the claim and process for the payment after due verification of the claim with DA received electronically from Railway.

(xi) After payment, the paying branch of SBI shall send the original DA and other documents to the respective Railway Accounts Authorities.

(xii) These payments will be reflected separately in the debit scroll (daily scroll).

(xiii) The settlement of the transaction will thereafter be done as per Focal Point Bank Branch system of reporting and reconciliation of Government payments.

(xiv) Details of accounting procedure in this regard have already been advised to Railways.

3. Information to be furnished by all Zonal Railways, CORE, RDSO, Production Units, Training Institution:

i. Nodal Officers in Engineering and Stores Departments in respective HQs, who will coordinate on all matters related to opening domestic LCs and monitoring implementation of this initiative, in association with PFAs/FAs.

ii. The name, designation, office address, mobile number and email id of all the Accounts Officers authorised to generate LCDA may be sent to CRIS immediately under advice to Railway Board. It must also be confirmed that every AFA (Books) has a digital signature. Further, every time an AFA (Books) changes, CRIS will be alerted immediately.

iii. A list of authorized signatories for issuing LCDA with their specimen signatures shall be sent by the "Admin" to SME/SBI/Mumbai for record and communication to respective branch. Change of authorized officers shall also be communicated in the same manner. A confirmation in this regard may be sent to Railway Board also.

iv. Names and designations of makers and checkers for opening Letters of Credit, to be furnished by PFAs to SBI under advice to Railway Board.

DA: As above

(Anjali Goyal)
Pr. Executive Director/ Accounts
Railway Board

Copy for information to:

- PSO/ME for kind information of ME
- PSO to DG(RS) for kind information of DG(RS)
- MD/CRIS
- Chairman/SBI
- MD(R&DN)/SBI

Copy for information and necessary action to:

- EDCE(G), EDRS(G)
- PFAs/PCMMs/PCEs, All Zonal Railways and PUs etc
- GM(Finance)/CRIS, GM (VIMS)/CRIS
- CGM/SMEB/SBI, Mumbai
- CGM/GBU/SBI, Mumbai
- GM/SBI/ New Delhi
- DGM/GBU/SBI/ New Delhi

Annexure -1

Request letter from Executive branch to Accounts Office for opening of LC

Office of----
----Railway

No. _____ **Dated** _____

The PFA/ Sr.DFM/ Dy. FA
HQ/ Division/ Workshop/ Cost

Sub: Opening of LC
Ref: Supply Order/ Contract Agreement No.

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It is requested to open a sight LC against the above referred Order/ Agreement in favour of _____. The details of beneficiary are as under:

(i) Name of Contractor/Supplier
(ii) Vendor Code
(iii) Address
(iv) Tender No.
(v) Contract Agreement No.
(vi) Description of Goods/ Service
(vii) Value of Contract
(viii) Stages of payment
(ix) Expected payment within 6 months (LC Amount)
(x) Beneficiary bank details:
    a) Bank name
    b) Address
    c) Account No.
    d) IFSC code

It is certified that the supplier/ contractor has exercised the option of taking payment due against the tender, through LC arrangement in IREPS portal at the time of bidding itself and the option has been flagged in the IREPS. This has the approval of _____.

(Signature)
Name:_____
Designation:_____
(Official Seal)

Annexure-2

LCDA No. (18 DIGIT IPAS GENERATED NO.)
Dated:_____

DOCUMENT OF AUTHORIZATION

Reference: (i) Works Contract/ Supply Contract No. _____Dated_____
(ii) Inland Letter of Credit No. _____ Dated_____

This document is issued against contract No.----(FROM IREPS)-------- dated-------for supply/ work of ---(DESCRIPTION OF GOODS/ WORK FROM IREPS)----------

The beneficiary of the aforementioned Letter of Credit M/s ...(NAME AND VENDOR CODE)...(Vendor Code...as per IRPES...) is entitled to receive payment, aggregating INR...$$$.....(FROM ABSTRACT OF BILL PASSED).. out of a total LC amount of INR...(FROM MASTER TABLE OF LC OPENED)..... against the first/second* commercial Invoice No.(FROM IPAS)_____ dated __ FROM IPAS ___ for INR(FROM IPAS)---------- raised against the above contract from State Bank of India-----(branch-FROM LC MASTER TABLE)--- , on the strength of this Certificate.

The details of payments already made to the beneficiary under this Letter of Credit are as follows:

S. No.	Invoice No.	Invoice date	Invoice Amount (INR)	LCDA No.	LCDA date	Amount paid (INR)
Total Paid						

THIS PAYMENT: -___$$$_____

LC BALANCE AFTER THIS PAYMENT: _____

(Signature of authorised Railway authority)
Name
Designation
Official Seal

**As applicable-TO BE PROGRAMMED*