

AGREEMENT FOR FREIGHT SERVICES

THIS AGREEMENT FOR FREIGHT SERVICES is entered into on \_\_\_\_\_ day of \_\_\_\_\_, 2017 and shall be effective from \_\_\_\_\_ day of \_\_\_\_\_ by and between.

1. **PHARMA CLIENT.**, a company registered and existing in India under the Companies Act, 1956, (Hereinafter referred to as the "Company" which expression shall unless excluded by or repugnant to the context be deemed to include their successor in business and permitted assigns) of ONE PART; and
  
2. \_\_\_\_\_

\_\_\_\_\_ (hereinafter referred to as the "Transporter" which expression shall, unless excluded by or repugnant to the context be deemed to include their successor in business and assigns) of the OTHER PART.

WHEREAS, the Company had invited quotation from the Transporter/Transporter, for transport of Formulation Product and other value added products, herein after referred to as "Goods" from anywhere to anywhere.

AND WHEREAS, in response to said invitation the Transporter had submitted their quotation for rendering services as desired by the Company.

AND WHEREAS after submitting the said quotation to the Company, the Transporter had discussions with the Company and the rates quoted in the said quotation have been revised.

NOW IT IS HEREBY AGREED BY & BETWEEN THE PARTIES HERE TO ASFOLLOW:

1. Subject to the provision of this Agreement, the Transporter shall carry the Goods to the destination listed **in Schedule-1**(attached hereto) as may be required by the Company. Unless otherwise specified by Company in writing, the cut off time for lifting the goods from the dispatch location shall be 6:00 pm on any day.
  
2. This Agreement shall be valid for a period of \_\_\_\_years from the Effective Date with an exclusive option of the Company on its sole discretion to extend the same for another period of one (1) year at same terms and conditions in writing by both Parties.
  
3. In consideration of the Transporter carrying the Goods pursuant to this Agreement, the Company shall pay to the Transporter, charges ("Fees") calculated at the rates asset out in **Schedule-2** (attached hereto).

4. The Fees set out in **Schedule-2** shall remain firm and there would be no revision of the same, during the period of this Agreement. Also, the Fees would be composite and no other charges such as Goods Tax, Hamali, etc. would be claimed separately. The Fees shall also be inclusive of all charges from door pick up to door delivery at any higher floor of the consignee's address without any extra charge.
5. The bills would be submitted by the Transporter duly supported with acknowledge copy of Delivery Challan/Lorry Receipt (LR)/GC confirming receipt of the Goods in good condition and weight as recorded in the Challan/LR at the destination.
6. The bills complete in all respect would be settled not earlier than thirty (30) working days of their submission in prescribed manner however payments can be made on account basis in a period of thirty (30) working days from the date of submission of bills. Bills Submission and bill payments process is decentralized. Payment follow up shall be done with the Business and bill submission location.
7. For the movement of Goods by road mode i.e. by the Transporter, goods & service tax on freight services shall be included in the Fees set out in **Schedule 2** as per clause 4, and if the Goods are moved by courier mode, goods & service tax on freight services shall be applied on the bill raised by the Transporter and shall be reimbursed by the Company.
8. The Tax Deduction at Sources ("TDS") shall be deducted at source by the Company, as per the prevailing provision of the Income Tax Act, 1961, as amended from time to time, from each payment. A certificate for the said TDS will be issued within the statutory time frame.
9. The Transporter shall not sub contract the work to any other Transporter. In case the Transporter is found to sub contract the work to any other Transporter in any manner whatsoever, this Agreement shall be liable to be terminated at the option of the Company at the risk and cost of the Transporter.
10. The Transporter shall be responsible for safe custody and security of the Goods and its delivery at the destination within the agreed timeline. In the event of loss or damage to the Goods, then, without prejudice to any other rights and remedies available with the Company under this Agreement or law, the Company shall have the right to deduct the amount of loss

caused due to such loss or damage from any payments to be made to the Transporter under this Agreement.

11. The Transporter shall provide the number of trucks as may be indented on any day/dates. The Transporter shall ensure to place the required trucks at the Company's plants at the earliest and in any case within twenty four (24) hours from the time the indent is conveyed to them on phone/fax/mail.
12. In case the Transporter fails to provide the trucks within twenty four (24) hours, the same would be arranged for by the Company from another agency at the risk and cost of the Transporter. The Transporter would reimburse the Company entirely for any other consequential damages, which the Company may incur. The Company will debit such amount under intimation to the Transporter and deduct from the Fees payable to the Transporter.
13. The Transporter shall carry the Goods by avoiding any potential damage to the Goods. The Transporter shall not carry the Goods with products such as oil drums, lubricants or other similar items which could damage the Goods due to leakage. The Transporter shall ensure that the Goods/Packages of the said Goods are tied properly to the body of the truck by good quality rope and also that the material is completely covered by good quality tarpaulin so as to ensure that no water or any other materials enter into the said Goods. The Transporter therefore shall arrange to keep good quality rope and tarpaulin with every truck at the Transporter's cost.
14. The Transporter shall issue LR, giving full details of the material and the quality after loading of the material in trucks and after due weighment.
15. The weighment of Goods materials shall be done in presence of the Transporter's representative and they shall be responsible for delivery of weight, as recorded in the invoice.
16. That the loading/unloading shall be done into trucks at the Plant/ warehouse with the help of mobile cranes, forklift or manually and Transporter shall have to provide proper truck to facilitate such loading.
17. The Transporter shall neither trans-ship nor loads any other materials in the truck carrying the Goods during transit and in case if same is found, the Bank Guarantee/Security Deposit will be forfeited by the Transporter in favor of the Company and losses if any will be recovered.

18. The Transporter shall be entirely responsible for any damages/shortage or loss of materials in transit.
19. The Transporter shall not have any lien on Goods in transit for transit charges payable by the Company to the Transporter under this Agreement or for another reason whatsoever and that the Transporter would only act as a carrier. The Transporter shall neither mortgage nor dispose of the Goods in his custody for carriage in any manner whatsoever.
20. The Transporter is required to deliver the Goods at the specified destination(s) as per the timelines agreed (TAT) in **Schedule-3**. Time is of essence of the Agreement.
21. The Transporter shall intimate non-delivery/potential non-delivery of the Goods for any reason whatsoever to the Company's Transport Department immediately after missing the timeline or upon realizing a potential non-delivery, as the case may be in case of delivery of Goods at destination beyond the agreed timeline, the Transporter shall be liable to pay liquidated damages as set out in **Schedule-4**.
22. That after the trucks are loaded weighed and dispatched, the Transporter shall ensure that the Goods are delivered along with the documents under clear receipt at destination. The Transporter shall take the acknowledgement at the destination for delivery of the Goods.
23. In case of loss of CENVAT copy of invoice, the Transporter shall submit FIR and Affidavit at the time of unloading of the Goods. An amount equivalent to the CENVAT/Sales Tax will be withheld till its clearance from the customer.
24. The Transporter shall comply with all the provisions of the Motor Vehicles Act, 1939 and the rules made there under, as may be applicable.
25. The Transporter shall collect all the documents like excise documents (CENVAT, copy of Invoice), permits, way bills, etc. before leaving the place of loading and shall be responsible for its safekeeping and delivery at destination. In case the original excise documents (CENVAT, copy of invoice) are misplaced or lost during transit, the Company reserves the

right to recover all losses / damages incurred / liability arising, due to loss of the said document.

26. The Transporter hereby covenants that:

- a. The Transporter has experience in handling and transportation of such materials or allied materials for over five (5) years.
- b. The Transporter is capable of mobilizing sufficient number of truck as and when required.
- c. The Transporter is registered with state/central/local authorities as required under law and has all required licenses, permits etc. The Transporter has trained and licensed drivers for their fleet of vehicles and maintains the photographs of their driver, cleaners and attested photocopy of licenses of the vehicles provided by them and will produce/submit the same on demand.
- d. All vehicles supplied by the Transporter are duly insured and have valid insurance certificates, tax tokens, blue book etc.
- e. The Transporter shall have office/his representative at the place of destination as per schedule attached.

27. The Transporter shall be fully responsible in relation to the claim made by any other party/property damage during transit in respect of which, Transporter shall also undertake necessary insurance to cover the aforesaid third-party risks.

28. All accidents, breakdowns or casualties shall be informed to the Company's office at the place of delivery immediately. In case of accident or theft, Transporter must arrange for FIR/Spot survey and other necessary documents related to insurance claim/custom and excise formalities within the statutory prescribed timeline. In respect of all materials damage and short/non-delivery claims, Transporter, should inform the Company and undertake all such obligation required for filing of the claim.

29. The Transporter further agrees that in the event of non-settlement of claim by the insurance company due to the failure of submission of certain documents, including damage certificate, which are required to be furnished by the Transporter, the amount equivalent to the unsettled amount, shall be recoverable by the Company from the Transporter.

30. Notwithstanding the above, the Transporter would be entirely responsible for the liability/consequences of any infringement under the Carriers Act, 1865, as amended from time to time, The Motor Vehicles Act, 1939, as amended from time to time and the other applicable rules, or any other laws.

31. That in case of any default/pilferages/shortage by the Transporter under this Agreement, the Company shall be entitled to recover the losses which may arise due to the said default/pilferages/shortage on the part of the Transporter. For recovery of the said losses, the Company interalia, reserves their right to adjust the same against pending bills of the Transporter.
32. This Agreement supersedes all previous understanding and/or agreements, oral and/or written by the parties with respect to the subject matter hereof, and contains the entire understanding of the Parties as to the subject matter hereof.
33. The terms included herein may not be contradicted by evidence of any prior or eland/or written or of a contemporaneous oral and/or written agreement.
34. It is expressly agreed by and between the Parties that any extension of time or any other dispensations or variations conceded by the Company shall not be deemed to be any waiver by the Company of any of their rights under this Agreement and that the Company shall be entitled to enforce their rights against the Transporter, in respect of all the terms of this Agreement.
35. Any notice to be served upon the Company or Transporter should be deemed to be properly served if sent by Registered Post to the respective addresses mentioned hereinabove.
36. This Agreement shall be governed by the laws of India. In case of any dispute or difference arising between the Parties as to the interpretation of this Agreement or as to any rights or obligations arising out of, in connection with or relating to this Agreement, these shall be referred to a sole arbitrator, to be nominated by the Company, for adjudication. The proceeding before the arbitrator would-be governed by the Arbitration and Conciliation Act, 1996, as amended from time to time and rules made there under. The venue of arbitration shall be Mumbai, in the State of Maharashtra. Subject to the arbitration provisions, courts in Mumbai alone shall have jurisdiction in the event of difference or dispute.
37. The Company reserves the right to enter into parallel rate agreements with more than one Transporter for the same destination.
38. The transporter is not entitled for LR charges, pick up charges, and delivery charges. Unloading activity at delivery destination location shall be completed by transporter without any additional charges along with delivery at any floor of the consignee address.

39. Transit time excludes day of Pick Up, day of delivery and holidays.
40. In case of Transit Insurance to the consignor/consignee's account, the Transporter will issue Certificate of Facts/Damage Certificate within thirty (30) days from the date of such incident, or else the loss borne by the Company will be indemnified by the Transporter.
41. The freight charges do not include entry tax or any other duties on the cargo, but shall be paid by the Transporter and the Company shall reimburse the same on submission of bills along with original amount paid receipt.
42. The Transporter will book consignment on "to be Billed" basis. The Transporter shall raise bills along with POD/Delivery Report (stamped and signed) copies on the Company on monthly basis. Company shall settle the freight payment within 30 days from the date of bill submission. Bill submission and freight payment will be decentralized. Freight payment will be made on submission of clean POD/Delivery report (stamped and signed) for each LR with acknowledgement from consignee / delivery location for receipt of goods in good condition. All bills will be submitted by the Transporter within 45 days from the date of pickup with POD/Delivery Report (stamped and signed) copies. The Transporter shall have no rights to claim freight payments if the bills are not submitted within 45 days from the date of pickup along with acknowledged POD/Delivery Report (stamped and signed) copies.
43. For shipments lost / short delivery /damage delivery if any which takes places after lifting consignment from consignor's premises and during transit before reaching destination and delivery completion, if loss value is less than Rs.50000/- than Company will deduct maximum up to Rs.10000.00 per LR, and for loss value above Rs.50000/- certificate of facts will be issued by the Transporter within thirty (30) days from the date of the incident. In case of major theft or pilferage where police complain is needed, FIR and Final Investigation Report(in English)will be arranged by Transporter, Police FIR is required for each lost shipper irrespective of its value.
44. All payments will be made in the name of \_\_\_\_\_by NEFT/RTGS mode only.
45. wrong, mixed-up, mismatch deliveries by Transporter shall be rectified and corrected within three working days from the completion of date of delivery to respective consignee. Further if the rectification & correction is not completed within three working days from the delivery completion date a deduction of 10% will be charged on freight charges for each consecutive day from the fourth day till the correction is completed.

46. Transporter shall provide day to day MIS through email on regular basis for trace and track of on time delivery in full and delivery performance matrix.
47. Failure to deliver shipment on time will be treated as breach of contract depending on criticality of shipments.
48. Transporter shall track and inform the company on the business volume generated on monthly basis. The business volume details will be informed as per the template provided by the parent company.
49. Anytime the Transporter contacted by any individual within the company, they should not discuss price, they should not provide quotation and they should immediately involve distribution department from Company corporate office, failure to do so will be treated as material breach of contract.
50. Transporter shall collect proof of delivery (POD Copies) after completing shipment delivery at consignee location. Further trucking company will be fully responsible to ensure that acknowledgement copy with stamp & signature is collected from consignee location on time after last mile delivery completion. Any delay in collecting POD copies along with transportation complaint remarks on acknowledged POD copy, the trucking companies shall be fully responsible for all such transportation complaints as per terms & conditioned mentioned in point no 42 & 43.

**Deduction Clause:** - We can deduct freight as per above clause for the consignment not delivered on time with mutually agreed between both parties.

### **Detention Charges**

Charges are paid as per type & size of vehicle. The charges will be paid only for vehicle which is detained and hold for more than 24 hours (one full day) from the time of vehicle reporting at delivery location. For first 24 hours of vehicle held up at delivery location for unloading will be free and exempted from detention charges. There are no detention charges applicable at loading / shipping point.

1) For 20-ft & 24-ft container : Rs.1000 will be paid as detention charges



IN WITNESS WHEREOF the Parties have set their hands to this Agreement on the day, month and year first herein above written.

SIGNED & DELIVERED

For & on behalf of the within named

**Name:** - \_\_\_\_\_

**Title:** - \_\_\_\_\_

SIGNED & DELIVERED

For & on behalf of the within named

\_\_\_\_\_

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_