

National Coal Index Increases by 3.83 points in September

Posted On: 07 NOV 2023 2:50PM by PIB Delhi

The National Coal Index (NCI) is marginally up by 3.83 points to 143.91 in Sept'2023, the first time increase since Apr'23. This incline was influenced by temporary rise of coal prices in global markets.

The National Coal Index (NCI) had been rolled out on 4th June 2020 by the Ministry of Coal and it is a price index which reflects the change in price of coal on a particular month relative to the fixed base year.

The NCI is used to determine the Premium (on a per tonne basis) or Revenue Share (on a percentage basis) based on a market-based mechanism. The Index is meant to encompass all transactions of raw coal in the Indian market. This includes coking and non-coking of various grades transacted in the regulated (power and fertilizer) and non-regulated sectors. The transactions include those at notified price, coal auctions and coal imports.

The NCI's upward movement indicates rising demand of coal because of upcoming festive season and winter in the country, which will encourage coal producer to take maximum benefit by further scaling-up domestic coal production to meet the growing energy demands.

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(Release ID: 1975343)