

Clip: 1 of 1

# Coal India to Adopt More Transparent Pricing System

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**Kolkata:** Coal India will adopt a new pricing system from April 1, which the company's chairman said will be more customer friendly, transparent and aligned with global norms.

Coal India will start charging prices determined on the basis of price per unit of energy for various grades of coal to be sold from next month.

The state-owned company has called a meeting of stakeholders in the power and non-power sectors to brief them about the new pricing system, to be notified this week, and clarify any doubts.

"We will explain the new system to consumers and take their feedback, after which prices under the new system will be notified. We will be migrating to an international pricing system," said a senior executive of Coal India. "It will be for the benefit of consumers."

The grading system based on to-



tal energy content per kilogram remains, but the price of each consignment will be determined by a rate fixed for each unit of energy

for that particular grade and the total energy contained in 1 kg of coal for the consignment.

"This system will bring in more transparency," said Gopal Singh, Chairman of Coal India. "It will be streamlined and consumer-friendly. The new pricing system is based on the global system of coal pricing instead of band-based pricing system." This means that the price of each tonne of coal will be based on its total energy content. Under the present system, the price used to be the same for a range

of energy content, which was categorised as grades. Coal India, however, has reduced the number of grades from 17 earlier to 10 under the new system. Each grade, under the new system, will now have a pricing coefficient which would be in paise per kilocalorie or paise per unit of energy. This coefficient, when multiplied with the energy content in each consignment in gross calorific value (GCV) terms, will determine the price of one tonne of coal for that consignment.