

## Price Build-up of Domestic Subsidized LPG (14.2 Kg Cylinder) at Delhi

Sr. No.	Elements	Unit	Effective 1st March14
1*	FOB Price at Arab Gulf of LPG	\$/MT	970.26
2*	Add: Ocean Freight from AG to Indian Ports	\$/MT	46.36
3	C&F (Cost & Freight) Price	\$/MT	<b>1,016.62</b>
	OR	r/Cylinder	899.37
4*	Import Charges (Insurance/Ocean Loss/ LC Charge/Port Dues)	r/Cylinder	7.06
5*	Basic Customs Duty	r/Cylinder	0.00
6*	Import Parity Price (Sum of 3 to 5)	r/Cylinder	<b>906.43</b>
7*	<b>Refinery Transfer Price (RTP) for Domestic LPG</b> (Price Paid by the Oil Marketing Companies to Refineries)	<b>r/Cylinder</b>	<b>906.43</b>
8*	Add : Inland Freight, Delivery Charges etc.	r/Cylinder	38.79
9*	Add : Marketing Cost of OMCs	r/Cylinder	10.52
10*	Add : Marketing Margin of OMCs	r/Cylinder	7.35
11*	Add : Bottling Charges (Filling and Cylinder Cost)	r/Cylinder	38.68
12	<b>Total Desired Price</b> (Sum of 7 to 11) -Before Excise Duty, VAT and Distributor Commission	<b>r/Cylinder</b>	<b>1,001.78</b>
13*	Less : Subsidy by Central Government	r/Cylinder	<b>22.58</b>
14*	Less: Under-recovery to Oil Marketing Companies	r/Cylinder	<b>605.80</b>
15*	<b>Price Charged to Distributor (Bottling Plant Price)</b> (12-13-14) - Excluding Excise Duty & VAT	<b>r/Cylinder</b>	<b>373.41</b>
16*	Add : Excise Duty (Including Education Cess)	r/Cylinder	0.00
17*	Add : Distributor Commission Establishment Charges- R 24.24/cylinder; and Delivery Charges - R 16.47/cylinder	r/Cylinder	40.71
18*	Add : VAT(including VAT on Distributor Commission) applicable for Delhi	r/Cylinder	0.00
19	<b>Retail Selling Price</b> (Sum of 15 to 18)	<b>r/Cylinder</b>	<b>414.12</b>
20	<b>Retail Selling Price at Delhi (Rounded Off)</b>	<b>r/Cylinder</b>	<b>414.00</b>
21	Under Recovery due to Rounding Down	<b>r/Cylinder</b>	0.12

\* 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 Domestic Subsidized 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	Basic 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 Domestic LPG 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 etc.	It comprises of average freight from port to inland locations, Local Delivery charges up to distributor, etc.
9	Marketing Cost	Marketing Cost & Margin as fixed under notified 'PDS Kerosene and Domestic LPG 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 Domestic LPG Subsidy Scheme, 2002'.
13	Subsidy by Central Government	Average Subsidy of ₹ 22.58/Cylinder of 14.2 Kg 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	Domestic LPG distributor commission @ ₹ 40.71/Cylinder of 14.2 Kg (effective 11-December -2013) 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.