

Section X: Pricing & Payment Terms (Extended Corporate Version)

This section establishes the comprehensive financial framework governing the services rendered by the Carrier to the Client. It provides clarity on pricing methodologies, invoicing procedures, payment obligations, penalties, incentives, and compliance with financial regulations. The objective is to ensure transparency, predictability, and enforceability in the commercial relationship, thereby minimizing disputes and protecting both parties' interests.

1. General Principles of Pricing

1.1 Fair and Transparent Pricing

- **All charges levied by the Carrier shall be structured in a transparent manner and shall be communicated in writing prior to the execution of services.**
- **The Carrier shall provide detailed tariff sheets, including base transportation costs, surcharges, fuel adjustments, and additional service fees, ensuring that no hidden charges are imposed on the Client.**

1.2 Industry Benchmarking

- **Pricing shall align with prevailing industry standards, taking into account parameters such as distance, cargo type, handling complexity, and applicable statutory levies.**
- **Benchmarking against market competitors shall ensure fairness while maintaining financial sustainability for the Carrier.**

1.3 Periodic Review

- **Tariffs shall be reviewed on a quarterly basis to reflect changes in fuel prices, labor costs, regulatory policies, and inflationary trends.**
 - **Both parties agree that revised tariffs shall not be applied retroactively but shall be effective only from the date of official notification.**
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2. Pricing Models

2.1 Flat-Rate Model

- **A pre-agreed flat fee shall apply irrespective of distance, volume, or weight, typically used for high-frequency, short-haul shipments.**
- **This model is suitable for Clients requiring budget predictability.**

2.2 Variable-Rate Model

- **Charges are calculated based on distance (per kilometer), weight (per ton), or volume (per cubic meter).**

- This model ensures fairness where shipment sizes and destinations vary significantly.

2.3 Hybrid Model

- A combination of flat-rate and variable pricing may be applied, particularly in cases where a Client maintains a long-term contract with occasional oversized or specialized shipments.

2.4 Fuel Adjustment Factor (FAF)

- Given the volatility of global fuel markets, a Fuel Adjustment Factor shall be applied on a monthly basis.
 - The FAF shall be derived from government-published fuel indices and applied as a percentage surcharge on base transportation charges.
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3. Service-Specific Charges

3.1 Expedited and Express Delivery

- Shipments requiring delivery within shorter-than-standard transit times shall attract an express surcharge, typically ranging from 20% to 35% of base tariff.

3.2 Temperature-Controlled Transportation

- Specialized refrigerated trucks and monitoring systems shall be provided for perishable goods, pharmaceutical products, and sensitive chemicals.
- An additional charge equivalent to 15% of the base tariff shall apply to cover energy consumption and equipment depreciation.

3.3 Oversized and Over-Dimensional Cargo (ODC)

- Goods exceeding standard dimension thresholds (length > 10 meters, width > 2.5 meters, height > 3 meters) shall require route planning, escorts, and permits.
- Pricing shall be determined on a case-by-case basis, reflecting the complexity and risks involved.

3.4 Hazardous Materials Handling

- Transportation of flammable, corrosive, or toxic substances shall include compliance costs with safety regulations, specialized driver training, and protective equipment.
- Charges shall reflect regulatory surcharges mandated by DGCA (Directorate General of Civil Aviation) and Petroleum and Explosives Safety Organization (PESO).

3.5 Ancillary Services

- **Loading/Unloading Assistance:** Charged per labor-hour basis.

- **Warehousing:** Fees applied after the first 72 hours of free storage.
 - **Packaging:** Billed per unit of packaging material supplied by the Carrier.
 - **Customs Clearance Assistance:** Charges applied for documentation, duties, and liaison with port authorities.
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4. Invoicing Protocols

4.1 Invoice Issuance

- All invoices shall be generated electronically within seven (7) business days post-delivery of goods.
- Each invoice shall contain a breakdown of base tariff, surcharges, taxes, and applicable discounts.

4.2 Consolidated Billing Option

- Clients with high shipment frequency may opt for a monthly consolidated invoice to streamline reconciliation.

4.3 Supporting Documentation

- Invoices shall be accompanied by Proof of Delivery (POD), consignment notes, and any statutory permits required.
 - Electronic copies shall be deemed legally valid for accounting and audit purposes.
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5. Payment Terms

5.1 Standard Payment Period

- Unless otherwise agreed, the Client shall remit payment within 30 calendar days of invoice issuance (“Net 30”).

5.2 Advance Payments & Deposits

- For new Clients or shipments involving high-value cargo, the Carrier reserves the right to demand partial or full advance payment.

5.3 Accepted Modes of Payment

- **Domestic Clients:** NEFT/RTGS/UPI, demand drafts, or authorized digital wallets.
- **International Clients:** SWIFT or Wire Transfers, subject to Client bearing foreign exchange conversion costs.

5.4 Currency of Payment

- Domestic transactions shall be invoiced in INR.

- International transactions may be invoiced in USD/EUR/GBP, with exchange rates determined by the Reserve Bank of India's reference rate on the invoice date.
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6. Discounts and Incentives

6.1 Volume-Based Incentives

- Clients transporting over 100 tons monthly shall receive a 5% discount, scaling up to 15% for volumes exceeding 1,000 tons.

6.2 Long-Term Commitments

- Contracts exceeding 24 months shall benefit from locked-in tariff protection against inflationary adjustments.

6.3 Early Payment Incentives

- Payments settled within 10 days of invoice issuance shall attract an early settlement discount of 2%.

6.4 Seasonal/Promotional Discounts

- Carrier may, at its discretion, provide seasonal discounts during low-demand quarters to encourage fleet utilization.
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7. Penalties & Enforcement

7.1 Late Payment Charges

- Interest shall accrue at 1.5% per month (18% per annum) on overdue balances.

7.2 Suspension of Services

- If payments remain overdue beyond 60 days, the Carrier may suspend all ongoing and future shipments.

7.3 Debt Recovery Costs

- In case of persistent non-payment, the Client shall bear all legal expenses, including attorney fees, collection charges, and court filing costs.

7.4 Right of Lien

- Carrier shall have a contractual lien on goods in transit or in storage, allowing retention until outstanding dues are cleared.
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8. Taxation & Regulatory Compliance

- All charges are exclusive of Goods & Services Tax (GST), currently levied at 18%.

- **The Client shall bear responsibility for customs duties, excise taxes, and any other statutory levies applicable.**
 - **Non-compliance with tax obligations by either party shall invite penalties as prescribed by law.**
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9. Refunds, Adjustments & Credits

9.1 Refund Eligibility

- **Refunds shall be issued only in cases of proven overbilling or service failure attributable to Carrier.**

9.2 Credit Notes

- **Refunds shall generally be processed via credit notes applied against future invoices.**

9.3 Exclusions

- **No refunds shall be processed for cancellations within 24 hours of dispatch unless caused by Carrier fault.**
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10. Financial Dispute Resolution

10.1 Notice of Dispute

- **Any disputes relating to invoicing or pricing must be raised within 15 business days of invoice receipt.**

10.2 Payment of Undisputed Amounts

- **The Client shall continue to pay undisputed portions while the disputed portion remains under review.**

10.3 Escalation Mechanism

- **Disputes unresolved at the operational level shall be escalated to senior management of both parties within 30 days.**
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11. Confidentiality of Pricing

- **Both parties agree to maintain strict confidentiality regarding pricing, discounts, and incentives.**
 - **Disclosure to third parties, including competitors, suppliers, or media, is strictly prohibited unless required by law.**
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12. Audit & Compliance Rights

- **The Client reserves the right to audit invoices and supporting records with reasonable prior notice.**
- **Carrier shall maintain accurate financial records for a minimum of seven (7) years.**