



## Petroleum Planning & Analysis Cell

Price build-up of PDS kerosene at Mumbai			
Sr. No.	Elements	Unit	Effective 16th July'18
1	FOB price at Arab Gulf of jet / kerosene	\$/bbl	86.28
2	Add: Ocean freight from AG to Indian ports	\$/bbl	1.70
3	C&F (cost & freight) price	\$/bbl	<b>87.97</b>
	OR	Rs./Litre	36.94
4	Import charges (insurance/ocean loss/ LC charge/port dues)	Rs./Litre	0.26
5	Customs duty	Rs./Litre	NIL
<b>6</b>	<b>Import Parity Price (at 29.5° C)</b> (Sum of 3 to 5)	<b>Rs./Litre</b>	<b>37.20</b>
7	<b>Refinery Transfer Price (RTP) for PDS kerosene</b> (price paid by the oil marketing companies to refineries)	Rs./Litre	<b>37.20</b>
8	Add : Inland freight and delivery charges	Rs./Litre	0.67
9	Add : Marketing cost of OMCs	Rs./Litre	0.39
10	Add : Marketing margin of OMCs	Rs./Litre	0.26
<b>11</b>	<b>Total cost price</b> (Sum of 7 to 10) <b>(before GST and wholesale &amp; retail dealer commission)</b>	<b>Rs./Litre</b>	<b>38.52</b>
12	Less: Under-recovery to OMCs	Rs./Litre	15.97
<b>13</b>	<b>Price charged to dealers (depot price)</b> (11-12) <b>(excluding GST)</b>	<b>Rs./Litre</b>	<b>22.55</b>
14	Add : Wholesale & retail dealer commission and other charges fixed by State Government	Rs./Litre	2.04
15	Add : GST (including GST on wholesale & retail dealer commission)	Rs./Litre	1.23
<b>16</b>	<b>Retail Selling Price at Mumbai</b> (Sum of 13 to 15)*	<b>Rs./Litre</b>	<b>25.82</b>

Note: The explanatory notes are given in the attachment.

\*RSP of PDS SKO is subsequent to change in Issue price by Rs.0.25/Ltr and Impact of GST , however the price revision is subject to notification from the state Govt.



**Price build-up of domestic LPG at Delhi**

Sr. No.	Elements	Unit	Effective 1st July'18
1	FOB price at Arab Gulf of LPG	\$/MT	551.13
2	Add: Ocean freight from AG to Jamnagar	\$/MT	20.37
3	C&F (cost & freight) price	\$/MT	<b>571.50</b>
		OR Rs./cylinder	549.22
4	Import charges (insurance/ocean loss/ LC charge/port dues)	Rs./cylinder	4.96
5	Customs duty	Rs./cylinder	NIL
<b>6</b>	<b>Import Parity Price (Sum of 3 to 5)</b>	<b>Rs./cylinder</b>	<b>554.18</b>
<b>7</b>	<b>Refinery Transfer Price (RTP) for domestic LPG</b> (Price paid by the oil marketing companies to refineries)	<b>Rs./cylinder</b>	<b>554.18</b>
8	Add: Storage / distribution cost & return on investment	Rs./cylinder	9.57
9	Add: Bottling charges	Rs./cylinder	20.58
10	Add: Charges for cylinder cost	Rs./cylinder	18.11
11	Add: Inland freight	Rs./cylinder	28.35
<b>12</b>	<b>Bottling plant cost before working capital</b> <b>(Sum of 7 to 11)</b>	<b>Rs./cylinder</b>	<b>630.77</b>
13	Add: Cost of working capital	Rs./cylinder	2.56
<b>14</b>	<b>Cost price at LPG bottling plant (Sum of 12 to 13)</b>	<b>Rs./cylinder</b>	<b>633.33</b>
15	Add: Delivery charges	Rs./cylinder	10.00
16	Add : Uncompensated costs	Rs./cylinder	25.62
<b>17</b>	<b>Market determined price (Sum of 14 to 16)</b>	<b>Rs./cylinder</b>	<b>668.95</b>
18	Add : GST(including GST on distributor commission)	Rs./cylinder	35.91
19	Add : Distributor commission	Rs./cylinder	49.25
<b>20</b>	<b>Retail Selling Price (Sum of 17 to 19)</b>	<b>Rs./cylinder</b>	<b>754.11</b>
<b>21</b>	<b>Retail Selling Price at Delhi (rounded)</b>	<b>Rs./cylinder</b>	<b>754.00</b>
22	Less: Cash compensation on LPG to consumers under DBTL	Rs./cylinder	257.74
<b>23</b>	<b>Effective cost to consumer after subsidy (21-22)</b>	<b>Rs./cylinder</b>	<b>496.26</b>

Note: The explanatory notes are given in the attachment.

The above price buildup is for 14.2 kg cylinder.



### Element wise explanation of price build up of PDS kerosene

Sr. No.	Elements	Description
1	FOB price	Daily FOB (free on board) quotes of jet/kerosene at Arab Gulf including premium / discount published by Platts and Argus publications are averaged for the previous month.
2	Ocean freight	Weighted average ocean freight from Arab Gulf to destination Indian ports as per World Scale freight rates adjusted for average freight rate assessments (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.
7	Refinery Transfer Price (RTP)	RTP based on Import Parity Price is 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 & 10	Marketing cost & margin	Marketing cost & margin are as fixed in the 'PDS Kerosene and LPG (Domestic) Subsidy Scheme, 2002'.
12	Under recovery to OMCs	Difference between total cost price (based on Import Parity) and actual selling price (excluding GST , wholesale & retailer commission and other charges), represents under-recoveries to OMCs.
14	Wholesale & retail dealer commission and other charges fixed by State Government	Commission for wholesale & retail dealer and other charges like delivery charges are fixed by State Government.
15	Goods & Services Tax (GST)	GST rate as applicable on PDS kerosene is 5%

### Element wise explanation of price build up of domestic 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 the 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	Customs 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	Uncompensated costs	In the price buildup, oil marketing companies are charging the consumers on account of import costs, rounding-off & differential delivery charges. All these costs are not compensated to OMCs as per the PAHAL (DBTL) scheme
18	Goods & Services Tax (GST)	GST rate as applicable on domestic LPG is 5%
19	Distributor commission	LPG distributor commission Rs.49.25/cylinder (including additional distributor commission).
22	Cash compensation to consumer under DBTL	Under DBTL scheme, the difference between the price of domestic subsidized & non-subsidized LPG is being transferred to the bank account of consumers by OMCs. This also includes the uncompensated costs which are borne by the OMCs .