Reference: **Global Tender Basis for Lease/Rent of Crude Oil Storage Facilities at ISPRL's SPR Underground Rock Caverns at Visakhapatnam (524 TMT / 3.789 MMBBLs)**

Pre-Bid Meeting Reply:

SN	Tender Ref No	Tender clauses	Bidders' Queries	ISPRL's Replies
1	NIT	**EMD :** ₹ (INR) 10,00,000/ **$** (USD) 10,465. In case of BG, it should be valid for 90 days from bid closing date.	Understand EMD is exempted for PSU. Kindly confirm.	EMD exemption is available for PSUs/ Government of India entities
2	NIT	SD : 1 (One) month rental charges (BG is also acceptable and be submitted within 15 days of order-	Whether SD/BG will be exempted for PSU? Kindly confirm.	SD exemption is not available for any bidder. The bidder has to submit SD as per tender conditions.
3	Tender Clause 2.1	ISPRL intends to Lease/Rent out Cavern A of Crude Oil Storage Capacity at Vizag site of ISPRL to the extent of 224 TMT+300 TMT i.e. 524 TMT	Is there any flexibility to lease capacity up to 300 TMT on fixed rental charges & balance 224 TMT capacity at proportionate rental basis ?	No, the bidder has to quote for entire capacity being offered on lease.
4			Is ISPRL considering only single grade crude to be stored in Cavern A as it is having only one compartment?	The bidder to be guided by the Tender Clause 2.1 wherein it is informed that The total storage capacity of Vizag cavern is 1030 TMT. ISPRL shall be utilizing balance capacity in the cavern for storing its crude. Therefore, the successful bidder shall be required to take concurrence from ISPRL regarding the type/grade of crude oil proposed to be stored before undertaking receipt of crude oil in the Cavern
5			If multiple grades are being considered by ISPRL for filling in leased space, how is ISPRL considering storing, sale and handling of blended crude?	
6			What is the criteria for finalizing the crude grades for storing in ISPRL Cavern A?	

7			**Nature of Utilization:** Whether the cavern is designated exclusively for strategic petroleum reserve purposes or commercial utilization, or a combination of both. If both, is there a prescribed allocation ratio between strategic and commercial inventory?	The bidder can be guided by clause no 7.4 of the tender which states that the bidder can utilize the entire crude stored in rented space for Commercial use subject to ISPRL's first right to "Drawdown during an Oil Shortage Event.
8			**Minimum Operating Inventory :** What is the minimum inventory level requirement that must be always maintained in the cavern? Additionally, what is the minimum operating capacity permitted for the leased cavern?	Total design capacity of Cavern-A is 1030 TMT, out of which 524 TMT has been offered for leasing / renting. There is no restriction for maintaining minimum inventory requirement or permissible minimum operating capacity under the offered capacity of 524 TMT for lease/ rent.
9			**Crude Compatibility and Storage Arrangements:** Are there any restrictions on the type or grade of crude oil that can be stored in the cavern? Specifically, would the leased cavern constitute a separate compartment, or would the crude be commingled with other inventories? In case of commingling, are there prescribed specifications or limitations concerning API gravity, sulphur content or other crude quality parameters?	The bidder to follow tender condition.
10			**Ownership of Crude Oil:** Who would retain ownership of the crude oil stored in the leased cavern, and would the lessee have unrestricted ownership and commercial rights over its inventory, subject to applicable regulatory requirements?	The lessee shall have the ownership & commercial rights of the crude oil filled by them, limited to 524 TMT capacity.
11			**Tax Implications on Domestic Sales:** We would appreciate clarification on the applicable tax implications for vendor in the event of: * Sale of crude oil within Andhra Pradesh * Sale of crude oil to refineries located in other Indian states.	Sale of crude oil within Andhra Pradesh – It will attract applicable VAT. Sale of crude oil to refineries located in other Indian states – It will attract applicable CST.
12			Re-export of Crude Oil from leased Cavern: Whether crude oil stored in the leased cavern can be re-	Re-export is not permitted as of now.

			exported outside India. If permitted, we would appreciate clarification on the applicable customs duties, taxes and other regulatory or statutory obligations associated with such re-exports	
13			To facilitate economic feasibility and commercial utilization of the cavern , Vendor would also like to request ISPRL and the Ministry of Petroleum and Natural Gas (MoPNG) to consider the following: 1. **Permission for Re-export:** If re-export is currently not permitted under the existing framework, Vendor request that the necessary provisions be considered to allow re-export of crude oil stored in the leased cavern, subject to applicable regulatory requirements. 2. **Exemption from Applicable Taxes and Duties:** Vendor requests consideration for exemptions from applicable central and state taxes, duties and other statutory levies on crude oil stored in the cavern, particularly in respect of re-exports as well as domestic sales within India, to facilitate commercially viable utilization of the facility. 3. **Extension of Section 10(48A) Benefit:** Vendor would also request consideration for extending a similar tax treatment and exemption framework under Section 10(48A) of the Income-tax Act to the Visakhapatnam cavern.	Based on the request, ISPRL will facilitate to process the request of permission for re-export and applicable tax exemption to concern Ministry through MOPNG.