



वेस्टर्न कोलफील्ड्स लिमिटेड  
Western Coalfields Limited  
(मिनीरत्न कंपनी) (A Miniratna Company)  
(कोल इंडिया लि. की अनुषंगी कंपनी)  
(A Subsidiary of Coal India Limited)



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Regd. Off.: Coal Estate, Civil Lines, Nagpur (MS) – 440001

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Date: 13.01.2020

**NOTICE TO THE NON REGULATED SECTOR CONSUMERS DRAWING COAL BY RAIL MODE**

**Sub: Payment of Coal Value through Irrevocable Letter of Credit (IRLC) for Non-Regulated Sector Consumers drawing coal under Auction of Coal Linkages Route**

All Non Regulated Sector consumers drawing coal under Linkage Auction Route by Rail mode is hereby informed that Coal India Limited has approved Irrevocable Letter of Credit (IRLC) facility for making payment of coal value for Non Regulated Consumers drawing coal by Rail mode and other mode except Road. Consumers availing this facility are required to comply with the following:

- (i) A non-interest bearing advance amount of 07 days should be kept.
- (ii) IRLC payment should mention that the payment through IRLC is anytime, unlimited withdrawal by coal companies shall be accepted by the banks.

In the event the Purchaser opts to submit IRLC, the IRLC shall conform to the following payment provisions:

A1. The underlying amount of IRLC shall be equivalent to As Delivered Price of Coal for the Coal quantities that is one-ninth (1/9<sup>th</sup>) of the QQ concerned, as per Clause 3.4/4.4. Further, the As Delivered Price of Coal in this context shall take into account the highest of the Base Prices of the Grades mentioned in Schedule III.

A2. The underlying amount of IRLC shall be suitably changed whenever there is a change in any component of the As Delivered Price of Coal.

A3. The term of the IRLC shall be for a minimum period of one year, and the same shall be renewed one month prior to its expiry so as to remain valid throughout the term of the Agreement.

A4. 100% payment shall be released in favour of the Seller against the bills/ invoices duly signed and submitted by the Seller.

A5. IRLC shall be automatic without any reinstatement clause, accordingly the amount of each drawal shall be automatically reinstated.

A6. IRLC shall be issued by a bank acceptable to the Seller.

A7. All IRLC charges including those related to opening, establishment, negotiation, reinstatement, amendment or any other incidental charges shall be borne by the Purchaser.

A8. All documents drawn under the IRLC shall be in English language only.

A9. All amounts under the IRLC shall be payable at Nagpur.

A10. There shall be no restriction for the number of draws in a month.

*13-01-2020*

**HOD (M&S)**