



COAL INDIA LIMITED कोल इण्डिया लिमिटेड
A Maharatna Company एक महारत्न कंपनी
(A Govt. of India Enterprise)

COAL BHAWAN

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CIN: L23109WB1973GOI028844

Ref: CIL/M&S/GM (F) /53

Dt. 22.03.2023

To,
The General Manager/ HoD (M&S)
ECL, BCCL, CCL, NCL, SECL, WCL, MCL & NEC

Sub: Modulated price with WPI indexation applicable with effect from 01.04.2023 for NRS Linkage auction (Tranche VI & onwards), as per decision taken in 299th meeting of CIL CFDs held on 25.01.2023

Dear Sir,

CFDs CIL, in its 299th meeting dated 25.01.2023 approved the modalities for Indexation of supply price for NRS linkage auction on the basis of WPI index with effect from 01.04.2023.

In this respect, the Modulated Price for Non-coking coal and guidelines for determination by subsidiary coal companies under different cases is enclosed as Annexure-A.

The coal companies are requested to implement the above decision of the CIL CFD with intimation to the concerned consumers.

Yours faithfully,

Manager(F), IC AF

M & S, CIL

Copy to:

- Director (Marketing), CIL
- ED(M&L), CIL
- ED(Finance), CIL
- GM(M&S-Operation), CIL
- GM(M&S-Commercial), CIL
- TS to Director (Marketing), CIL
- GM/HOD(Finance): ECL, BCCL, CCL, NCL, SECL, WCL, MCL & NEC
- GM(System), CIL: with request to upload the letter in CIL website

Annexure A

Modulated price with WPI indexation for NRS with effect from 01.04.2023, as per decision taken in 299th meeting of CIL CFDs held on 25.01.2023

Applicability: (a) for supply under FSAs executed pursuant to the linkage auction of Tranche VI and onwards.
(b) for use as base/floor price under NRS Linkage auction from 01.04.2023 onwards.

1. WPI Movements

WPI as on Dec' 21 (Index number)	143.3
WPI as on Dec' 22 (Index number)	150.5
% change in WPI	5.02%
25% of the movement in WPI	1.26%
Lower / Upper cap limit	Not applicable
Final % of WPI movement for use in calculation of Modulated Price	1.26%

2. Modulated Price of Raw Non-Coking Coal

Grade	GCV (Kcal/Kg)	Modulated Price for NRS in Ref. to Price notification of CIL	
		(Rs. /Te) for WCL	(Rs./Te) for other companies including NEC
G1	> 7000	--	--
G2	6701-7000	3,340.00	3,340.00
G3	6401-6700	3,194.00	3,194.00
G4	6101-6400	3,048.00	3,048.00
G5	5801-6100	2,782.00	2,782.00
G6	5501-5800	2,623.00	2,566.00
G7	5201-5500	2,464.00	2,351.00
G8	4901-5200	2,146.00	1,790.00
G9	4601-4900	1,673.00	1,396.00
G10	4301-4600	1,503.00	1,254.00
G11	4001-4300	1,402.00	1,170.00
G12	3701-4000	1,302.00	1,087.00
G13	3401-3700	1,201.00	1,003.00
G14	3101-3400	1,100.00	919.00
G15	2801-3100	871.00	728.00
G16	2501-2800	745.00	622.00
G17	2201-2500	662.00	553.00
Below grade Coal	1900-2200	629.00	526.00
Below grade Coal	1500-1899	596.00	499.00

Note:

- a) Modulated coal price for G1 grade may be calculated taking the WPI movement of 1.26 % (refer point 1) on case to case basis for the respective GCV slabs above 7000 Kcal/Kg. The above modulated price has been calculated without any Add-ons. The WPI movement of 1.26% will be applicable on any kind of source specific Add-on that is part of base price of auction of respective sources. It is to determined by respective coal companies as per approved modalities.
- b) The premium fetched at the time of auction will be applicable as a percentage over the Modulated Price for supply of coal as per point 1(e) of the approved modalities.

3. Coking and washed coal:

The Modulated price for Coking and washed coal, w.e.f 01.04.2023, for NRS Linkage auction Tranche VI & onwards is to be determined by respective coal companies following the modalities elaborated above and the decision taken in the 299th CIL CFD meeting held on 25.01.2023.

This issues with the approval of competent authority.

Enclosure: Excerpts of the relevant decision taken in the 299th CIL CFD meeting held on 25.01.2023.

CIL CFDs, after detailed deliberation approved the following:

1. **Indexation of supply price for NRS linkage auction:**

- a. Wholesale Price Index (WPI) will be used for indexing of the basic price of NRS Linkage auction by applying over the notified price/previous year base price. Indexation of basic price may be done to the extent of 25%(1/4th) of the movement of WPI.
- b. The change in price with WPI (**Indexed Price**) over previous year shall have a cap at the upper end and also at the lower end.
- c. The cap shall be +5%/-2.5% i.e. 5% at the upper end and 2.5% at the lower end.
- d. The **Modulated Price** shall be higher of the price arrived through WPI indexing (Indexed Price) and the prevailing notified price for NRS consumers. In case of revision of notified price anytime during the year, the higher of WPI indexed price and revised notified price will be applicable. The **Modulated Price**, so arrived, will be rounded off to the nearest higher integer.
- e. The premium fetched at the time of auction (over base price) will be applicable as a percentage over the **Modulated Price** and premium percentage shall remain unaltered throughout the period of the Fuel Supply Agreement.
- f. The **Modulated Price** will be calculated on the basis of movement of final WPI index of December every year vis a vis December last year and will be made effective from 1st of April of the following year, starting from 1st April 2023.
- g. The price obtained in terms of the points above will be applicable prospectively for the Fuel Supply Agreements executed pursuant to the linkage auction of Tranche VI and onwards. For supply under FSAs of prior to Tranche VI and erstwhile FSAs the extant pricing provision shall continue.
- h. The base/floor price of NRS Linkage auction will be the prevailing **Modulated Price** from 1st April 2023 onwards. In case there is change in **Modulated Price** during the course of auction of a subsector, either due to change in notified price or application of new **Modulated Price** (in April), the ongoing auction will continue with the earlier modulated price. However, during actual supply, the new **Modulated Price** will be applicable.

- i. Final WPI figures for December is published in middle of March next year. CIL finance department will be circulating the grade-wise Modulated Price by 20th March for implementation on and from 1st April. In case of revision in notified price for NRS sector anytime during a year, the finance department of CIL will also circulate the new Modulated Price immediately for implementation.
 - j. In case of upward revision of price, the additional performance security (covering 6% of ACQ) shall have to be deposited by the bidder to coal company within 30 days of such revision.
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