

** To be executed on Rs.100/- non-judicial stamp paper*

TRIPARTITE AGREEMENT

This agreement made on this ___ day of _____ between the President of India represented through the Chief Commercial Manager, South Central Railway, Secunderabad hereinafter referred to as '**The Railway**' which expression shall be deemed to include his successors and the assigns of the First Part.

AND

The _____ (herein after referred to as '**Customer**' which expression shall be deemed to include its successors and assigns unless the context shall require a different construction) of the Second Part.

AND

_____ (Nationalised Bank) (hereinafter referred to as '**The Bank**' which expression shall be deemed to include its successors and assigns) of the Third Part.

The _____ (Nationalised Bank) having its corporate office at _____ providing its portal for transfer of funds under e-payment to South Central Railway's Account No. _____ with (Nationalised Bank) (hereinafter referred to as **Railway's Bank**).

WHEREAS

- i The Railway transports goods from one Railway station to another Railway station.
- ii Customer utilizes the services offered by Railway for transportation of its consignment from one Railway station to another station.
- iii For the purpose of availing said services of transportation, the Customer is required to pay freight to the Railway at the originating station.
- iv It is agreed that said payment of freight shall be made by the Customer to the Railway by utilizing the services/infrastructures of Bank by means of electronic mode of transfer so that immediate payment can be received by the Railway.

- v The Railway utilize the services of Bank for receipt of the freight on the terms and conditions as appearing in this agreement.
- vi Period of Agreement: This Agreement shall be valid from the date of its signing for a period of **THREE YEARS with effect from _____ to _____** and would be extendable further by mutual consent subject to the terms and conditions governing the policy on e-payment transactions announced by Government of India, Ministry of Railways/Reserve Bank of India.

In above context, and for mutual considerations, it is agreed to by and amongst the Railways, Customer and the Bank as follows:

1. This agreement will cover only freight charges payable by the Customer from the date of execution of this agreement or a mutually agreed date. Railways may consider payment of other charges through e-payment at a later stage.
2. The freight payment will be realised by the Railway from the Bank by utilizing its Freight Operations Information System (FOIS), which has connectivity with the Bank's server/system through the Centre for Railway Information System (CRIS) and the portal of _____ (Nationalised Bank).
3. Customer will nominate one nodal branch of the _____ **(Nationalised) Bank** for transfer of funds in respect of all the transactions taking place at _____ on South Central Railway.
4. (i) Regular Payment Mechanism –
 - (a) Flow of funds to South Central Railway's account will be arranged from the nominated _____ account No. _____ of _____ **M/s.** _____ **(Branch Code No. _____)**.
 - (b) The Customer shall arrange to recoup, on every Bank working day, the amount of freight paid by the Customer's Banker, from the cash credit limit available on the immediate previous day/following days in case of Bank Holidays. A day is defined as zero hour to twenty-four hours as it is in vogue on Indian Railways.

(ii) **Default Payment Mechanism**

Customer shall submit a **Revolving Letter of Credit (LC)/Bank Guarantee (BG)** in favour of the Financial Advisor & Chief Accounts Officer/South Central Railway from _____ **(Nationalised Bank)**, _____ **Branch** for an amount of Rs. _____ (Rupees _____ only). This **LETTER OF CREDIT or BANK GUARANTEE** should be valid for 12 months from the date of commissioning of the e-payment facility with a provision permitting its encashment upto 3 (Three) Months after the validity period of LC/BG if required. Customer(s) will need to provide a fresh LC/BG or arrange to extend the validity of the existing LC/BG before the expiry of the 12 month period.

The LETTER OF CREDIT/BANK GUARANTEE will be operated only as a default mechanism i.e will be stand-by LETTER OF CREDIT/BANK GUARANTEE.

- (iii) If the invoice date is within 31st March of the financial year then the transaction will be processed at the Bank even if these requests come after 31st March.
5. The Customer undertakes to clear without fail all arrears of payment due to Railways arising in terms of this agreement, as communicated by the Railways.
 6. The transactions of freight charges made through this system will be **'Paid' and 'To Pay'**. **8th digit of RR number with the figure 4 ---"Paid E-RR" issued against LC/BG coverage, 5 --- "To-Pay E-RR" and 6 --- "Paid E-RR" issued against Party's account.**
 7. Railways will be entitled to claim the value of Letter of Credit/BANK GUARANTEE No. _____ issued by _____ (issuing Bank details) for ERR (paid) for which payment is pending/not received from Bank through the system. This amount will be recoverable on a written intimation to this effect from Senior Divisional Commercial Manager _____ **Division**. This communication from Senior Divisional Commercial Manager shall tantamount to filing of claim by the Railways under the L.C./BANK GUARANTEE.
 8. The Bank will function in accordance with the Focal Point Branch (FPB) scheme for effecting, settling, **reconciliation** and reporting such transactions.

Internal Procedure in Railway field offices:

9. In this e-payment scheme, the goods clerk will give a command to the system to prompt the Bank for collection of freight charges through **e -payment system**. The Bank on receipt of such an advice through Terminal Management System (TMS) will collect funds from customer's account and electronically credit the same to Railway's account immediately during business hours or at the start of the next business day if such a transaction takes place after close of business hours.
10. The command requesting collection of freight against a particular transaction will include its complete details viz. invoice number, date of loading (i.e., date of generation of invoice number by the system), station from, station to, commodity, names of Consignor and consignee, freight charges due, name and code of the Bank, LC/BG number with validity period and system's date and time of triggering this task to the interface device between terminal management system and the Bank.
11. After successful collection of the requisite amount, the Bank will communicate its confirmation in an encrypted form including all the booking details viz. invoice no., date of loading (i.e. date of generation of invoice no. by TMS), station from, station to, commodity, names of consignor and consignee, freight

charges credited and to be credited to the designated account of the Financial Advisor & Chief Accounts Officer/South Central Railway i.e Account No. _____ of _____ (Nationalised Bank) and system's date and time of effecting this transaction to the CRIS interface, which in turn will communicate these details to the loading points. Such communication would be through TMS system.

12. At the loading point (TMS device location), the system will display a message confirming successful completion of transaction to the terminal operator.
13. On successful completion of a transaction for collection of freight charges for any rake, TMS will permit issue of a paid E Railway Receipt.
14. Transaction ID given by the Bank, FOIS transactions time, Customer code, LC/BG number, validity period of LC/BG, Customer Bank branch and Branch code, Railway's Bank Account Number, Bank's name and Branch Code shall be printed on **RR generated through e-payment. One copy of the E-RR shall be dispatched by the station to the Cash office along with the daily challan as Remittance Note.**
15. Normally a request from FOIS to the Bank for electronic payment will be responded within 150 seconds by the Bank's electronic payment system. **If a positive confirmation of collection of freight charges from Bank is received in response to a transaction for collection of freight charges, TMS will permit issue of a "Paid E-RR". However, if Bank sends a message of insufficient funds, system will issue "To-Pay E-RR".**
In cases where this time limit is exceeded, procedure outlined in the Section dealing with Procedures in case of Exigencies will be invoked. If no message is received from the Bank within 150 seconds for any reason whatever, then system will issue a Paid E-RR subject to conditions laid down in the Procedure in case of Exigencies.
16. In case of failure, the authorized Railway official will retry to send the command repeatedly upto six hours for obtaining successful transaction message.
17. If there is no positive confirmation regarding collection of amount of freight from the customer due to communication failure, **TMS will issue E-RR (Paid) upto a limit as mentioned in Para 6, E-RR issued against LC/BG limit is indicated by printing of figure 4 as 8th digit of e-Railway Receipt Number. The Rupee amount of the LC/BG would be the upper limit for which Paid E-RR shall be issued by the system.**
18. TMS will maintain a 'Payment Pending List' to indicate the **freight amount and other relevant details about the paid E-RRs issued without a positive confirmation from the Bank about transfer of funds. All transactions included in the Payment Pending List indicate the freight amounts due to Railway on account of E-RRs issued** without positive confirmation from the Bank.

19. When the amount of freight collection advice is received from the Bank the corresponding transaction will be taken off the "Payment Pending List" adjusting the corresponding on-line count accordingly.
20. **TMS will ensure that the cumulative online Rupee amount indicated in the Payment Pending List must never be allowed to exceed the amount of LC/BG.**
21. **In case limit of Rupee amount of LC/BG has been fully exhausted, then e-payment facility will be automatically discontinued and payment shall be arranged by the Customer as per conventional system. In all such cases, E-payment will recommence after availability of necessary Rupee amount for processing subsequent RRs.**
22. That the Bank shall render from time to time such reports concerning the transactions under the agreement and in such format as may be required by the Railway. The submission, receipt and acceptance of such reports shall not prejudice the rights of the Railway under the contract, nor shall operate as estoppel against Railway mainly by reason of the fact that the Railway has not taken notice of/or subjected to rest any information contained in such reports.
23. The Bank shall generate a daily list of transactions incorporating all details given in Para-11 which shall be sent to Focal Point Branch of the **Banker of the originating Railway and** 'Remittance into Bank' section of HQ books section shall reconcile the transactions based on daily listing received through FPB and Treasury Remittance Note **(one earmarked copy of RR)** received from Cash Office.
24. At the close of each day at 24:00 hours, based on transaction messages received from TMS and the Bank, the interface will generate a transaction-wise reconciliation report for the information of Financial Advisor & Chief Accounts Officer/Traffic Accounts/South Central Railway and Chief Commercial Manager/Freight Services of South Central Railway. Financial Advisor & Chief Accounts Officer/Traffic Accounts and Chief Commercial Manager/Freight Services of South Central Railway will also get a daily statement from TMS in respect of station wise successful transactions made on each day up to 24:00 hours on the previous day for reconciliation with the Bank's statement. Copy of these statements will also be given to the Customer for reconciliation at their end.
25. However, reconciliation procedure for remittance into Bank transaction in the Book section shall be as per FPB scheme as per Para 23 above.
26. Electronic payment system shall be a 24 X 7 facility under which transactions will be made round the clock and on all the days of the year. Freight received till the close of the business hours of the Bank Branch under this arrangement shall be accounted for on the same working day for the purpose of financial settlement between the Bank and Railways.

27. Payments received electronically after the close of business hours of the Bank branch would be credited to the designated account of Financial Advisor & Chief Accounts Officer/South Central Railway, in the next working day's receipts.
28. The consignment booked under E-payment scheme shall not be diverted or re-booked to dump depot through system till relevant software is ready. Till that time such transactions have to be accounted for manually.

Procedure in Accounts Office :

29. Cash office shall treat the payment advice in the form of earmarked copy of E-Railway Receipt as TR Note (challan) for the purpose of accounting and reporting.
30. In Traffic Accounts Office , the present practice of checking the credits taken by stations in their Balance sheet for the Bank remittances with reference to cash check sheet prepared by cash offices shall continue. Likewise, the practice of reconciliation of remittances into Bank being done, with the daily scrolls and date-wise monthly statements received from FPB and that of latter with the clearance memo received from RBI, CAS Nagpur shall continue.
31. There shall be a Bank system generated daily statement stating details of the total freight accrued, total freight credited on that day and amount to be credited on the next working day. These daily statements should also be available on TMS for information of station/s concerned and for reconciliation by Traffic Accounts office.
32. The amount of freight so collected by the Bank shall be settled with RBI, CAS, Nagpur in line with the applicable procedure/guidelines as may be prescribed by RBI from time to time.

Procedure in case of exigencies :

33. **Paid E-RR can be issued in case there is a failure of communication between the FOIS, CRIS and Bank server either before any transaction details can be sent to the Bank or after a transaction message is sent for payment and consequently no confirmation for transfer of funds or Otherwise is received at TMS location,** a facility would be provided to send a system generated alert message wherever possible to all the concerned authorities, i.e., originating station, Senior Divisional Commercial Manager, Financial Advisor & Chief Accounts Officer/Traffic Accounts, South Central Railway, Chief Commercial Manager both by Bank and FOIS systems.

The goods clerk/System will send request for e-payment to Bank every hour till fund collection advice (successful transaction message) is received from the Bank. The corresponding transaction, thereafter, will be taken off the Payment Pending List duly adjusting the corresponding on-line balance Rupee amount of LC/BG.

The Rupee amount of the LC/BG would be the upper limit for which Paid E-RR can be issued by the system without receiving any positive confirmation from the Bank regarding collection of funds from the customer.

34. In the event of failure, at the system end of either for Bank or for FOIS servers, likely rectification time, whenever practical, should be indicated either through e-mail or telephone to the concerned authorities as detailed in Para 33.
35. If the TMS device of the loading point fails to function at any stage, the Senior Divisional Commercial Manager of the division over which the loading station lies, will ensure that the requisite data are fed in the system through the proxy reporting from the adjoining location or divisional control office and that the E-Railway Receipt is generated in TMS system and freight collected through E-Banking well in time. However, E-Railway Receipt will be printed at the goods originating point only on restoration of normal operation. Such transactions will be accounted for in the originating station's balance sheet.
36. In case a failure is anticipated to last for more than five days Chief Commercial Manager will be apprised and he will decide whether to declare this failure as a prolonged failure. If failure is declared as a prolonged failure by Chief Commercial Manager/South Central Railway, E-payment facility will be discontinued and payment shall be arranged by the Customer as per the conventional system. In all such cases, E-payment system will be re-introduced through a notification by Chief Commercial Manager based on a written certification by the Bank and CRIS/FOIS.

Withdrawal/Termination :

37. In case of frequent system failures leading to lack of communication between TMS and the Bank, the electronic payment facility will be withdrawn in respect of such party by the Railway and manual system of payment shall be introduced.
38. Railway will give a notice of 14 days from the date of issue to Customer and the Bank before terminating the tripartite agreement. The tripartite agreement can also be terminated by either of the parties i.e., Customer or the Bank after giving a similar notice of 14 days.

39. Miscellaneous :

- (i) All Policy circulars issued by Indian Railways with regard to implementation of Terminal Management System (TMS) shall be read in conjunction with this agreement.
- (ii) Any disputes regarding levy of To Pay surcharge etc. will be resolved by General Manager of South Central Railway.

- (iii) The Bank shall develop a suitable payment gateway connectivity arrangement with CRIS at its own cost and enter into a mutually agreed Technical Framework Agreement.
- (iv) The Bank shall arrange at its own cost necessary software and hardware infrastructure to receive details of on-line Railway receipt from the Railway's Banker. This system will be a 24 X 7 facility under which transactions will be made round the clock and on all the days of the year.
- (v)
 - a) If any dispute or difference of any kind whatsoever arises among parties hereto in connection with or arising out of this agreement parties hereto shall promptly and in good faith negotiate with a view to its amicable resolution and settlement.
 - b) In the event no amicable resolution and settlement is reached within a period of 90 days from the date of which the dispute/difference arose, a demand shall be made for arbitration. The dispute/difference of either party shall be referred to the Arbitral Tribunal appointed by General Manager, South Central Railway, who shall be Railway Gazetted Officer within 60 days from the date of receipt of request/demand.
 - c) The Gazetted Railway Officer to be appointed as an Arbitrator, however, will not be one of those who had an opportunity to deal with the matter to which the contract relates.
 - d) It is a term of this agreement that in the event of the Arbitrator to whom the matter is originally referred being transferred or vacating his office or being unable to act for any reason, General Manager of this Railway shall appoint another person to act as Arbitrator in accordance with the terms of this agreement. Such person shall be entitled to proceed with the reference from the stage at which the predecessor left it.
 - e) The existence of any dispute or difference or the initiation or continuance of the arbitration proceedings shall not postpone or delay performance by parties of their respective obligations pursuant to the agreement.
 - f) Parties agree that the Arbitrator(s) shall determine and make an award as to the cost of the arbitration proceedings.
 - g) For all matters not specified under this agreement, the provision of the Indian Arbitration and Conciliation Act, 1996 or any statutory modification or reenactment thereof and the rules made thereunder shall apply.
- vi. The Customer shall be bound by the debits made by the Bank for the transactions carried out as per this agreement. If there is any dispute, concerning the amount debited to the Bank account of the Customer, the matter shall be resolved in terms of Clause 39 (v) of the Agreement.

As far as possible, Railways and the Customer will resolve all disputes mutually. However, in case of failure in arriving at a solution and if both the parties come to the conclusion that the dispute cannot be solved without involvement of **the Customers Banker, then Customers Banker** shall facilitate resolution of such dispute but shall not incur any liability in respect of claims

between Railways and the Customer, except where it is established through the transactions etc. that the Bank is liable in respect of any claim(s) in dispute on account of any errors, mistakes or malfunctioning of system/software/processor made available by the Bank or their agents. In the event the Bank refuses to accept their liability in such matters, then in that case the said disputes/claims shall be resolved through arbitration, in terms of clause 39 (v) of the agreement.

- vii. Any addition, alteration, renewal and extension of Agreement may be made with the mutual consent of all the parties.
- vii(a) If not provided otherwise in the Agreement, all notices to be given by the Railway Administration and all other action to be taken on its behalf may be given or taken by Deputy Chief Commercial Manager/Freight Services/South Central Railway or any other officer for the time being entrusted with the functions, duties and powers of Deputy Chief Commercial Manager/Freight Services/South Central Railway.
- viii. In case of breach of any of the conditions mentioned herein this Agreement shall be liable to be terminated by mutual discussion and agreement.
- ix. All disputes are subject to the jurisdiction of the **High Court of Andhra Pradesh** and/or its subordinate Courts only.
- x. The Agreement shall be governed by the laws of the land for the time being in force in the Republic of India.
- xi. Any systematic improvement through modification to the provisions of this Agreement can be done with mutual consent by all the parties to the Agreement after a period of three months from the date of this Agreement, and changes, if necessary shall be incorporated in the Agreement suitably.
- xii. The execution of above agreement will be in accordance with existing Tariff/Manual provisions and policy/procedures issued or to be issued from time to time by the Railways.

IN WITNESS WHERE OF:

The parties hereby have set their hands on the ____ day of _____ 2009 at Secunderabad

Witness

Signature

i)

For & on behalf of the **President of India**
Represented by Chief Commercial Manager (FS)

ii)

Witness

i) Signature:
For & on behalf of the **Customer**

ii)

Witness

i) Signature
For & on behalf of the **Bank**

ii)

Note:

Railway's Account details with SBI

Account No.00000010464669898 with SBI, Main Branch, Kaleswaram Market,
B R P Road, Vijayawada.

Railway's Account details with SBH

Account No.00000062052158828 with SBH, Himmatnagar Branch, Secunderabad.
