



## Petroleum Planning & Analysis Cell

Price Build-up of PDS Kerosene at Mumbai			
Sr. No.	Elements	Unit	Effective 16th May'17
1*	FOB Price at Arab Gulf of Jet / Kero (Kerosene)	\$/bbl	62.93
2*	Add: Ocean Freight from AG to Indian Ports	\$/bbl	1.67
3	C&F (Cost & Freight) Price	\$/bbl	<b>64.60</b>
	OR	Rs./Litre	25.89
4*	Import Charges (Insurance/Ocean Loss/ LC Charge/Port Dues)	Rs./Litre	0.22
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>26.11</b>
7**	<b>Refinery Transfer Price (RTP) for PDS Kerosene</b> (Price Paid by the Oil Marketing Companies to Refineries)	Rs./Litre	<b>26.11</b>
8*	Add : Inland Freight and Delivery Charges	Rs./Litre	0.79
9*	Add : State Specific Costs	Rs./Litre	0.48
10*	Add : Marketing Cost of OMCs	Rs./Litre	0.36
11*	Add : Marketing Margin of OMCs	Rs./Litre	0.22
<b>12</b>	<b>Total Cost Price</b> (Sum of 7 to 11) -Before Excise Duty, VAT and Wholesale & Retailer Commission	<b>Rs./Litre</b>	<b>27.96</b>
13*	Less: Under-recovery to Oil Marketing Companies	Rs./Litre	10.43
<b>14</b>	<b>Price Charged to Dealers (Depot Price)</b> (12-13) - Excluding Excise Duty & VAT	<b>Rs./Litre</b>	<b>17.53</b>
15*	Add : Excise Duty	Rs./Litre	-
16*	Add : Wholesale & Retailer Commission and Other charges fixed by State Government	Rs./Litre	1.80
17*	Add : VAT (including VAT on Wholesale & Retailer Commission) applicable for Mumbai	Rs./Litre	0.58
<b>18</b>	<b>Retail Selling Price at Mumbai</b> (Sum of 14 to 17)	<b>Rs./Litre</b>	<b>19.91</b>

\* The explanatory notes are given in the attachment.

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



## Petroleum Planning & Analysis Cell

### Price Build-up of Domestic LPG (Subsidized) at Delhi

Sr. No.	Elements	Unit	Effective 1st May'17
1*	FOB Price at Arab Gulf of LPG	\$/MT	478.98
2*	Add: Ocean Freight from AG to Jamnagar	\$/MT	18.60
3	C&F (Cost & Freight) Price	\$/MT	<b>497.57</b>
		OR Rs./Cylinder	456.34
4*	Import Charges (Insurance/Ocean Loss/ LC Charge/Port Dues)	Rs./Cylinder	4.66
5*	Customs Duty	Rs./Cylinder	NIL
<b>6*</b>	<b>Import Parity Price (Sum of 3 to 5)</b>	<b>Rs./Cylinder</b>	<b>461.01</b>
<b>7*</b>	<b>Refinery Transfer Price (RTP) for Domestic LPG (Price Paid by the Oil Marketing Companies to Refineries)</b>	<b>Rs./Cylinder</b>	<b>461.01</b>
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	33.29
<b>12</b>	<b>Bottling Plant Cost before Stock loss and Working Capital (Sum of 7 to 11)</b>	<b>Rs./Cylinder</b>	<b>542.79</b>
13*	Add: Cost of Working Capital	Rs./Cylinder	2.33
<b>14</b>	<b>Cost Price at LPG Bottling Plant (Sum of 12 to 13)</b>	<b>Rs./Cylinder</b>	<b>545.12</b>
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	28.59
<b>18</b>	<b>Market Determined Price (Sum of 14 to 17)</b>	<b>Rs./Cylinder</b>	<b>583.71</b>
19*	Add : VAT(including VAT on Distributor Commission) applicable for Delhi	Rs./Cylinder	-
20*	Add : Distributor Commission	Rs./Cylinder	47.75
<b>21</b>	<b>Retail Selling Price (Sum of 18 to 20)</b>	<b>Rs./Cylinder</b>	<b>631.46</b>
<b>22</b>	<b>Retail Selling Price at Delhi (Rounded)</b>	<b>Rs./Cylinder</b>	<b>631.00</b>
23*	Less: Cash Compensation on LPG by Govt. to consumers under DBTL	Rs./Cylinder	159.64
24*	Less: Cash Compensation on LPG by OMCs, towards 'Uncompensated Costs' charged in the current RSP, to consumers	Rs./Cylinder	28.59
<b>25</b>	<b>Effective Cost to Consumer after Subsidy (22-23-24)</b>	<b>Rs./Cylinder</b>	<b>442.77</b>

\* The explanatory notes are given in the attachment.



## Petroleum Planning & Analysis Cell

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 Excise Duty, VAT, wholesale & retail dealer commission and other charges), represents under-recoveries to OMCs
15	Excise Duty	Excise duty on PDS kerosene is Nil.
16	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.
17	VAT (Sales Tax)	VAT at applicable rate in respective State. It varies from state to state. Currently in Mumbai, VAT on PDS kerosene is 3.00%.

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.9.90 /cyl. All these costs are not compensated to OMCs as per the PAHAL (DBTL) scheme 2014.
19	VAT (Sales Tax)	VAT at applicable rate in respective States. It varies from state to state (up to a maximum of 5% as Domestic LPG is 'Declared Goods' under CST Act). Currently VAT at Delhi is Nil.
20	Distributor Commission	LPG distributor commission Rs.47.75/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.