



Ministry of Coal

# CIL to extend Usance LC facility to Power and Non-Power consumers

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Coal India Limited (CIL) is supplying about eighty percent of its coal to Power Sector consumers and 550 Million Tonne (MT) coal has been offered for power sector in the current year 2020-21. In order to provide relief to the power sector consumers and increase liquidity in the system, CIL has already allowed the facility of Usance Letter of Credit to power sector consumers for payment of coal instead of cash advance for the Fuel Supply Agreements (FSA). This shall help significantly in improving the working capital cycle of the generators.

CIL has also introduced the same mechanism for customers of Non-Power Sectors in the month of April 2020. This shall be a big boost to the liquidity in the markets and at the same time shall also provide the much anticipated relief to the consumers of coal.

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RJ/NG

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