

DISCUSS MEMORANDUM

BASIC DETAILS		ITEM NATURE OF CAPEX		LAST PURCHASE	
Item / Asset Title	Crude Sunflower Oil	a) Expansion	<input type="checkbox"/>	Supplier name	Alfa Trading Ltd & Emirates Refining
Type of Item / Asset	Raw Material	b) Capacity enhancement	<input type="checkbox"/>	Total value	: USD 252,500/-
Department	Production	c) Cost reduction	<input type="checkbox"/>	Rate	: USD 1,010/MT
Type of expenditure	Capital	e) Office equipments	<input type="checkbox"/>	Total Qty	: 250 MT
		f) Furniture & fittings	<input type="checkbox"/>	Pur. Memo. No	: OF/2023/121
		g) Others (specify)	<input type="checkbox"/>	Date	: 13/07/2023
		Revenue	<input checked="" type="checkbox"/>		

Note: Pls attach feasibility study (if N/A, it is not applicable).

REASON/OBJECTIVE OF THIS PURCHASE

- Ordering Crude Sunflower Oil in bulk packing (flexibag) required for processing Sunflower Oil in our refinery to supply to local market.
- Approved quality and supplier.
- Product origin is Romania. However, same will be shipped from Poland or Romania Port and accordingly War risks will be covered under marine insurance.
- Sunflower oil is a product of Sunflower oil is ~4 months with date of order, however, now it has increased to 90 days given the following reasons :-
- a. Majority of the suppliers has confirmed that they were already booked for Oct shipment and soonest available shipment is for Nov/Dec only.
- b. Increased transit period from 30-45 days to minimum 60 days due to shortages of containers.
- c. Increased transit period during Dec-23/Jan-24 & Feb-24 as war in hand stocks will not go above ~3 months. Refer Stock report attached for weekly "in Hand" coverage levels for better understanding.
- d. Suppliers even after adding this purchase of 4,000 MTs which will be delivered partially during Dec-23/Jan-24 given the situation of increase in lead time .
- e. Further, we will try to book some additional volumes for Dec-2023 shipment in coming weeks to cover Ramadan demand in Feb/Mar-2024 given the situation of increase in lead time .
- f. There is cost advantage of USD 114/MT x 1,000 MT = USD 114,000/- equivalent QAR 419,520/- as compared to last purchase & QAR 110/MT x 3,000 MT = USD 330,000/- equivalent QAR 1,214,400/. [Total QAR 1,639,920 for total 4,000 MT]
- There is no price comparison & approval document attached.

RISKS/CONCERNS/NON-COMPLIANCE OF SOPs or POLICY

1. Payment - 100% TT against copy of shipping documents without BG.

QUOTED SUPPLIER(S) DETAILS													
No	Party Name	Country of Origin	Shipment Term	Currency	Quoted rate/MT	Negotiated rate/MT	Exchange rate	Rate / MT (QAR)	Quantity [See Remarks]	Amount FC	Total - Qr.	Payment Term / Mode	Remarks
1	ADOL LLC, Ukraine (Satellite DK) (Hill Sun Services Pte Ltd, Singapore) / Crude Sunflower Oil	Ukraine	CFR	USD	918.00	856.00	3.68	3,297.28	1,000	896,000	3,397,280		For comparison purpose of Total Value in Qr, we have shown Qty in MT as 1,000 from all suppliers, however, offered quantity differs by each supplier which is mentioned in Attached Price comparison document. ADOL LLC, Ukraine could offer only 1,000 mts and hence being the lowest quote we have bought entire offered quantity. Balance 3,000 mts are offered by Sono Oils at -\$4 vs. Satellite quote and same is confirmed with them being the 2nd lowest bidder. Rate for 1000 MT costing QAR 3,297.28/MT & for 3,000 MT costing QAR 3,312/MT 1-Cost: QAR. 4,000/container (approx.) for clearance, insurance, legalisation, transportation, delivery order etc. any other port / shipping line charges is not included in this PM. 2-The above cost is indicative only. However actual will be paid by us at the time of clearance. 3-Quantity Tolerance +/- 10 % acceptable. 4-Partial delivery & payment is acceptable. 5-Insurance will be taken care by Business Unit. 6-Crude oil is duty exempted based on Quota and H.S. code availability and exemption will be arranged. In case of any issue in custom tariff and in the event of rejection of exemption request, 5% duty will be paid by us.
2	Sono Oils PTE Ltd, (Hill Sun Services Pte Ltd, Singapore) / Crude Sunflower Oil	Ukraine	CFR	USD	940.00	900.00	3.68	3,312.00	1,000	900,000	3,312,000	100% TT against copy of shipping documents without BS	
3	Emirates Refining CO. Ltd,UAE / Crude Sunflower Oil	Ukraine	CFR	USD	969.00	969.00	3.68	3,565.92	1,000	969,000	3,565,920		1-Price advantage in ordering from Satellite DK & Sono Oil
4	Abosais Commodities Crude Sunflower Oil	Ukraine	CFR	USD	950.00	950.00	3.68	3,495.00	1,000	950,000	3,496,000		2-Emirates Refining have quoted CIF \$970/MT and other supplier have quoted CFR term. To arrive at CFR to match the term with other suppliers, \$1/mt has been reduced from the quoted rate.
	Malek Commodities DMC LLC /	Ukraine	CFR	USD	985.00	985.00	3.68	3,624.80	1,000	985,000	3,624,800		

• All the supported quotations are attached

RECOMMENDED SUPPLIER DETAILS														
No.	Party Name	Country of Origin	Shipment Mode	Shipment Term	Negotiated rate/mt	Exchange rate	Isar/WT (QAR)	Quantity MT	Amount FC	Total - Gr.	Payment Mode	Date of shipment	Date of arrival	Remarks
1	AOIL LLC, Ukraine (Satellite DK) (Hill Sun Services Pte Ltd, Singapore) / Crude Sunflower Oil	Ukraine	Sea	CFR	856	3.68	3,297.23	1,000	896,000	3,297,280	100% TT against copy of shipping documents	10 Oct to 10 Nov 2023	60 days from dispatch	N/A
2	Sona Oils PTE Ltd, (Hill Sun Services Pte Ltd, Singapore) / Crude Sunflower Oil	Ukraine	Sea	CFR	900	3.68	3,312.00	3,000	2,700,000	9,936,000	2,000 mts in Nov-23 & 1,000 mts in Dec-23			N/A
								TOTAL QAR	13,233,280					

Supplier selection criteria(s) :

Approved product quality & supplier

Others (specify)

Reputed supplier

lowest bidder

BUDGET DETAILS

Particulars	Amount (CR)
Budgeted value for the requested Cases/expense	
Budget utilized till last purchase	
Balance available for this purchase	
Proposed as per this purchase memorandum	
Surplus/(Deficit)	
AUTHORIZATION / APPROVAL	

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vishnu Prasad

Tayyab Mahmood
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Tayyab Mohammad Azam
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nd. Ahmed Osman
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