

**Import of goods – Establishment of stand-by Letters of Credit  
A.P.(DIR Series) Circular No.84 (March 3, 2003)**

**Reserve Bank of India  
Exchange Control Department  
Central Office  
Mumbai – 400 001**

March 3, 2003

A.P.(DIR Series) Circular No.84

To  
All Authorised Dealers in Foreign Exchange  
Madam/Sirs

**Import of goods – Establishment of stand-by  
Letters of Credit – Subscription to ISP 98**

Attention of authorised dealers is invited to paragraph 3 of A.P.(DIR Series) Circular No.9 dated August 13,2002, in terms of which authorised dealers have been permitted to open stand-by Letters of Credit on behalf of their constituents who are Independent Power Producers, in cases involving assured supply of spare parts.

2. With a view to further simplifying and liberalising the procedure for import and in consultation with Foreign Exchange Dealers' Association of India (FEDAI), it has been decided to allow authorised dealers to open stand-by Letters of Credit on behalf of their importer constituents for import into India any goods, import of which is permissible under the EXIM Policy. Detailed guidelines for issuance of such stand-by letters of credit are being issued by the FEDAI. It will, therefore, be in order for authorised dealers to open stand-by Letters of Credit for import of goods into India on behalf of their constituents subject to adherence to the guidelines issued by FEDAI.

3. Authorised Dealers may bring the contents of this Circular to the notice of their concerned constituents.

4. 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**