



Corrigendum- EOI Ref: ISPRL/GC/76-EOI-2023/01 dated 11.04.2023

Bidders may please note that following clauses have been revised in EOI Ref: ISPRL/GC/76-EOI-2023/01 for sale of Crude oil from ISPRL Visakhapatnam.

The last date of submission is extended to 17th April 2023 1600hr (IST)

1. Revised Clause 2.3 a

Quantification of crude: The crude oil receipt quantity shall be jointly assessed by buyer and ISPRL and also certified jointly by independent third party surveyor. The joint certificate in BBL and MT as per Surveyor's report shall be final and binding on both the parties. The receipt quantity shall be finalized basis Refinery tank gauges/shipping Vessel as applicable. The quantities so jointly certified will form the basis for raising invoice to buyer. The cost of surveyor will be equally shared by ISPRL and Buyer. In case of pumping crude from Cavern A to Buyer's ship, HPCL's residual pipeline content will have to be pumped to a separate hold in the Buyer's ship and after completion of loading operation, the pipeline content will have to be pumped back to cavern pipeline.

As a buyer's obligation, buyer has to pay Customs Duty /NCCD applicable on purchase of products taken from bonded warehouse.

Payment made towards Custom duty /NCCD will be adjusted from the final invoice settlement as custom duty is part of landed cost of crude oil.

It may be noted that crude under sale is stored as bonded product in cavern A at Visakhapatnam.

2. Revised Clause 2.8

VAT/CST: ISPRL shall be bearing applicable Andhra Pradesh VAT @ 5% charges on the crude oil cost. In case of Inter-state Sale, ISPRL shall be paying applicable CST rate. As per Andhra Pradesh VAT Act, buyer is liable to deposit 50% of VAT liability. Hence, buyer will be required to deposit 50% VAT liability with VAT department, within stipulated time lines. The buyer will be required to deposit remaining 50% of VAT liability to ISPRL by 15th of the subsequent month in which crude oil was supplied. In addition, if there is any liability to pay CST in advance, the same shall also be paid by the buyer. Amount towards VAT/CST payment by Buyer will be adjusted against final settlement of invoice.

3. Revised Clause 4.1

4.1 The Buyer shall make payment to ISPRL by the end of subsequent month to which crude oil was supplied. E.g. for crude oil supplies made in month of April, payment will be made by end of 31st May. If the month end day Falls on Saturday / Sunday/ banking holiday in Mumbai, payment should be made on the next bank working day. Delayed payments shall attract interest at SBI Base rate + 1%. The interest shall be calculated on basis of actual days of delay beyond the agreed payment terms.

4. Revised Clause 5.1

5.1 Indian PSU Oil Marketing Companies interested in taking the Basrah light Crude oil from the SPR Vishakhapatnam location may submit their LOI in the attached Price bid format by **17.04.2023, 16.00hrs (IST)** to following address by hard copy or email:-

Deputy CEO
Indian Strategic Petroleum Reserves Limited
OIDB Bhawan
3rd Floor, Plot No. 2
Sector – 73
Noida – 201301
Uttar Pradesh, India
Email: ajay.dashore@isprlindia.com
Tel: 0120-2594647

5. Revised Price bid format (Attached)

Point viii

Credit Period

The payment will be made by end of subsequent month to which crude oil was supplied. E.g for crude supplies made in month of April, payment will be made by end of 31st May.

Point ix

For Delay beyond above mentioned credit period, interest will be payable at the SBI base rate+ 1% interest

Point xi

Custom Duty & NCCD shall be paid by the bidder while taking the crude. Bidder should quote premium/discount considering the above. Payment made towards Custom Duty /NCCD will be adjusted from the final invoice settlement as Custom Duty is part of landed cost of crude oil.

6. Revised Price Methodology Annexure A (Attached)

Notes point 12

The payment will be made by end of subsequent month to which crude oil was supplied. Eg for crude oil supplies made in month of April, payment will be made by end of 31st May.

Price Methodology for Purchase of Basrah Light from ISPRL Cavern A Visakhapatnam

Sample Working

Receipt Month	Feb. 2023	
Last date of transfer (Deemed BL)	28/02/2023	
API of Basrah Light stored in Cavern A	29.800	
Base API of Basrah Medium	29.000	
B/T factor of Basrah Medium (API : 29) (Derived basis formulae (API+131.5)/141.5*1/0.159))	7.134	
Exchange rate date to be considered	FBIL rate as on Date of Deemed BL	
FBIL rate (28.02.2023)	82.6816	
		Landed cost of Basrah Medium at Visakhapatnam from SOMO for Feb. 2023
	Formulas	USD/bbl
Marker prices (Avg. of Dubai & Oman for Feb 2023) (Refer Note -1 (a))	a (i)	82.212
Add: OSP for Basrah Medium for Feb 2023	a (ii)	-1.400
Add: Average OSP Premium of Basrah Light grade over Basrah Medium grade for the period Aug. 2021 to Dec. 2021 (Refer Note-1 (b))	a(iii)	0.900
API Adjustment (Base API of 33 of Basrah Light) (Note 2)	b	-1.280
FOB Cost	c = a (i)+a(ii)+a(iii)+b	80.432
Freight from Basrah Oil Terminal to Viskhapatnam (Note 4)	d	3.970
Cost & Freight (CFR)	e = c + d	84.402
Marine Insurance (including War & SRCC insurance)	f = e * 0.000034	0.003
CIF	g = e + f	84.405
Wharfage charges	h = 17/(B/T)/(USD/INR)	0.029
Custom Duty (incl. NCCD) @ Rs. 57.2/MT	i = 57.2/(B/T)/(USD/INR)	0.097
LC Charges	j = c*105%*85/365*0.0017	0.033
Surveyor charges (Loadport & Disport)	k = USD 2050/760000	0.003
Estimated Import Landed Cost at Visakh (X)	l = g+h+i+j+k	84.567
Addition premium payable (To be quoted) in USD/bbl (Y)	Add Premium	
Price payable to ISPRL (inclusive of VAT/CST) (X+Y)		
Notes:		
1 (a) : Official Selling Price (OSP) of Basrah Medium shall be SOMO's declared official selling price for the scheduled month of loading. Basrah price is based on (Oman + Dubai)/2 as marker crudes. The Oman & Dubai are calculated by taking average of mean of high and low spot assessment of Oman & Dubai as published in Platts Crude Oil Marketwire during schedule month of loading.		
Marker prices of Dubai & Oman for the month of Feb 23 is US\$ 82.212/bbl (Average quotes of Platts Dubai & Platts Oman crude prices for the month of Feb 2023).		
1 (b) : Average OSP Premium of Basrah Light grade over Basrah Medium grade for the period Aug. 2021 to Dec. 2021 was USD 0.90/bbl.		
2) As per contract with SOMO, the pricing basis for Basrah Light is for API 33 degree with API Escalation / De-escalation. The resulting Basrah Light Price is to be reduced by US DOLLAR 0.04 per barrel for each whole one tenth of a degree API below 33.00 degree and to be increased by US DOLLAR 0.04 per barrel for each whole one tenth of a degree API above 33.00 degree".		
3) Base API of Basrah Medium Crude as per the contract with SOMO is 29.00 degrees. Considering the API of 29 degree, Barrel to Metric ton factor comes to 7.134 which is calculated by applying the formula :- ((API+131.5)/141.5*1/0.159).		
4) Freight from Basrah Oil Terminal, Iraq to Visakh to be considered basis 120% of Mid-Afra rates applicable for Aframax vessel (Illustrative working of Mid-Afra is attached in Annexure B)		
5) Total Customs duty is Rs. 57.2/MT (Basic custom duty of Rs. 2.2/MT (incl. SWS) and NCCD of Rs. 55/MT (incl. SWS)). Rs. 57.2/MT to be converted in US\$/bbl considering Barrel to Metric ton factor of 7.134 of Basrah Medium Crude and Exchange rate as Rs. 82.6816/USD as on 28.02.23 (Deemed BL date).		
6) ISPRL crude is stored in Bonded Cavern and Custom Duty of Rs. 2.2/MT (incl. SWS) and NCCD of Rs. 55/MT (incl. SWS) is payable by buyer on withdrawal of crude from Bonded Cavern.		
7) Marine Insurance charge (inclusive of War and SRR insurance) to be calculated on CFR value at a rate of 0.0034%.		
8) Wharfage rate at Visakh to be considered for calculation is Rs. 17/MT, converted in US\$/bbl considering Barrel to Metric ton factor of 7.134 of Basrah Medium Crude and Exchange rate as Rs. 82.6816/USD as on 28.02.23. (Deemed BL date)		
9) LC charges to be calculated at a rate of 0.17% p.a. for 85 days.		
10) Surveyor charges (loadport & disport) to be considered for calculation is USD 2050.		
11) For calculation, Barrel to Ton (B/T) factor to be considered basis API value of the samples taken during the crude oil transfer .		
12) The payment will be made by end of subsequent month to which crude oil was supplied. Eg For supplies made in April , payment will be made by end of month of 31st May		
Additional Note - Above figures are based on February 2023 rates. However, for this transaction, rate applicable for the month of transaction will be considered.		

Price Bid to be quoted by interested Party

Bidders Bid Reference No.....Date:

With reference to ISPRL EOI ISPRL/GC/76-EOI-2023/01 dated 06.04.2023 and corrigendum dated 11.04.2023, the price for the Crude Oil Grade Basrah Light stored at ISPRL Cavern A Vishakhapatnam with API 29.8 is quoted for taking delivery.

- i. Name of the Buyer :
- ii. Location :
- iii. Quantity : 300 TMT of Crude Oil
- iv. Delivery Month : 3 Months from Date of LOA (can be taken in multiple deliveries too)
- v. Pricing Applicable : Landed cost of Basrah Light crude oil calculated as per **Annexure A**, basis delivery Month OSP as declared by M/s SOMO
- vi. Premium for crude oil grade offered

Crude Oil Grade Name		Additional Premium over Landed cost of crude at Visakhapatnam(USD / bbl)
BASRAH LIGHT 300 TMT		

- vii. Payment : In INR as per exchange rate declared by FBIL on deemed B/L/ Receipt/ transfer date
- viii. Credit Period : The payment will be made by end of subsequent month to which crude oil was supplied. E.g for crude supplies made in month of April, payment will be made by end of 31 st May.
- ix. For Delay beyond above mentioned credit period, interest will be payable at the SBI base rate+ 1%interest
- x. All SPM, Port, Shipping vessel related and other pipeline usage charges as payable to HPCL shall be payable by buyer.
- xi. Custom Duty & NCCD shall be paid by the bidder while taking the crude. Bidder should quote premium / discount considering the above.Payment made towards custom duty /NCCD will be adjusted from the final invoice settlement as custom duty is part of landed cost of crude oil.
- xii. Bid evaluation will be done based on the additional premium over landed cost of the crude oil at Visakhapatnam as quoted in clause vi above after netting of applicable VAT/CST.

We hereby confirm acceptance to all the terms & condition of the subject EOI.

Name & Signature of the Bidder