



भारत सरकार Government of India
रेल मंत्रालय Ministry of Railways
रेलवे बोर्ड (Railway Board)



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

RBA No. 133/2018
New Delhi, dated: 31-12-2018

PFAs

All Zonal Railways/PUs.

Sub: Introduction of option for suppliers/contractors in domestic contracts to take payment from Railways through Letter of Credit (LC).

The matter regarding separate Accounting heads for LC under IPAS was under consideration of Board. The matter was since been examined in consultation with CRIS and the allocation heads detailed below have been created in IPAS for this purpose:

1. On payment of LC charges by the Railways for opening of LC:

Accounting Head	Dr	Cr	Allocation Head
Misc Advance Revenue (LC-Bank Charges) or Misc Advance Cap. (LC-Bank Charges)	Dr		12111701 20731899
Misc. Advance GST (IGST/CGST/SGST) GST on LC charges	Dr		Existing allocations GST
Cheques & Bills		Cr	Existing allocation

The amount of GST paid shall be available for set off against output liability.

2. On issue of Document of Authorization (LCDA):

Accounting Head	Dr	Cr	Allocation Head
Relevant Expenditure head (Bill amount)	Dr		Existing allocation
Misc. Adv. (LC-Bank Charges) or Misc. Advance Cap. (LC-Bank Charges)		Cr Cr	12911701 20731899
(Being the clearance of LC charges paid to bank from Incidental charges collected from party- GST on incidental charges shall be paid by the party on reverse charge basis)			
Sundry other earnings		Cr	(Allocation Z-652)
(Being the amount recovered over and above LC charges paid to the Bank)			
Demand Payable (LCDA) or Miscellaneous Advance Cap.		Cr Cr	12920201 20731999
(Being the net amount payable to vendor/ contractor- Demands Payable LC- Allocation: 12920201 for Revenue transactions and Misc Advance Cap (LC)- Allocation: 20731999 for capital transactions)			

An invoice shall be issued by Railway Accounting Unit against party for collecting the incidental charges at the time of issue of Document of Authorization. GST on incidental charges shall be paid by the party on reverse charge basis.

3. On Payment of LCDA:

(i) The bank will make payment against LCDA and send LCDA and debit scroll to the Accounting Unit. The Accounting Unit on receipt, shall clear the Demands Payable(LCDA)/ Misc Advance Capital (LCDA) with contra credit to RBS as under:

Accounting Head	Dr	Cr	Allocation Head
Demands payable (LC)	Dr		12120201
or Misc Advance Cap(LC)	Dr		20731999
Allocation: Reserve Bank Suspense (LC)		Cr	00866093

(ii) SBI Focal Point Bank Branch shall send Date-wise Monthly Statement of Debit Scrolls settled with RBI during the month)to FA&CAO of concerned Railway. The Railway on receipt of the statement shall make the following accounting entry:

Accounting Head	Dr	Cr	Allocation Head
Public Sector Bank Suspense (SBI)		Cr	Existing allocation
Reserve Bank Suspense (LCDA)	Dr		00866093

(iii) On receipt of Clearance Memo from RBI, the PSBS suspense will be cleared by contra debit to Deposit with Reserve Bank (Railways)

Accounting Head	Dr	Cr	Allocation Head
Public Sector Bank Suspense (SBI)		(-) Cr	Existing allocation
WRB Deposit Railways		Cr	Existing allocation

Kindly ensure necessary action accordingly.



(Sanjeev Sharma)
Director Finance (Accounts)
Railway Board

Copy to GM/AiMS/CRIS/Chanakyapuri/New Delhi with request that the requisite Accounts Heads may be introduced in IPAS