



Petroleum Planning & Analysis Cell

Price Build-up of PDS Kerosene at Mumbai			
Sr. No.	Elements	Unit	Effective 1st Nov'17
1*	FOB Price at Arab Gulf of Jet / Kero (Kerosene)	\$/bbl	67.34
2*	Add: Ocean Freight from AG to Indian Ports	\$/bbl	1.38
3	C&F (Cost & Freight) Price	\$/bbl	68.72
	OR	Rs./Litre	27.78
4*	Import Charges (Insurance/Ocean Loss/ LC Charge/Port Dues)	Rs./Litre	0.22
5*	Customs Duty	Rs./Litre	NIL
6*	Import Parity Price (at 29.5° C) (Sum of 3 to 5)	Rs./Litre	28.00
7**	Refinery Transfer Price (RTP) for PDS Kerosene (Price Paid by the Oil Marketing Companies to Refineries)	Rs./Litre	28.00
8*	Add : Inland Freight and Delivery Charges	Rs./Litre	0.77
9*	Add : State Specific Costs	Rs./Litre	0.61
10*	Add : Marketing Cost of OMCs	Rs./Litre	0.37
11*	Add : Marketing Margin of OMCs	Rs./Litre	0.23
12	Total Cost Price (Sum of 7 to 11) -Before GST and Wholesale & Retailer Commission	Rs./Litre	29.97
13*	Less: Under-recovery to Oil Marketing Companies	Rs./Litre	10.31
14	Price Charged to Dealers (Depot Price) (12-13) - Excluding GST	Rs./Litre	19.66
15*	Add : Wholesale & Retailer Commission and Other charges fixed by State Government	Rs./Litre	1.80
16*	Add : GST (including GST on Wholesale & Retailer Commission) @5%	Rs./Litre	1.07
17	Retail Selling Price at Mumbai (Sum of 14 to 17)	Rs./Litre	22.53

* The explanatory notes are given in the attachment.

**Monthly RTP is weighted average of all Indian Pricing Ports.



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Price Build-up of Domestic LPG (Subsidized) at Delhi			
Sr. No.	Elements	Unit	Effective 1st Nov'17
1*	FOB Price at Arab Gulf of LPG	\$/MT	564.88
2*	Add: Ocean Freight from AG to Jamnagar	\$/MT	16.05
3	C&F (Cost & Freight) Price	\$/MT	580.92
	OR	Rs./Cylinder	537.47
4*	Import Charges (Insurance/Ocean Loss/ LC Charge/Port Dues)	Rs./Cylinder	4.89
5*	Customs Duty	Rs./Cylinder	NIL
6*	Import Parity Price (Sum of 3 to 5)	Rs./Cylinder	542.36
7*	Refinery Transfer Price (RTP) for Domestic LPG (Price Paid by the Oil Marketing Companies to Refineries)	Rs./Cylinder	542.36
8*	Add: Storage / Distribution Cost & Return on Investment	Rs./Cylinder	9.82
9*	Add: Bottling Charges	Rs./Cylinder	20.58
10*	Add: Charges for Cylinder Cost	Rs./Cylinder	18.11
11*	Add: Inland Freight	Rs./Cylinder	30.56
12	Bottling Plant Cost before Stock loss and Working Capital (Sum of 7 to 11)	Rs./Cylinder	621.43
13*	Add: Cost of Working Capital	Rs./Cylinder	2.81
14	Cost Price at LPG Bottling Plant (Sum of 12 to 13)	Rs./Cylinder	624.23
15*	Add: Delivery Charges	Rs./Cylinder	10.00
16*	Add: State Specific Costs	Rs./Cylinder	Nil
17*	Add : Uncompensated Costs (Import Costs, rounding-off & delivery charges)	Rs./Cylinder	23.63
18	Market Determined Price (Sum of 14 to 17)	Rs./Cylinder	657.86
19*	Add : GST(including GST on Distributor Commission) @5%	Rs./Cylinder	35.36
20*	Add : Distributor Commission	Rs./Cylinder	49.25
21	Retail Selling Price (Sum of 18 to 20)	Rs./Cylinder	742.47
22	Retail Selling Price at Delhi (Rounded)	Rs./Cylinder	742.00
23*	Less: Cash Compensation on LPG by Govt. to consumers under DBTL	Rs./Cylinder	222.68
24*	Less: Cash Compensation on LPG by OMCs, towards 'Uncompensated Costs' charged in the current RSP, to consumers	Rs./Cylinder	23.63
25	Effective Cost to Consumer after Subsidy (22-23-24)	Rs./Cylinder	495.69

* The explanatory notes are given in the attachment.



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Element wise explanation of Price Build up of PDS Kerosene		
Sr. No.	Elements	Description
1	FOB Price	FOB (Free on Borad) daily quotes of Jet/Kerosene at Arab Gulf including premium / discount published by Platts and Argus publications are averaged for previous month.
2	Ocean Freight	Ocean freight from Arab Gulf to destination Indian ports as per world scale freight rates adjusted for AFRA.
4	Import Charges	Import charges comprises of Insurance, Ocean Loss, LC Charges & Port dues applicable on import of product.
5	Customs Duty	Customs duty on PDS kerosene is Nil.
6	Import Parity Price (IPP)	IPP represents the price that importers would pay in case of actual import of kerosene at the respective Indian ports. Import Parity Principle is as per the 'PDS Kerosene and LPG (Domestic) Subsidy Scheme, 2002'.
7	Refinery Transfer Price (RTP)	RTP based on Import Parity Price, the price paid by OMCs to refineries.
8	Inland Freight & Delivery charges	It comprises of average freight from ports to inland locations and delivery charges.
9	State Specific Costs (SSC)	In order to neutralise the under-recoveries to the Oil Companies caused by various irrecoverable/non-recoverable Taxes and Levies of State/Union Territories/Municipal Corporations, a State Specific Surcharge/Cost is considered in the Selling Prices of petroleum products.
10 & 11	Marketing Cost & Margin	Marketing Cost & Margin are as fixed in the 'PDS Kerosene and LPG (Domestic) Subsidy Scheme, 2002'.
13	Under recovery to OMCs	Difference between desired price (based on Import Parity) and actual selling price (excluding GST , wholesale & retail dealer commission and other charges), represents under-recoveries to OMCs
15	Wholesale & Retail Dealer Commission and Other charges fixed by State Government	Commission fixed for Wholesale & Retail Dealer and other charges like delivery charges by District authorities / State Government.
16	GST	GST Rate as applicable on PDS SKO is 5%

Element wise explanation of Price Build up of Domestic Subsidised LPG at Delhi		
Sr. No.	Elements	Description
1	FOB Price	FOB (Free on Board) of LPG is weighted average of Saudi Aramco contract price (CP) for Butane (60%) & Propane (40%) for previous month and also includes daily quotes of premium / discount (published by Platts Gaswire) averaged for previous month.
2	Ocean Freight	Ocean freight from Arab Gulf to destination Indian port (i.e. Jamnagar) based on charter hire rates obtained from Clarkson Shipping Intelligence weekly.
4	Import Charges	Import charges comprises of Insurance, Ocean Loss, LC Charges & Port dues applicable on import of LPG.
5	Customs Duty	Custom duty on domestic LPG is Nil.
6	Import Parity Price (IPP)	IPP represents the price that importers would pay in case of actual import of product at the respective Indian ports. Import Parity Principle is as envisaged in the 'PAHAL (DBTL) Scheme, 2014'.
7	Refinery Transfer Price (RTP)	RTP is based on Import Parity Price. This is the price paid by the Oil Marketing Companies to domestic refineries for purchase of finished petroleum products at refinery gate.
8	Storage/distribution cost & return on Investment	Storage/distribution cost & return on Investment as fixed under notified 'PAHAL (DBTL) Scheme, 2014'.
9	Bottling Charges	The cost incurred towards filling LPG in 14.2 Kg. cylinders as per notified 'PAHAL (DBTL) Scheme, 2014'.
10	Charges for Cylinder Cost	
11	Inland Freight	It comprises of freight from port to inland locations i.e. Bottling Plant.
13	Cost of Working Capital	Interest on working capital for 18 days stock holding at SBI prime lending rate (PLR) as fixed under notified 'PAHAL (DBTL) Scheme, 2014'.
15	Delivery Charges	It comprises of freight from Bottling Plant to Distributor.

16	State Specific Costs (SSC)	In order to neutralise the under-recoveries to the Oil Companies caused by various irrecoverable/non-recoverable Taxes and Levies of State/Union Territories/Municipal Corporations, a State Specific Surcharge/Cost is considered in the Selling Prices of petroleum products. In case of Delhi it is Nil.
17	Uncompensated Costs (Import Costs, recovery for Non-revision, rounding-off & delivery charges)	In the price buildup Oil Marketing Companies are charging consumers on account of Import Costs, Recovery for Non-revision in prices, Rounding-off & differential delivery charges of Rs.9.50 /cyl. All these costs are not compensated to OMCs as per the PAHAL (DBTL) scheme 2014.
19	GST	GST Rate as applicable on Domestic LPG is 5%
20	Distributor Commission	LPG distributor commission Rs.49.25/Cylinder is as approved by MoP&NG.
23 & 24	Cash Compensation to Consumer under DBTL (including impact of uncompensated cost to OMCs)	Under DBTL Scheme, the difference between the price of Dom. Subsidized & Non-Subsidized LPG is being transferred to bank account of Consumers by OMCs. This also includes the uncompensated amount which is borne by the OMCs.