E-PAYMENT OF RAILWAY FREIGHT

PRODUCT DEVELOPED BY CENTRE FOR RAILWAY INFORMATION SYSTEMS
EXISTING SCENARIO

- Freight payment for movement of goods from loading point to destination is by way of Checks, DD, Cash etc at present.
- Payments at loading points away from paying parties office.
- Payments by draft, account debited much before goods loading.
- Payments under arrangements with local bank also is earlier than goods loading.
EXISTING SCENARIO

- There is a last broken part of payment often, manually.
- Loading is a 24 hr operation, payment is at loading site with all associated risk and botherations.
- One can pay at destination by paying ‘to pay’ surcharge if debit prior to loading is not desired.
- Credit arrangements call for huge deposits with Railways; Railways end up doing unnecessary accounting.
EXISTING SCENARIO

- Railways require to deposit checks/drafts in bank, maintain entries for bank reconciliation book, etc. that add no value to Railways.
- Railways take the instruments to nearest empowered bank and ultimately get credited through RBI after a number of days.
RAILWAY’S REQUIREMENT

Railways have approached Banks to provide them online payment system to enable instant debit and credit for freight movement transactions so that upon confirmation of such payment at loading points, RR will be issued.
THE INFRASTRUCTURE OPPORTUNITIES

- Railway has Freight Operations Information System (FOIS) for complete information of goods movement at more than 500 locations all over the country.
- Bank has wide presence and vast networked set-up.
OUR SOLUTION

Our solution involves sending of electronic data from FOIS Server to BANK system for identification and key verification.
OUR SOLUTION

The process consists of FOUR Steps:

1. Sending request from FOIS Server to BANK system
2. Processing request by BANK
3. Generation of RR after getting the response
4. Reconciliation Report
SENDING E-DATA TO BANK SYSTEM

Loading point official gives a command in his system with details of loading. FOIS system takes it over and pushes data to BANK system which accepts data after formal identification and key verification.
SENDING E-DATA TO BANK SYSTEM

The transfer of E-data from FOIS Server to BANK system is absolutely secure as regards data integrity as it would be encrypted and digitally signed at both ends.
PROCESSING THE REQUEST BY BANK

On receipt of E-data BANK system
Debit from Debit Account and credit to Railway account.
RR GENERATION

On getting a “SUCCESS” message, FOIS server enable issuance of RR for movement of goods.
Each day BANK will provide report containing details of previous day transactions (success or failure) to FOIS server for the reconciliation.
PROCESSING CYCLE TIME

The time from sending of data from FOIS server to BANK system and back to FOIS server after debit/credit etc., (whether success or failure) would be maximum 90 seconds.
UNSUCCESSFUL TRANSACTION

In case of unsuccessful transaction, FOIS server will generate ERR up to the limit decided in the agreement. thereafter ,”To-pay” RR will be generated.
AVAILABILITY

E-payment mode is available 24x7
The Reconciliation Report received by FOIS would contain details of all transactions including missing transactions. FOIS would be able to locate all such transactions.

On experience further fallbacks can be examined if necessary.
HOW TO AVAIL THE FACILITY

- Railways, Customer and Bank enter into a Tri-partite Agreement. **MOU**
- The Tri-partite Agreement would detail all the terms, conditions, responsibilities and fall-back procedure.
HOW TO AVAIL THE FACILITY

On behalf of each customer, BANK would open a ‘LETTER OF CREDIT’ for railways for an amount covering freight as decided in tri-partite agreement, to cover all the exigencies.
HOW TO AVAIL THE FACILITY

Each customer will have a customer code in FOIS which will uniquely identify the customer in all the transactions.
WHO CAN AVAIL

All corporate customers who are transporting goods by railways from any place to any place.
WHAT GOODS CAN BE COVERED

Any rail freight at any loading point which is linked under railways “FOIS”
TIME OF IMPLEMENTATION

Once Railways, Customer, and Bank enter into Tri-partite Agreement, it can begin immediately.
ADVANTAGE: CUSTOMER

- Hassle free payment
- No Drafts/ Checks
- No prior Dr in Acct
- No staff deployment.
- Payment at dispatch time only.
- Pay centrally for all locations.
ADVANTAGE: CUSTOMER

- Unattended E-payment beyond office hours.
- Instant confirmation.
ADVANTAGE : RAILWAYS

1. Instant receipt of freight (up to designated branch) from the loading point irrespective of zones of loading point and destination

2. Doing away with handling checks, drafts, cash etc at loading point and other offices with resultant benefits.
WAY AHEAD

- Railways need to go ahead and come out of manual payments and delayed collections
- All concerned have a stake in the initiative
- Let us join together to make specific plans to go forward
TIME TO TALK AND PLAN