

Price Build up of PDS Kerosene at Delhi			
Sr.No.	Element	Unit	Effective
			1-Feb-12
1*	FOB Price at Arab Gulf of Jet Kero(Kerosene)	U\$/bbl	125.16
2*	Add: Ocean freight from AG to Indian Ports	U\$/bbl	2.12
3	C&F (Cost and freight) price	U\$/bbl	127.27
		OR Rs./ltr	40.82
4*	Import charges (Insurance/ Ocean loss/ Port dues)	Rs./ltr	0.28
5*	Basic Customs duty	Rs./ltr	0.00
6*	Import parity price (29.5 o C) (Sum of 3 to 5)	Rs./ltr	41.10
7*	Refinery Transfer Price (RTP) for PDS Kerosene Price paid to Refineries by Oil Marketing companies	Rs./ltr	41.10
8*	Add : Inland freight , Delivery charges etc.	Rs./ltr	0.66
9*	Add : Marketing cost of OMCs	Rs./ltr	0.40
10*	Add : Marketing margin of OMCs	Rs./ltr	0.40
11	Total Desired Price (Sum of 7 to 10) - before Excise Duty, VAT, Wholesale and Retailer commission	Rs./ltr	42.57
12*	Less : Subsidy by Central Government	Rs./ltr	0.82
13*	Less : under-recovery to Oil Marketing Companies	Rs./ltr	28.76
14	Price charged to Dealers (Depot Price) (11-12-13) - excluding Excise Duty and VAT	Rs./ltr	12.99
15*	Add : Excise duty including Education cess	Rs./ltr	0.00
16*	Add : Whole sale & Retailer commission and other charges fixed by State Government	Rs./ltr	1.13
17*	Add : VAT (including Wholesale and Retailer commission) applicable in Delhi	Rs./ltr	0.71
18	Retail Selling Price at Delhi (Rounded off) (Sum of 14 to 17)	Rs./ltr	14.83

* 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 PDS Kerosene		
Sr. No.	Elements	Description
1	FOB Price	FOB (Free on Board) 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	Basic Customs Duty	Basic 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 Domestic LPG 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 etc.	It comprises of average freight from ports to inland locations, delivery charges etc.
9	Marketing Cost	Marketing Cost & Margin are as fixed in the 'PDS Kerosene and Domestic LPG 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 Domestic LPG 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%.