



**RESERVE BANK OF INDIA**  
**Foreign Exchange Department**  
**Central Office**  
**Mumbai - 400 001**

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**RBI/2011-12/564**  
**A.P. (DIR Series) Circular No. 128**

**May 16, 2012**

To

All Category - I Authorised Dealer Banks

Madam / Sir,

**Exchange Earner's Foreign Currency (EEFC) Account**

Attention of Authorised Dealer Category – I (AD Category – I) banks is invited to [A.P. \(DIR Series\) Circular No. 124 dated May 10, 2012](#) on the captioned subject in terms of which 50% of the balances in the EEFC accounts should be converted forthwith into rupee balances and credited to the rupee accounts as per the directions of the account holder.

2. Based on various queries received from Authorised Dealers, it is clarified that the conversion of the EEFC balances into rupee balances will only be applicable to available balances in the EEFC account which may be arrived at by netting off earmarked amounts on account of outstanding forward / option contracts booked before May 10, 2012.

3. AD Category - I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

4. The directions contained in this circular have been issued under Sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

(Rashmi Fauzdar)  
Chief General Manager