

No. MCL/SBP/GM (M&S/2023-24/ 850

Date: 28.08.2023

## NOTICE

Sub: Modification in Revised Methodology of Extending Usance LC for NRS FSA Consumers

In reference to earlier Usance LC methodology circulated wide letter no. CIL/M&S/GM(F)/1195 dated 22.04.2022 , in 314<sup>th</sup> CIL CFD Meeting held on 04<sup>th</sup> August , 2023 regarding modification to the revised methodology of extending Usance LC for NRS FSA consumers , has decided the following :

Quote:

- (1) In order to avoid piling up of Usance LC /IRLC arising out of non-materialization of rakes for long term (more than one MSQ), a dispensation may be allowed for acceptance of Railway Program without further topping up of Usance LC/IRLC to the consumers of non-power FSA who has submitted Usance LC/IRLC for coal value of at least one full month scheduled quantity (i.e. LC equivalent of 3 months) or 1 rake, whichever is higher, apart from 7 days coal value advance in cash.
- (2) The above facility supersedes the existing methodology to the consumers 7 days cash advance and 10 days financial coverage through Usance LC / IRLC in case of non-materialization of long term arrear rakes.

Unquote

In case the payment is not made to the seller within the stipulated time of within 5 working days, Seller shall charge interest @Repo+3% as applicable on the due date of payment under the Usance LC for the entire period for which the payment has remained overdue. Further booking to the Buyer will be stopped during the period of default. Repeated failure of the Advising Bank to release the payments against the Pro-forma invoice within the prescribed timeframe shall give right to the Seller to refuse the Usance LC facility of payment to the Buyer.

G.M. (M&S)/ Commercial

MCL H.Q.

Copy to:

GM (System) – with request to upload the same in MCL website under M&S notice.

All sectional Head (M&S) Department



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

**COAL BHAWAN**  
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Rajarhat, New Town, Kolkata - 700156  
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CIN: L23109WB1973GOI028844

File: CIL/M&S/GM(F)/1195.

Dated: 10.08.2023

To  
GM/HOD(M&S),  
ECL, CCL, BCCL, SECL, MCL, WCL, NCL & NEC

Sub: - Modification in Revised Methodology of Extending Usance LC for NRS FSA Consumers:

Dear Sir,

In reference to earlier Usance LC methodology circulated vide letter no: CIL/M&S/GM(F)/1195 dt. 22.04.2022, in 314<sup>th</sup> CIL CFD Meeting held on 04<sup>th</sup> August, 2023 regarding modification to the revised methodology of extending Usance LC for NRS FSA Consumers, has decided the following:

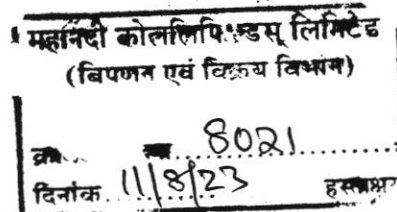
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1) In order to avoid piling up of Usance LC/IRLC arising out of non-materialization of rakes for long term (more than one MSQ), a dispensation may be allowed for acceptance of Railway Program without further topping up of usance LC/IRLC to the consumers of non-power FSA who has submitted usance LC/IRLC for coal value of atleast one full month scheduled quantity (i.e. LC equivalent of 3 months) or 1 rake, whichever is higher, apart from 7 days coal value advance in cash.

2) The above facility supersedes the existing methodology to the consumers 7 days cash advance and 10 days financial coverage through usance LC/ IRLC in case of non-materialization of long-term arrear rakes.

Unquote

This is for your kind information and needful action.



Copy to:

- Director (Marketing), CIL
- ED(M&L), CIL
- ED(Finance), CIL
- TS to Director (Marketing), CIL

Yours faithfully,

Manager (F), IC AF/M&S

gm(Com), gm(RO)  
sm(RS), gm(FSA)  
10/8/23