

India inks pact with Iran to pay crude bill in rupee

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India has signed an agreement with Iran to pay for crude oil it imports from the Persian Gulf nation in rupees, sources in the know of the development said.

The memorandum of understanding (MoU) was signed following the US letting India and seven other nations to keep buying Iranian oil despite sanctions were reimposed on the Islamic state on November 5.

Sources said Indian refiners will make rupee payments in a UCO Bank account of the National Iranian Oil Co (NIOC).

Half of these funds would be earmarked for settling payments for exports of Indian goods to Iran, they said. Under US sanctions, India can export foodgrains, medicines and medical devices to Iran.

India had won the exemption after it agreed to cut imports and escrow payments.