

Price Build-up of Diesel at Delhi

| Sr. No. | Elements | Unit | Effective 1st May'12 |
|-----------|---|------------------|-------------------------|
| 1* | FOB Price at Arab Gulf of Gasoil (Diesel) BS III equivalent | \$/bbl | 133.66 |
| 2* | Add: Ocean Freight from AG to Indian Ports | \$/bbl | 2.30 |
| 3 | C&F (Cost & Freight) Price | \$/bbl | 135.96 |
| | OR | Rs./Litre | 43.90 |
| 4* | Import Charges (Insurance/Ocean Loss/ LC Charge/Port Dues) | Rs./Litre | 0.41 |
| 5* | Customs Duty @2.58% (2.50% + 3% Education cess) | Rs./Litre | 1.14 |
| 6* | Import Parity Price (at 29.5° C) (Sum of 3 to 5) | Rs./Litre | 45.45 |
| 7* | Export Parity Price (at 29.5° C) | Rs./Litre | 43.16 |
| 8* | Trade Parity Price (80% of (6)+20% of (7)) | Rs./Litre | 44.99 |
| 9* | Refinery Transfer Price (RTP) for BS-III Diesel (Price Paid by the Oil Marketing Companies to Refineries) | Rs./Litre | 44.99 |
| 10 | Add: Premium recovered for BS-IV Grade over BS-III | Rs./Litre | 0.04 |
| 11* | Add : Inland Freight and Delivery Charges | Rs./Litre | 0.87 |
| 12* | Add : Marketing Cost of OMCs | Rs./Litre | 0.67 |
| 13* | Add : Marketing Margin of OMCs | Rs./Litre | 0.82 |
| 14 | Total Desired Price (Sum of 9 to 13) -Before Excise Duty, VAT and Dealer Commission | Rs./Litre | 47.38 |
| 15* | Less: Under-recovery to Oil Marketing Companies | Rs./Litre | 13.91 |
| 16 | Price Charged to Dealers (Depot Price) (14-15) - Excluding Excise Duty & VAT | Rs./Litre | 33.47 |
| 17* | Add : Specific Excise Duty @ Rs.2.06/Litre (Rs.2.00/Litre+ 3% Education cess) | Rs./Litre | 2.06 |
| 18* | Add : Dealer Commission | Rs./Litre | 0.91 |
| 19* | Add : VAT (including VAT on Dealer Commission) applicable for Delhi @ 12.50% and Air Ambience Charges @ Rs.250/KL less rebate of Rs.375/KL. | Rs./Litre | 4.46 |
| 20 | Retail Selling Price at Delhi (Sum of 16 to 19) | Rs./Litre | 40.91 |

*The explanatory notes are given in the attachment

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

Price Build-up of PDS Kerosene at Delhi

| Sr. No. | Elements | Unit | Effective 1st May'12 |
|----------------|--|------------------|---------------------------------|
| 1* | FOB Price at Arab Gulf of Jet / Kero (Kerosene) | \$/bbl | 132.69 |
| 2* | Add: Ocean Freight from AG to Indian Ports | \$/bbl | 2.68 |
| 3 | C&F (Cost & Freight) Price | \$/bbl | 135.37 |
| | OR | Rs./Litre | 43.37 |
| 4* | Import Charges (Insurance/Ocean Loss/ LC Charge/Port Dues) | Rs./Litre | 0.29 |
| 5* | Customs Duty | Rs./Litre | NIL |
| 6* | Import Parity Price (at 29.5° C) (Sum of 3 to 5) | Rs./Litre | 43.66 |
| 7* | Refinery Transfer Price (RTP) for PDS Kerosene (Price Paid by the Oil Marketing Companies to Refineries) | Rs./Litre | 43.66 |
| 8* | Add : Inland Freight and Delivery Charges | Rs./Litre | 0.79 |
| 9* | Add : Marketing Cost of OMCs | Rs./Litre | 0.41 |
| 10* | Add : Marketing Margin of OMCs | Rs./Litre | 0.42 |
| 11 | Total Desired Price (Sum of 7 to 10) -Before Excise Duty, VAT and Wholesale & Retailer Commission | Rs./Litre | 45.28 |
| 12* | Less : Subsidy by Central Government | Rs./Litre | 0.82 |
| 13* | Less: Under-recovery to Oil Marketing Companies | Rs./Litre | 31.48 |
| 14 | Price Charged to Dealers (Depot Price) (11-12-13) - Excluding Excise Duty & VAT | Rs./Litre | 12.99 |
| 15* | Add : Excise Duty (Including Education Cess) | Rs./Litre | 0.00 |
| 16* | Add : Wholesale & Retailer Commission and Other charges fixed by State Government | Rs./Litre | 1.13 |
| 17* | Add : VAT (including VAT on Wholesale & Retailer Commission) applicable for Delhi | Rs./Litre | 0.71 |
| 18 | Retail Selling Price at Delhi (Sum of 14 to 17) | Rs./Litre | 14.83 |

* The explanatory notes are given in the attachment.

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

Price Build-up of Domestic LPG at Delhi

| Sr. No. | Elements | Unit | Effective 1st May'12 |
|----------------|--|---------------------|---------------------------------|
| 1* | FOB Price at Arab Gulf of LPG | \$/MT | 1,006.00 |
| 2* | Add: Ocean Freight from AG to Indian Ports | \$/MT | 45.18 |
| 3 | C&F (Cost & Freight) Price | \$/MT | 1,051.18 |
| | | OR Rs./Cylinder | 770.85 |
| 4* | Import Charges (Insurance/Ocean Loss/ LC Charge/Port Dues) | Rs./Cylinder | 6.30 |
| 5* | Customs Duty | Rs./Cylinder | NIL |
| 6* | Import Parity Price (Sum of 3 to 5) | Rs./Cylinder | 777.15 |
| 7* | Refinery Transfer Price (RTP) for Domestic LPG (Price Paid by the Oil Marketing Companies to Refineries) | Rs./Cylinder | 777.15 |
| 8* | Add : Inland Freight and Delivery Charges | Rs./Cylinder | 39.44 |
| 9* | Add : Marketing Cost of OMCs | Rs./Cylinder | 12.58 |
| 10* | Add : Marketing Margin of OMCs | Rs./Cylinder | 8.47 |
| 11 | Add : Bottling Charges (Filling and Cylinder Cost) | Rs./Cylinder | 38.68 |
| 12 | Total Desired Price (Sum of 7 to 10) -Before Excise Duty, VAT and Distributor Commission | Rs./Cylinder | 876.32 |
| 13* | Less : Subsidy by Central Government | Rs./Cylinder | 22.58 |
| 14* | Less: Under-recovery to Oil Marketing Companies | Rs./Cylinder | 480.31 |
| 15* | Price Charged to Distributor (Bottling Plant Price) (12-13-14) - Excluding Excise Duty & VAT | Rs./Cylinder | 373.43 |
| 16* | Add : Excise Duty (Including Education Cess) | Rs./Cylinder | 0.00 |
| 17* | Add : Distributor Commission | Rs./Cylinder | 25.83 |
| 18* | Add : VAT(including VAT on Distributor Commission) applicable for Delhi | Rs./Cylinder | 0.00 |
| 19* | Retail Selling Price (Sum of 15 to 18) | Rs./Cylinder | 399.26 |
| 20 | Retail Selling Price at Delhi (Rounded) | Rs./Cylinder | 399.00 |

* The explanatory notes are given in the attachment.

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

Element wise explanation of Price Build up of Diesel

| Sr. No. | Elements | Description |
|----------------|-----------------------------------|--|
| 1 | FOB Price | FOB (Free on Board) daily quotes of Gasoil at Arab Gulf including premium /discount published by Platts and Argus publications are averaged for previous fortnight. |
| 2 | Ocean Freight | Ocean freight from Arab Gulf to destination Indian ports as per World Scale freight rate adjusted for AFRA. |
| 4 | Import Charges | Insurance charges, Ocean Loss, LC Charges & Port dues applicable on import of product. |
| 5 | Customs Duty | Customs duty on diesel is 2.50% + 3% Education cess. |
| 6 | Import Parity Price (IPP) | IPP represents the price that importers would pay in case of actual import of Diesel at the respective Indian ports. |
| 7 | Export Parity Price (EPP) | EPP represents the price which oil companies would realize on export of diesel i.e. FOB price of product (serial no.1) plus Advance License benefit (ALB) (for duty free import of crude oil pursuant to export of refined products). Consequent to abolition of Customs Duty of Crude oil effective 25.06.2011, the ALB is currently NIL. |
| 8 | Trade Parity Price (TPP) | Trade Parity Price is 80% of IPP & 20% of EPP effective 16.6.2006 as per recommendations of Rangarajan Committee Report. |
| 9 | Refinery Transfer Price (RTP) | RTP based on Trade Parity Price is the price paid by the Oil Marketing Companies to domestic refineries for purchase of diesel at refinery gate. |
| 11 | Inland Freight & Delivery charges | It comprises of average freight from ports to inland locations and delivery charges up to Retail Outlet. |
| 12 | Marketing Cost | Marketing Cost & Margin is as per Marketing Cost Study Report, Nov. 2006 by Cost Accounts Branch, MoF. |
| 13 | Marketing Margin | |
| 15 | Under recovery to OMCs | Difference between Desired Price and Actual selling price (excluding Excise Duty, VAT and dealer commission), represents under-recoveries to OMCs. |
| 17 | Excise Duty | Excise duty on diesel is Rs. 2.00/ Litre as Road Cess + Education Cess @ 3%. |
| 18 | Dealer Commission | Dealer commission on diesel is Rs.912/KL (effective 01-July-2011) as fixed by MoP&NG. |
| 19 | VAT (Sales Tax) | VAT at applicable rate in respective State. It varies from state to state. Currently in Delhi, State Taxes on Diesel is VAT @ 12.50% + Air Ambience charges Rs.250/KL less Rebate of Rs.375/KL. |

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 | Marketing Cost | Marketing Cost & Margin are as fixed in the 'PDS Kerosene and LPG (Domestic) Subsidy Scheme, 2002'. |
| 10 | Marketing Margin | |
| 12 | Subsidy by Central Government | Average subsidy of Rs.0.82/Litre is provided from Government Budget as per 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 Delhi, VAT on PDS kerosene is 5.00%. |

Element wise explanation of Price Build up of Domestic LPG

| 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 ports 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 'PDS Kerosene and LPG (Domestic) Subsidy Scheme, 2002'. |
| 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 | Inland Freight & Delivery charges | It comprises of average freight from port to inland locations and Local Delivery charges up to distributor. |
| 9 | Marketing Cost | Marketing Cost & Margin as fixed under notified 'PDS Kerosene and LPG (Domestic) Subsidy Scheme, 2002'. |
| 10 | Marketing Margin | |
| 11 | Bottling Charges (Filling & Cylinder Cost) | The cost incurred towards filling LPG in 14.2 Kg. cylinders as per notified 'PDS Kerosene and LPG (Domestic) Subsidy Scheme, 2002'. |
| 13 | Subsidy by Central Government | Average Subsidy of Rs.22.58/Cylinder is provided from Government Budget as per 'PDS kerosene and domestic LPG subsidy scheme, 2002'. |
| 14 | Under recovery to OMCs | Difference between Desired price and actual selling price (excluding Excise Duty, VAT and distributor commission), represents under-recoveries to OMCs. |
| 16 | Excise Duty | Excise duty on domestic LPG is Nil. |
| 17 | Distributor Commission | LPG distributor commission Rs.25.83/Cylinder (effective 01-July-2011) is as approved by MoP&NG. |
| 18 | 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. |