

कोल इण्डिया लिमिटेड

(महाराष्ट्र कंपनी)

(भारत सरकार उपक्रम)

सामग्री प्रबंधन विभाग

'कोल भवन', प्रीमिसेस नं.04- एमएआर,

प्लॉट सं.-एएफ-III, एक्शन एरिया-1 ए, न्यूटाउन,

राजरहाट, कोलकाता-700 156,

वेबसाइट: www.coalindia.in

सी आई एन सं. L23109WB1973GOI028844

ईमेल: edmm.cil@coalindia.in



5 DECADES OF UNEARTHING ENERGY

COAL INDIA LIMITED

(A Maharatna Company)

(A Govt. of India Undertaking)

Materials Management Division,

'Coal Bhawan', Premises No.04-

MAR,

Plot No-AF-III, Action Area -1A,

NewTown, Rajarhat, Kolkata – 700

156

Website: www.coalindia.in

CIN No.L23109WB1973GOI028844

E mail: edmm.cil@coalindia.in

Work Order Ref. No.: CIL/MM/Explosives-PVF/NPC/2026/348

Date: 08.10.2026

WORK ORDER

To,

The Regional Director,
National Productivity Council,
Boring Road,
Patna – 800001.

Email: patna@npcindia.gov.in

jk.singh@npcindia.gov.in

Subject: Work Order for Review of existing Price Variation Formula (PVF) applicable to Bulk Explosives, LD Explosives and Permitted Explosives on nomination basis.

References: 1. NPC proposal dated 14.08.2026 for the above study.

2. CIL letter No. CIL/MM/Explosives-PVF/NPC/2026/322 dated 10.09.2026

3. NPC's acceptance e-mail dated 14.09.2026.

Dear Sir,

With reference to the above, Coal India Limited (hereinafter referred to as "CIL") is pleased to award the study titled "Review of Existing Price Variation Formula (PVF) applicable to Bulk Explosives, LD Explosives and Permitted Explosives" to the National Productivity Council, Regional Directorate, Patna (hereinafter referred to as "NPC"), on nomination basis, on the terms and conditions set out below:-

Sl no	Work Description	Consultancy Fee(in Rs)
01	Review of existing Price Variation Formula (PVF) applicable to Bulk Explosives, LD Explosives and Permitted Explosives	42,00,000.00
GST@18%		7,56,000.00
Total Consultancy Fee including GST		49,56,000.00

The terms and conditions stipulated in NPC's proposal dated 14.08.2026 shall form an integral part of this Work Order, except to the extent specifically modified herein.

1. Objective of the Assignment

The objective of the assignment is to carry out an independent, expert review of the Price Variation Formula (PVF) applicable under the Running Contracts (RC) and the Long Term Running Contract (LTRC) for the supply of Bulk Explosives, LD Explosives and Permitted Explosives to the subsidiaries of CIL, and to recommend a scientifically justified, transparent and sustainable PVF for future implementation.

Handwritten signature and date: 08/10/26

Work Order No: CIL/MM/Explosives-PVF/NPC/2026/348 **Date:** 08.10.2026

2. Scope of Work

NPC shall carry out the study covering the following terms of reference:

- 2.1 Adequacy of the existing PVF under the RC and LTRC for Bulk Explosives, LD Explosives and Permitted Explosives.
- 2.2 Assessment of the actual cost drivers and their respective weightages in the manufacture of Bulk, LD and Permitted Explosives.
- 2.3 Evaluation of suitable indices and methodology for price variation, including examination of the alternate formula proposed by M/s IOCL vide letter dated 05.06.2026.
- 2.4 Devising a mechanism to address the issue of downturn in prices leading to losses being incurred by CIL.
- 2.5 Recommendation of a scientifically justified, transparent and sustainable PVF for future implementation.
- 2.6 Identification of the Government Departments / reputed agencies from which relevant price data for the applicable period will be sourced for arriving at revised prices under the proposed PVF.

3. Methodology

NPC shall follow the methodology as per clause no 03 of its proposal dated 14.08.2026(Copy of NPC Proposal dated 14.08.2026 is enclosed as **Annexure -A**).

4. Duration of the Study

The total project duration would be about 3-4 months from the date of commencement of the study i. e. date of receipt of initial advance. Reports will be submitted within a month after the completion of field study.

5. Professional Fee , Payment Terms & Paying authority.

- 5.1 The total **professional fee is Rs. 42,00,000/-** (Rupees Forty-two Lakh only) plus applicable GST, inclusive of professional charges and travel expenses. GST at the present rate of 18%, the value of the order is Rs. 49,56,000/- inclusive of GST . GST shall be paid at the rate applicable at the time of payment, against a valid GST tax invoice.
- 5.2 Additionally, during the course of the study, CIL shall provide local transport at study site/ coalfields for pickup & drop for consultants from nearest airport, to & fro movement between place of stay and study site and suitable board & lodge facilities to the visiting consultants at CIL's cost subject to availability.
- 5.3 **Payment Terms** : Payment shall be made in the following milestones:-

A. Payment Milestones

- a) **Payment - 1st Milestone** : 30% of total cost i.e Rs. 12.60 lakhs plus applicable GST (Rupees Twelve Lakhs sixty thousand plus applicable GST only) will be payable on commencement of the study .
- b) **Payment - 2nd Milestone** : 40% of total cost i.e. Rs. 16.80 lakhs plus applicable GST (Rupees Sixteen Lakhs Eighty Thousand plus applicable GST only) will be payable after submission of the draft report.
- c) **Payment - 3rd Milestone** : 30 % of total cost i.e. Rs. 12.60 lakhs plus applicable GST (Rupees Twelve Lakhs sixty thousand plus applicable GST only) will be payable after submission of final report of the study.

B. Bill Payment - All the bills shall be payable within 21 days from the date of submission of the bill, subjected to completion of relevant milestone and submission of relevant document (if any).

Signature
08/10/26

C. Payment Mode and Bank Account Details: All the payments shall be made through NEFT/ RTGS or Demand Draft / cheque drawn in favour of National Productivity Council as per following details:-

Electronic Fund Transfer / RTGS		Cheque / DD
SB A/C No	026501000009207	drawn in favour of National Productivity Council, payable at New Delhi.
IFSC/NEFT/RTGS code	IOBA0000265	
MICR code	110020007	
PAN No.	AAATN0402F	
Bank Name	Indian Overseas Bank, 70, Golf Link, New Delhi-110003	
GSTIN No.	10AAATN0402F2ZK	

5.4 Paying Authority:

ED(Finance), Coal Bhawan, CIL HQ, Kolkata

6. Other terms and conditions:

- 6.1 CIL shall nominate a senior executive to co-ordinate with NPC team during the study period. The coordinator shall facilitate the proposed site visits, discussions with concerned suppliers/ departments if required and providing required data, making logistics arrangement for site visits etc. to the study team.
- 6.2 CIL shall also nominate a senior executive of respective coal subsidiaries where field study is to be conducted; as local site coordinator, who will accompany the NPC study team to various study sites for facilitating smooth conduct of study and other logistics.
- 6.3 The coordinators shall liaison with Explosives suppliers to make necessary and specific arrangements as required for study purpose at the operation site to facilitate smooth conduct of study.
- 6.4 The coordinator shall take the responsibility to ensure that respective suppliers/ contractors do provide the required data (historical operational data including monthly / annual MIS reports) to NPC study team in time.
- 6.5 Co-ordinators shall also extend all possible help in liaison with various govt. agencies at respective study sites for discussions and data, if required.
- 6.6 NPC will submit soft copies of the draft report and final report.

7. Obligations of NPC

- 7.1 NPC shall carry out the study with due professional care, independently and objectively, and shall deploy a qualified team for the purpose.
- 7.2 NPC shall submit soft copies of the Draft Report and the Final Report to ED (MM), CIL.
- 7.3 NPC shall keep confidential all data, information and documents obtained from CIL, its subsidiaries and suppliers in the course of the study, and shall not disclose them to any third party or use them for any purpose other than this study without CIL's prior written consent. Supplier-specific cost data shall be used only for the purposes of this study.
- 7.4 NPC shall not entrust the study to any other agency or sub-contract the core work without CIL's prior written permission.

Handwritten signature
08/10/26

8. General terms and conditions

8.1 Ownership of reports: All reports and deliverables prepared under this Work Order shall be the property of CIL, which may use them for its procurement and contracting purposes. NPC shall not publish them without CIL's written consent.

8.2 Dispute resolution: Any dispute shall first be settled amicably through mutual discussion. Failing that, it shall be subject to the jurisdiction of the courts at Kolkata.

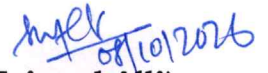
8.3 Other terms: All other terms and conditions of NPC's proposal dated 14.08.2026, including scope of work, methodology and study duration, as modified by CIL's letter dated 10.09.2026 and accepted by NPC on 14.09.2026, shall remain unchanged and shall continue to apply.

9. Acceptance

Please sign and return the duplicate copy of this Work Order as a token of acceptance within 07(Seven) days of its receipt, and confirm the date of commencement of the study.

This issues with the approval of competent authority.

Yours faithfully,



(Sk Maimud Alli)

Executive Director (Materials Management)
Coal India Limited

Encl:

- 1) **Annexure A:** NPC proposal dated 14.08.2026
- 2) **Annexure B:** NPC's acceptance e-mail dated 14.09.2026 w.r.t payment milestones, bill payment schedule and Boarding & Lodging.

Copy to:

- 1) Chairman, CIL
- 2) Director (Technical), CIL
- 3) Director (Finance), CIL
- 4) Director(Marketing), CIL
- 5) Director(BD), CIL
- 6) ED (Finance) / ED (Contracts) / ED (Production), CIL
- 7) GM(Production),CIL
- 8) Office file.

Confidential

PROPOSAL

ON

**Review of Existing Price Variation
Formula (PVF) Applicable to Bulk
Explosives, LD Explosives and Permitted
Explosives**

FOR



कोल इण्डिया लिमिटेड
Coal India Limited

भारत सरकार का उपक्रम

A Government of India Undertaking

एक महारत्न कंपनी A Maharatna Company



National Productivity Council

(Under Ministry of Commerce & Industry, Govt. of India)

Boring Road Patna 800001

Ph :0612-2558311

Email: patna@npcindia.gov.in

Web: www.npcindia.gov.in

14th Aug 2026

Proposal on Review of Existing Price Variation Formula (PVF) Applicable to Bulk Explosives, LD Explosives and Permitted Explosives, for Coal India Ltd.

1. BACKGROUND:

Coal India Limited (CIL) the state-owned coal mining corporate; is the single largest coal producer in the world. CIL functions through its subsidiaries in 85 mining areas, managing a total of 310 working mines, consisting of 129 underground, 168 opencast, and 13 mixed mines and also manages other establishments like workshops, hospitals, and so on. CIL is a Maharatna company - a privileged status conferred by the Government of India to select state-owned enterprises in order to empower them to expand their operations and emerge as global giants.

CIL has fourteen fully owned subsidiary companies. It contributes to 85% of total domestic coal production and 75% of total coal based generation. CIL contributes to 55% of total power generation and meets 40 % of the primary commercial energy requirements of the country. Operates Asia's largest opencast coal mine at Gevra, SECL. Plays a key role in "Make in India" and making India incorporate globally competitive.

CIL procures Bulk Explosives, LD Explosives and Permitted Explosives for its mining operation through Rate Contract (RC) and Long Term Rate Contract (LTRC), both of which are governed by a price variation formula (PVF). PVF is used to compensate suppliers for fluctuations in key cost drivers, while also allowing CIL to benefit from any downward trend in prices.

In view of the current geopolitical situation there is a huge impact on global crude supply scenarios, resulting into manifold escalation in prices of bulk explosive and accessories. Further, rising fuel costs has also affected the cost of transportation of explosives adversely. In order to rationalize the impact of prevailing uncertainties in crude supply & price fluctuations of HSD on prices of bulk explosives ; CIL intends to review the existing Price Variation Formula (PVF) which is intended to compensate the suppliers for fluctuations in key cost drivers. In this context, the organization approached National Productivity Council for conducting an independent study to review the existing PVF and suggest suitable remedial measures including revision of formula/ indices if required.

NPC Regional Directorate Patna is pleased to submit herewith a proposal for conducting the said study with the details of scope of work, methodology, financial implications, study duration and other conditions as delineated in the subsequent paragraphs.

2. TERMS OF REFERENCE / SCOPE OF WORK

The terms of reference for **"Review of Existing Price Variation Formula (PVF) Applicable to Bulk Explosives, LD Explosives and Permitted Explosives"** study would be as follows:

- a) Adequacy of the existing Price Variation formula under the RC and LTRC for Bulk Explosives, LD Explosives and Permitted Explosives.

Proposal on Review of Existing Price Variation Formula (PVF) Applicable to Bulk Explosives, LD Explosives and Permitted Explosives, for Coal India Ltd.

- b) Assessment of the actual cost drivers and their respective weightages in manufacturing of Bulk, LD and Permitted Explosives.
- c) Evaluation of suitable indices and methodology for price variation, including examination of the alternative formulae proposed by M/s IOCL vide letter dated 05.06.2026.
- d) Recommendation of a scientifically justified, transparent and sustainable Price Variation Formula for future implementation.
- e) For the purpose of arriving at revised prices under the proposed PVC Formula, the Govt. Dept/ other reputed agencies from which relevant price data for the applicable period will be sourced shall be identified.

3. METHODOLOGY

NPC would adopt following indicative methodology for carrying out the study:

- ❖ Discussions with the concerned management personnel / committee at CIL /various specified coalfields to understand the various aspects of procurement and usage of explosives, the application of Price variation formula and problems arising due to current uncertainties and fluctuation in prices of HSD.
- ❖ Discussions with M/s IOCL/ RCF/ GNFC / other identified explosive suppliers to understand their perspective of these escalation and de-escalation clauses and identify issues which affect their cost economics.
- ❖ Discussion / Study of the explosives manufacturing process of M/s IOCL/ RCF/ GNFC (if permitted) to determine the key cost drivers for manufacturing of Bulk, LD and Permitted Explosives.
- ❖ Collection of data on usage of explosives for removal of OB and extraction of Coal from various coalfields through structured questionnaire/ data format.
- ❖ Use of secondary data pertaining to manufacturing of explosives, their correlation to crude oil prices and their usage in coal mining operation.
- ❖ Based on the data collected through discussion/ study, the data supplied by concerned suppliers and the data collected through secondary sources/ discussions, data analysis will be carried out to find out key cost drivers and their respective weightages.
- ❖ Discussions with CIL management and other coal fields will also be held during this process wherever required to solicit their view points for incorporation before finalization of escalation/ de-escalation clauses.

- ❖ Based on above, a draft report will be prepared and it would be submitted to ED (MM) CIL for their views and observations. After incorporating their valuable comments/ necessary changes final report would be submitted in soft copy.

4. DURATION OF THE STUDY:

The total project duration would be about 3-4 months from the date of commencement of the study i. e. date of receipt of initial advance. Reports will be submitted within a month after the completion of field study. The actual study duration may vary depending upon the field conditions/support extended and cooperation received from stakeholders/ agencies concerned.

5. FINANCIAL IMPLICATIONS:

- National Productivity Council will charge a sum of Rs. 42.00 lakhs plus GST as applicable at the time of payment only (Rupees Forty two lakhs plus applicable GST only) towards the professional charges and travel expenses.
- Additionally, during the course of the study, the company shall provide local transport at study site/ coalfields for pickup & drop for consultants from nearest airport, to & fro movement between place of stay and study site and suitable board & lodge facilities to the visiting consultants at its own cost.

6. MODE OF PAYMENT

The terms of payment will be as follows:

- Study initiation charges @ 50% of total cost i.e Rs. 21.0 lakhs plus applicable GST (Rupees Twenty one Lakhs plus applicable GST only) will be payable within 10 days of the start of the study.
- First installment @ 30% of total cost i.e. Rs. 12.60 lakhs plus applicable GST (Rupees Twelve Lakhs Sixty thousand plus applicable GST only) will be payable after submission of the draft report.
- Balance payment @ 20 % of total cost i.e. Rs. 8.40 lakh plus applicable GST (Rupees Eight Lakhs forty thousand plus applicable GST only) will be payable after submission of final report of the study
- All the bills shall be payable within a period of 10 days from the date of passing of the bill by the executing authority.
- All the payments shall be made through NEFT/ RTGS or Demand Draft / cheque

Proposal on Review of Existing Price Variation Formula (PVF) Applicable to Bulk Explosives, LD Explosives and Permitted Explosives, for Coal India Ltd.

drawn in favour of National Productivity Council as per following details:

Electronic Fund Transfer/ RTGS		Cheque / DD
SB A/C No	: 026501000009207	drawn in favor of National Productivity Council , payable at New Delhi
IFSC/NEFT/RTGS code	: IOBA0000265	
MICR code	: 110020007	
PAN No.	: AAATN0402F	
Bank Name	: Indian Overseas Bank, 70, Golf Link, New Delhi-110003	
GSTIN No.	: 10AAATN0402F2ZK	

7. OTHER TERMS AND CONDITIONS:

- ✓ CIL shall nominate a senior executive to co-ordinate with NPC team during the study period. The coordinator shall facilitate the proposed site visits, discussions with concerned suppliers/ departments if required and providing required data, making logistics arrangement for site visits etc. to the study team.
- ✓ CIL shall also nominate a senior executive of respective coal subsidiaries where field study is to be conducted; as local site coordinator, who will accompany the NPC study team to various study sites for facilitating smooth conduct of study and other logistics.
- ✓ The coordinators shall liaison with Explosives suppliers to make necessary and specific arrangements as required for study purpose at the operation site to facilitate smooth conduct of study.
- ✓ The coordinator shall take the responsibility to ensure that respective suppliers/ contractors do provide the required data (historical operational data including monthly / annual MIS reports) to NPC study team in time.
- ✓ Co-ordinators shall also extend all possible help in liaison with various govt. agencies at respective study sites for discussions and data, if required.
- ✓ NPC will submit soft copies of the draft report and final report.

8. VALIDITY OF PROPOSAL :

- ✓ This proposal will remain valid for three months from date of its submission i.e. upto 15th November, 2026.

Proposal on Review of Existing Price Variation Formula (PVF) Applicable to Bulk Explosives, LD Explosives and Permitted Explosives, for Coal India Ltd.

9. ABOUT NATIONAL PRODUCTIVITY COUNCIL

National Productivity Council is national level organization working under Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Govt. of India. NPC is a constituent of the Tokyo-based Asian Productivity Organization (APO), an Inter Governmental Body, of which the Government of India is a founder member.

NPC has extensive experience in carrying out studies on formulation of Schedule of Rates (SoR) for various subsidiaries of Coal India Ltd. E.g. Central Coalfields Ltd., Ranchi, BCCL, Dhanbad, Northern Coalfields Ltd. Singruali, Eastern Coalfields, Asansol, Mahanadi Coalfields Ltd. Sambalpur and Western Coalfields Ltd., Nagpur.

Apart from this, NPC has also carried out various productivity related studies, in public sector and private sectors organizations including SAIL, FCI, NTPC, AAI, Prasar Bharti, NALCO, GSFC, GNFC, Reliance petrochemicals and CMPDIL etc.

Annexure B

pkumarn < pkumarn@coalindia.in >

Re:Request for formal proposal / scope of work, timeline and cost estimate for an independent study for review of the Price Variation Formula (PVF) applicable to Bulk Explosives, LD Explosives and Permitted Explosives.**Jitendra Singh < jk.singh@npcindia.gov.in >**

Mon, 14 Sep 2026 12:34:31 PM +0530

To "PRADEEP KUMAR N."<pkumarn@coalindia.in>
Cc "Sk Maimud Ali"<edmm.cil@coalindia.in>,"Kumar Birendra"
<kumar.birendra@npcindia.gov.in>,"AVINASH KUMAR"
<avinashkumar@coalindia.in>

महोदय / महोदया

Ref: Your Letter No. CIL/MM/Explosives-PVF/NPC/2026/322 dated 10.09.2026 regarding "Acceptance of Revised Payment Milestones & Bill Payment – Proposal dated 14th Aug 2026 on Review of Existing Price Variation Formula (PVF) Applicable to Bulk Explosives, LD Explosives and Permitted Explosives."

With reference to your trailing email and letter captioned above, **We would like to convey our acceptance to revised payment milestones & bill payment schedule as mentioned in your letter & reproduced below:**

1. **Payment - 1st Milestone** : 30% of total cost i.e Rs. 12.60 lakhs plus applicable GST (Rupees Twelve Lakhs sixty thousand plus applicable GST only) will be payable on commencement of the study .
2. **Payment - 2nd Milestone** : 40% of total cost i.e. Rs. 16.80 lakhs plus applicable GST (Rupees Sixteen Lakhs Eighty Thousand plus applicable GST only) will be payable after submission of the draft report.
3. **Payment - 3rd Milestone** : 30 % of total cost i.e. Rs. 12.60 lakhs plus applicable GST (Rupees Twelve Lakhs sixty thousand plus applicable GST only) will be payable after submission of final report of the study
4. **Bill Payment** - All the bills shall be payable within 21 days from the date of submission of the bill, subjected to completion of relevant milestone and submission of relevant document (if any).
5. **Boarding & Lodging** - CIL shall provide suitable boarding & lodging at it's own cost, subjected to availability of such facilities.

All other Terms and conditions contained in proposal dated 14th August 2026 including scope of work, methodology, study duration and other terms and conditions shall remain unchanged and shall continue to apply.

Assuring you the best of our services

सादर/ Regards,

जे के सिंह / J K Singh