Sub: E-payment system of freight
Ref: Rates Circular No.39 of 2008 and corrigenda thereto

Please refer to ECR's letter No.ECR/CRM/FMS/02/E-Payment/Policy dt.31.10.2013 vide which Railway has sought Board's guidance in reference to the observations of their associate Finance regarding LC/BG; SBI's suggestion for provision of dedicated bank account & execution of agreement in standard format and has requested Board to circulate draft e-payment agreement.

The matter has been examined. It is to state that the extant guidelines regarding LC/BG are very clear and the same may be followed. Further, the guidelines do not restrict provision of dedicated bank account and it depends upon the customer and the bank.

So far as execution of agreement in standard format is concerned, the similar issue had arisen earlier over Eastern Railway which was discussed in meeting held at Rail Bhavan wherein it was felt that the issue may be resolved between Eastern Railway and the bank. Accordingly, the issue has been resolved. (refer item Nos.11 and 12 of the minutes of the meetings held on 02.03.2012 and 04.10.2012, respectively—copies enclosed)

As regards circulation of draft Agreement by Board, it is seen that the policy guidelines was circulated in 2008 wherein Zonal Railways have been entrusted to enter into the agreement with bank and concerned rail user. No format of agreement was circulated by Board. All Zonal Railways have evolved their own standard agreement keeping in view the local needs and requirements of their customers & bank. Therefore, circulation of draft agreement by Board is not warranted at this juncture.

(Atul Kumar)
Dy. Director, Traffic Commercial-I
Railway Board