MCL

No. MCL/SBP/ (M&S)/Secy/2022-23/ 1213	Dt. 03/02/2023

NOTICE

Sub: Price of washed Non-coking coal Ex- Ib Valley Washery of MCL located at Lakhanpur Area.

This is to inform that, MCL is in advanced stage of commissioning a non-coking coal Washery Located at Lakhanpur Area,. The washed coal expected to be produced shall be with ash content of 33.5% with variation of (+/-)0.5% i.e. the ash content shall be between 33% to 34%.
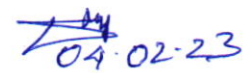
The applicable basic price of washed coal **Non-coking** for Power Utilities and sector other than power utilities ex-Lakhanpur Washery is as under:

Sector	Basic Price of Washed Non-Coking Coal per Tes
Power Utilities	Rs.2040/-
Sector other than power utilities	Rs.2310/-

The bonus/penalty as the case may be, shall be calculated as per the formula given (enclosed as Annexure-I) for increase or decrease in ash content above 34% and below 33% as applicable for Power Utilities and sector other than power utilities respectively.

In addition to the price, STC (as applicable for surface transportation of washed coal), GST, GST Compensation Cess shall be applicable for supply of washed non-coking coal at the dispatching points of MCL. This basic price is subject to revision as and when there is any revision of any component of washed coal pricing i.e price of raw coal, STC and/or levies & taxes including new levies/taxes imposed by Government/Statutory bodies time to time or at the discretion of MCL.

Encl:Annexure-I

04.02.23

General Manager (M&S)

Copy for kind information to: Dir(Mktg.), CIL Kolkata
DT(OP)/D(F)/DT(P&P), MCL HQ

Copy To: 1. Area General Manager, Lakhanpur Area
2. T.S. to D(Mktg:)/ GM(M&S-Comml), CIL Kolkata
3. T.S. to CMD/GM (Washery)/GM(QC)/ GM(Fin)- MCL HQ
4. HOD (Fin/SA)- MCL HQ
5. All sectional heads of M&S Department, MCL HQ
6. Area Sales Manager, Lakhanpur Area
7. GM(Sys): with a request to hoist the notice in website of MCL.
8. MCL's Notice Board.

BONUS/PENALTY :

The committee suggested that a formula based approach may be followed for calculation of the bonus or penalty as the case may be due to the increase/decrease in ash%of washed coal above 34% and below 33% respectively. A formula for calculation of washed coal at varied ash % is given below:

$$WP_x = WP - WP * \frac{[X-34]}{100}$$

Where WP_x = Washed Coal Price at X ash% (in Rs./Te) on dry basis

WP = Washed Coal Price at 33.5 $\pm$ 0.5 ash% (in Rs./Te) as

applicable (Power Utilities/Sector other than power utilities)

X = Ash% of Washed coal above 34% and below 33% respectively

Penalty/Bonus (Rs.) = Qty. of Washed coal * WP - Qty. of Washed coal* WP_x

Thereafter, Penalty/ Bonus may be calculated as per the following: If the above difference is positive then the amount equal to difference shall be the penalty to be paid by MCL to its consumers and if the difference is negative, it will be bonus for MCL.

ILLUSTRATION:

Case-1:(Penalty)

Let assume the quantity of washed coal is 100 Tonnes. To derive the bonus/penalty for 35% ash of washed coal for power utilities, then as per the formula

$$WP_x = WP - WP * \frac{[X-34]}{100}$$

Here X= 35%

WP= Basic Washed Coal Price exclusive of levies & taxes for Power Utilities i.e.
Rs. 2040/tonne

Then

$$WP_{35} = 2040 - 2040 * \frac{[35-34]}{100}$$

= 2040 - 20.40*1

= 2040-20.40

$$= 2019.6$$

Then

Penalty (Rs.) = Qty. of Washed coal * WP - Qty. of Washed coal* WP $_x$

$$= 100*2040 - 100*2019.6$$

$$= 2040$$

Since the above difference is positive, the amount equal to difference i.e. Rs. 2040 shall be the penalty to be paid by MCL to its consumers.

Case-2 (Bonus) :

Let assume the quantity of washed coal is 100 Tonnes. To derive the bonus/penalty for 32% ash of washed coal for power utilities, then as per the formula

$$WP_x = WP - WP * \frac{[X-34]}{100}$$

Here X= 32%

WP= Basic Washed Coal Price exclusive of levies & taxes for Power Utilities i.e. Rs. 2040/tonne

Then

$$WP_{32} = 2040 - 2040 * \frac{[32-34]}{100}$$

$$= 2040 - 20.40*(-)2$$

$$= 2040 + 40.8$$

$$= 2080.8$$

Then

Penalty/Bonus (Rs.) = Qty. of Washed coal * WP - Qty. of Washed coal* WP $_x$

$$= 100*2040 - 100*2080.8$$

$$= 204000 - 208080$$

$$= -4080$$

Since the above difference is negative, the amount equal to difference i.e. Rs. 4080 shall be the bonus to be earned by MCL