

**Assured Spare Parts Supply Agreements –
Opening of stand-by Letters of Credit by
Independent Power Producers
A.P. (DIR Series) Circular No. 9 (August 13, 2002)**

RESERVE BANK OF INDIA
EXCHANGE CONTROL DEPARTMENT
CENTRAL OFFICE
MUMBAI-400 001

A.P. (DIR Series) Circular No. 9

August 13, 2002

To

All Authorised Dealers in Foreign Exchange

Dear Sirs/Madam,

**Assured Spare Parts Supply Agreements –
Opening of stand-by Letters of Credit by
Independent Power Producers**

Authorised Dealers are aware that as per extant guidelines, opening of stand-by Letters of Credit is permitted only in exceptional cases, such as for import of crude oil and petroleum products, subject to certain conditions.

2. We have been receiving enquiries from authorised dealers whether they can open stand-by Letters of Credit on behalf of their clients who are Independent Power Producers, in favour of overseas suppliers, under arrangements involving assured supply of spare parts.
3. It has been decided that authorised dealers may open stand-by Letters of Credit on behalf of their constituents who are Independent Power Producers, in cases involving assured supply of spare parts.
4. Authorised Dealers may bring the contents of this circular to the notice of their constituents concerned.
5. The directions contained in this circular have been issued under Section 10(4) and Section 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999).

Yours faithfully,

Grace Koshie

Chief General Manager