CHAPTER-2

INDO-RUSSIAN STRATEGIC AND DEFENCE COOPERATION

Introduction

Since the early 1950s, New Delhi and Moscow have built friendly relations on the basis of real-politic considerations. India’s non-alignment commitment enabled it to accept Soviet support in areas of strategic congruence, as in disputes with Pakistan and China, without subscribing to Soviet global policies or proposals for Asian collective security. Close and cooperative ties were forged, especially in certain sectors of Indian industrial development and defense production/procurement. But the relationship was circumscribed by wide differences in domestic and social systems and the absence of substantial people-to-people contact—in contrast to India’s relations with the United States.

Despite the disintegration of the Soviet Union in 1991, and the move by the Russian Federation to seek greater integration with Euro-Atlantic structures, the relationship between India and Russia remains one of considerable importance to both countries. When the Soviet Union disintegrated, India was faced with the difficult task of the re-orienting its external affairs and forging relations with the fifteen Soviet successor states, of which Russia was the most important. The systemic changes ushered in Russia implied that the country was heading for extremely difficult times and choices. In the field of foreign policy it was not clear as to what place India would occupy in the new Russian scheme of things. Besides, due to greater emphasis on relations with the industrialized countries of the west, Russian relations with India got low priority. Unlike the former Soviet Union that needed a special relationship with India in its politico-strategic rivalry with both the west and China, Russia did not seem to need India as a strategic ally. With the emergence of independent Central Asian republics, Russia’s and India’s borders fell further apart. India did not impinge

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on the immediate concerns of new Russia. Besides, the stand taken by India during the August 1991 coup did not particularly endear the new Russian leaders.2

2.1 Two Schools of Thought

It seemed two different schools of thought existed in Russia at this time regarding its policy towards India. The foreign policy struggle between the “Westerners”3 and “Asia first” groups in the new Russian state placed Indo-Russian relations in a precarious position. One opinion held that the traditional ties of special relationship with India should be retained. India should be given priority in the country’s policy towards South Asia, while at the same time developing good relations with other South Asian countries including Pakistan. The first school was composed of academics, members of the Dumas and the defense industry who believed that Russia should maintain its “special” relationship with India. A strong India, they argued, could help fight the wave of Islamic fundamentalism that was sweeping across the Central Asian region between Russia and India.4 In addition, this group believed that a strong India could offset the hegemonic status of the United States. If Russia promoted areas of regional strength throughout the globe, this school believed, the United States ability to rest upon its post-Cold War laurels would be short-lived. Finally, India was one of the top importers of Soviet armaments during the final years of the Cold War, and many experts in Russia believed that this income source was crucial in Russia’s transition to a free-market economy.5

The other school favoured that the epoch of “special” relations with India should be ended. According to this approach; looking at the development in region through Indian spectacles affected Russia’s relations with other regional actors including Pakistan. The second Russian school of thought concerning future relations with India was headed by the then Russian Foreign Minister Andrei Kozyrev. This group believed that Pakistani relations were more valuable in fulfilling Russia’s immediate foreign policy and security concerns. The southern periphery of Russia

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was a hotbed for Islamic fundamentalism and Pakistan held the necessary credentials to be an effective mediator for Russia. This view obviously countered the pro-India school that believed the solution to the growing Islamic threat was a strong Indian counter balance. Finally, the Russian Foreign Ministry considered Pakistan, Iran, and Turkey as having a higher priority than India due to their geographic proximity to Russia. In the last phase of the Soviet Union and the early period of the presidency of Boris Yelstin, the advocates of the second approach had the upper hand. As the transition from Soviet to Russian rule took place, the anti-India school of thought dominated Russian foreign policy-making. This domination resulted in a major shift in Soviet/Russian policy towards South Asia. In a dramatic change of policy, in November 1991, when the Soviet Union was breathing its last, Moscow suddenly supported the Pakistan-sponsored UN Resolution calling for the establishment of a nuclear-free zone in South Asia to the great consternation of New Delhi. A nuclear-free zone would mean that both India and Pakistan would discontinue their nuclear programs and become equals as non-nuclear states. The signal sent by the collapsing Soviet regime, with many of its leaders taking positions in the new Russian government, was that it sided with the West and Pakistan against India’s ambitions for regional leadership and security.

A second impetus to Soviet/Russian support to the Pakistani-sponsored resolution may have been due to the strong desire to put an end to the war in Afghanistan. To accomplish this, the Soviet/Russian leadership wanted the release of their prisoners of war who were in the custody of the Pakistan-backed Mujahideen factions. In January 1992, one month after a delegation of Afghan Mujahideen travelled to Russia, Moscow severed all military supplies, ordnance and fuel for military transport that were sustaining the Najib government’s war effort against the Mujihadeen. This decision effectively negated the airpower advantage that the Najib government had held over the Mujihadeen and tilted the conflict back in favor of the insurgents. New Delhi felt a certain sense of betrayal because of the reversal in Soviet policy since the Indian government had worked with the Soviet Union in supporting the nationalist and secular Najib government.

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7 ibid
Nevertheless, in May 1992, the then Russian State Secretary, Gennady Burbulis, in an interview on the eve of a visit to India—first by a new Russian leader—was forced to accept that Russia’s relations with India have to be different from its relations with other countries of the region and preferred to describe them as relations of ‘spiritual pragmatism’\(^8\). During this period of uncertainty in Indo-Russian relations, Russia was seeking some compromise and synthesis between the two divergent schools of thought regarding the approach to India. The basic geopolitical factors that lay at the root of the decade long, uninterrupted Indo-Soviet friendship could not be ignored altogether. The Russian defence industry was very keen to restore defence ties with such a lucrative market and was the only field in which Russia could compete with west. India was equally keen on the restoration of the supply of spare parts and military equipment from Russia, as 60-70 per cent of its defence imports had been from the Soviet Union. The Soviet Union was India’s largest trading partner. A very large part of its export of consumer goods was to the former Soviet Union. India and the new Russia urgently needed to settle certain important issues left over from the Soviet era and put their relations back on the track. These issues were bilateral trade, the supply of defence equipment and spare parts to India, rupee-rouble exchange rate, India’s nearly 10 billion rouble debt to the former Soviet Union, and the legacy of multifaceted cooperation which the two countries had inherited.\(^9\)

In October 1992, a summary of the long awaited foreign policy concept prepared by the Russian foreign ministry was made public.\(^10\) As regards India, it reflected the two divergent approaches. A certain ambiguity in Russia’s stand on India, however, continued. Russia did not want its policy to be ‘deliberately pro India’. Nor did it want its policy towards India to be artificially restrained in the name of striking an abstract balance and ‘equidistance’ between India and Pakistan. Russia wanted its policy towards India to be pragmatic and flexible. President Yeltsin’s visit to India in

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January 1993 was recognition of India’s role in contemporary world affairs an attempt to search for a formula of interaction in the changed, post soviet scenario.\(^\text{11}\)

### 2.2 Yeltsin’s Visit and Re-Linking of Old Ties

In 1993, New Delhi and Moscow worked to redefine their relationship according to post-Cold War realities. Before arriving New Delhi in 1993, Russian president Boris Yeltsin postponed his visit twice. It was a sign of Russian reluctance to further develop relations with India.\(^\text{12}\) But Russian decision makers soon realized that in a geographical and economic sense Pakistan’s importance was hardly comparable with India. So while maintaining contracts with Islamabad, Moscow began exploring the possibilities of resuming the Indo-Russian strategic ties. President Yeltsin arrived in New Delhi in the autumn of 1993. During the visit of the then Russian President Boris Yeltsin to India, the two countries signed agreements that signaled a new emphasis on economic cooperation in bilateral relations. The 1971 treaty was replaced with the new Treaty of Friendship and Cooperation, which dropped security clauses that in the Cold War were directed against the United States and China. The treaty of friendship and cooperation injected an element of stability in the relationship. The visit was characterized by an extremely warm and cordial atmosphere which halted the downward slide in relations that had begun in 1990 and among the many reasons that pleased his hosts was his reconfirmation that the rocket cryogenic engine deal would go through.\(^\text{13}\)

### 2.2.1 Rupee- Rouble Dispute

A break through was achieved in settling the issue of India debt, Russia agreed to an exchange rate that automatically subtracted two thirds of the debt and the rest was to be repaid over a period of forty five years.\(^\text{14}\) The two sides agreed that 63 percent of the debt would be repaid over the next twelve years at an interest rate of 2.4 percent using the exchange rate of 1 Rouble equal to 19.9 Rupees which existed on 1

\(^\text{11}\) Vinay Shukla op. cit.p.254
\(^\text{13}\) "Inter –Governmental Protocol of Russian Indian Consultation", *Strategic Digest*, vol.23, no. 4. April 1993, pp.601-02.
January 1990. This gave a 32 percent net debt reduction advantage to India. The remaining 37 percent of the principal were agreed to be repaid over a period of 45 years without interest and at the exchange rate of 1 Ruble for 3.1 Rupees. The whole repayment was agreed to be made through Indian rupees.\(^\text{15}\) The trade between the two countries virtually collapsed in 1991-92 because of dispute over Rupee-Ruble exchange rate, Russia claimed that India owed it $16 billion, but India said that it owed only $12 billion. The Indian side also maintained that with the entry of Russia into the World Bank, it must accept international rates of exchange. The Russians contrarily maintained that India incurred the debt predominantly on account of the purchase of military equipment and spares during a period when the superior value of rouble was accepted. But this problem was sorted out during Yeltsin’s visit in 1993.\(^\text{16}\)

### 2.2.2 Renewal of 1971 Treaty in New Form

During this visit, the two countries signed a new twenty year treaty of friendship and cooperation. Unlike the Indo-Soviet treaty the word ‘peace’ was not retained in the new treaty signifying that it did not have any strategic dimension. Also in the new treaty, the security clause had stepped immediate “mutual consultation” and appropriate effective measures to ensure peace and security of their countries.\(^\text{17}\) In the new treaty, India and Russia chose to commit themselves only to a negatively worded clause, whereby the two sides would refrain from counting any action that might affect the security interest of each other. President Yeltsin particularly emphasized that Russia’s policy aimed at friendship with all and opposed to axes, triangles, and polygons in general with any blocs.\(^\text{18}\) He added we don’t at present regard anyone in Asia even as a potential adversary of ours.\(^\text{19}\) Adding “we see only partners”\(^\text{19}\) he also affirmed that Russia would go ahead with the cryogenic rocket engine deal with India. In an oblique reference to US pressures not to sell cryogenic engines and related technology to India, he said that he would not be dictated by a third country in determining its bilateral ties with India\(^\text{20}\) Russia’s continuing sharp

\(^\text{15}\) Shasikant Jha in Shamsudin [ed], *India and Russia towards Strategic Thinking* (Lancer ,New Delhi, Pub.,2001), p.45.
\(^\text{16}\) ibid pp.44-48, see also Anita Inder Singh, “A New Indo-Russian Connection,” *International Affairs*, vol.71, no.1,1995,p.75
\(^\text{18}\) Jyotsna,op.cit.,p. 1471
\(^\text{19}\) Jha op.cit.p. 28
\(^\text{20}\) Jyotsna,op.cit.,p. 1473
disagreement with the United States over the rocket technology sale reportedly led to the cancellation of Chernomyrdin's plan to visit to Washington in June 1993. But the following month at a meeting in Tokyo, President Clinton and President Yeltsin worked out a compromise that allowed Russia and India to save face without endangering the South Asia nuclear balance, while also helping to keep 15,000 Glavkosmos workers employed. It provided for Russia to deliver a number of cryogenic booster units and model units for training, but not the technology. The manner in which the Indo-Russian cryogenic deal was settled made it apparent to the whole world that the USA had the final say. And Russia, the successor state of the once superpower, was merely obeying. It was quite shocking and not easily palatable to a sizeable section of vocal opinions in Russia. Nezavisimaya Gazeta, an independent centrist newspaper, remarked for instance that during the past two years relations between Moscow and New Delhi were governed not by Russia's own interest but in accordance with US policy objectives. The fight against terrorism, organized crime and illegal arms trade was emerging as an area of common interest to both India and Russia. In January 1993, the two countries signed a comprehensive agreement to ensure guaranteed supply of defence equipment, spare parts, product support and services needed for maintenance, repair and modernization of Russian armaments for the Indian army, navy and air force.

It is difficult to agree with the assertion of Jyotsna Bakshi that President Yeltsin's visit to India in January 1993 'removed the fog and put Indo-Russian relation on a firm footing' and a decision had been finally taken in the Kremlin in favour of according priority to relations with India in the South Asian context. Yeltsin's visit signified only the beginning of the process of change and nothing more. The Indian subcontinent still occupied one of the last places in the list of Russian priorities, and this was confirmed by the 'Concept of Russian Federation Foreign Policy' elaborated by foreign ministry analysts just before the visit. India in its own

22 Jyotsna op.cit., p. 1473
24 Jyotsna Bakshi "India in Russia's Strategic Thinking", Strategic Analysis (New-Delhi),vol.21,no.10, January 1998,pp.1468-70.
turn, was speedily liberalizing its economy and seeking rapprochement with Beijing and Washington.\textsuperscript{25}

Russia’s acts did not really back its placatory words. Its international behavior was hardly helpful for India. It was difficult to regard Russia as a reliable partner, since Moscow did not keep its promise of actively supporting India’s claim for the permanent Security Council seat, and under Washington’s pressure, cancelled the cryogenic rocket engine deal, it was an unpleasant surprise for India. It took the Russian political elite several years to adjust itself to new realities. The period of 1993-1995 can be regarded as a turning point in national development. Moscow was disappointed when the West initiated NATO expansion eastwards notwithstanding its promises to provide ‘common security from the Atlantic to the Urals; furthermore, Russian and Western interests on some essential international issues began to fall apart. This shift in Moscow’s policies was also influenced by domestic factors. The hasty and thoughtless westernization of the country led to the political crisis of spring-autumn 1993, resulting in an attempt to stage a coup d’etat at the beginning of October. The elections to the Duma showed that nationalist feeling and disenchantment with the west were gathering momentum among the political elite. Though co-operation with the West continued, it was balanced with the promotion and strengthening of the Russian position in the Far East and Asia. Since 1994 political contacts between Moscow and New Delhi have become frequent and intense.

\subsection*{2.2.3 Rao’s Visit}

During Prime Minister P. V. Narshima Rao’s visit to Moscow from June 29 to July 2, 1994 the two countries signed the “Moscow declaration on the protection of interests of Pluralistic state”.\textsuperscript{26} Several agreements were signed between the two countries to expand cooperation in the economic field and in science and technology. The two sides agreed to set up joint ventures making use of the huge corpus of rupee funds meant for the repayment of the rouble debt. India agreed to participate in the modernization of Novorossik port and built warehouse there in return for priority

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\textsuperscript{25} Rundnisky op.cit.p.84
\textsuperscript{26} “Moscow declaration on the protection of interests of Pluralistic state”, strategic digest, vol. 24, no.8, August 1994.
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berthing facilities. It was declared that a joint venture bank would be setup in Russia with the participation of the state bank of India.  

The subject of defence supplies and spares to India was discussed. The Russian defence credit of $830 million announced earlier was further extended for two years as it had not been fully utilized. It was declared that a joint venture of Russian military aviation in India would be set up to service all types of Russian military aircraft in operation around the third world. The joint venture was negotiated to symbolize a new type of defence trends between India and Russia from ‘buyer-seller’ relationship to one of ‘participation and interaction’. It was made clear that Indo-Russian defence cooperation was not directed against any third country.

2.2.4 Chernomyrdin’s Visit

During the Russian Premier Chernomyrdin’s visit to India, the Russian officials enthusiastically talked of “Russian Indian partnership” and referred to India as their best partner, in the region. An Agreement was reached during the visit to streamline economic cooperation. An agreement was signed on long term military — technical cooperation upto the year 2000. In January 1996, the incumbent Foreign Minister with a pro-west reputation was replaced by Yvegeni Primakov. This marked the beginning of more significant changes in Russian policy.

2.3 Primakov Era

Primakov visited India in March 1996 while his predecessor Anderi Kozyrev failed to visit throughout his long tenure as the country’s Foreign Minister from October 1990 to 1996, except Yelstin’s entourage in 1993. Primakov spoke of India as a ‘global power’ and a ‘priority partner’ of Russia. It was stressed that the two countries were united in the common struggle against terrorism, including narco terrorism and in opposing certain dangerous international trends of discrimination against some countries. The strategy of the balancing act was replaced by a greater focus on the leading powers of Asia. This amounted to a peculiar combination of

27 "Documents of Moscow Declaration", Visit of Indian Prime Minister to Moscow, National Herald, (New Delhi) 5 July, 1994.
28 The Hindu, March 29, 1996.
'western' and 'eastern' connections. In the economic and financial fields, Russia was still attached to Western Europe and the United States, but political contradictions alienated them. On many occasions Russian interests were ignored and that filled Moscow with resentment and anger. The Asian nexus gave Moscow somewhat stronger leverage in the international game, and at the same time prepared the ground for the extension of economic ties with the eastern countries. Primakov emphasized the need for correcting the imbalance in the country’s ties with west and the east, India was upgraded to the fourth place after the USA, Europe, and China in the list of countries with which it was deemed important to develop relations.29

During Primakov’s visit to New Delhi in December 1998, which took place against the backdrop of the US-led missile strikes against Iraq, India and Russia agreed to formalize their strategic partnership by signing a pact at their next summit meeting some time in the summer of 1999. A joint statement, issued after the conclusion of Primakov’s talks with the Indian leaders, said that the new arrangement ‘will set new parameters and guide the further development of the close partnership between India and Russia’.30 Strategic partnership had several aspects, including a high level of mutual trust, shared interests and concerns, and respect for each other’s territorial integrity. Defence cooperation was a key aspect of strategic partnership between any two nations, and Indo-Russia relations were no exception. The restoration of regular defence supplies to India from Russia in the mid 1990s played a key role in stabilizing the situation on the Indian subcontinent. India and Russia are two powerful poles at two opposite ends of the vast Central Asian region, which has become an arena for outside forces which are attempting to export militant fundamentalism to the newly independent states of the region.31 In view of these realities the leaders of the two countries made a commitment in December 1998 to upgrade their relations to the level of ‘strategic partnership’, replacing the ‘special relationship’ of the Soviet era. However, the process of transforming their relations into a ‘strategic partnership’ was far from complete and at times, for various subjective and objective reasons, including the changed economic and political scenario in both countries, was proving quite painful.

29 The Hindu, January 31, 1996.
30 “India and Russia for Strategic Tie-up”, the Hindu, December 23, 1998.
During Primakov's visit both sides stated their firm intention 'to proceed from the necessity of establishing a global multipolar relations system based on the equality of all sovereign states, democratic values and justice.' They announced their commitment to establish a new, stable and fair international order, to strengthen the role of the UN and its institutions and to jointly provide international peace and security. A convergence of interests was also declared on such issues as international terrorism, illegal narcotics trade, situation in Afghanistan and around it. Russia and India also agreed that they cannot accept US policies of using military force without UN approval and of exercising unprecedented pressure upon sovereign states. In December 1998, the leaders of both countries strongly criticized the American bombing of Iraq and demanded that the conflict be resolved under the auspices of the UN. As the Russian Foreign Minister Igor Ivanov declared at a press-conference on 22 January 1999, "Any attempts to bypass the UN Security Council would lead to the undermining of the existing mechanism and international relations would be plunged into chaos."32

2.4 Problem Areas

The issues that surfaced as problem areas between the two countries, (for instance NPT and CTBT), were kept off the agenda and not allowed to spoil the growing warmth in Indo-Russian relations, although on the nuclear strategic issue, Russia stood firmly with the West. On 14 November 1998, Russia along with the USA, the UK and France, voted against a UN General Assembly resolution tabled by India calling for a review of the nuclear doctrines of nuclear-weapon states and a ban on the use and the threat of use of nuclear weapons, in order to move towards global disarmament. However, Russia's line vis-à-vis India was that the differences over the NPT and CTBT would not be allowed to come in the way of their multifaceted cooperation. The task of putting pressure on India on the nuclear issue was largely left to the USA.

As regards India, there was a clear consensus in Russia regarding the need to cement ties with India. The nuclear tests in 1998 therefore put Russian policy makers in a dilemma. In its official response Russia was unequivocally critical. President

32 Artem Rundnitsky op. cit. p.88.
Yeltsin complained that ‘India has let us down’. The official statement issued by the Russian Foreign Ministry on 12 May 1998 expressed alarm and concern and ‘very deep regret in Russia’ over the Indian action and urged India to reverse its nuclear policy because it could lead to a chain reaction in South Asia and beyond. This, in fact, became the main theme of all Russian pronouncements on the subject. Then Foreign Minister Primakov remarked that India’s decision to carry out the test was ‘short-sighted’ and ‘unacceptable’ to Russia. He felt that there was a serious risk of conflict between India and Pakistan and added, ‘We especially would not want Pakistan to follow in India’s footsteps’. Russia was one with other P5 countries (the five permanent members of the UN Security Council) in their desire to keep the nuclear ‘club’ small and exclusive, and not allow new entrants. It was not prepared to recognize India and Pakistan as nuclear-weapon states since according to the NPT only those states which had nuclear weapons or had exploded a nuclear device before 1 January 1967 can be regarded as nuclear-weapon states. At the same time, Russia made it clear from the very outset - in contrast to the USA - that it opposed sanctions on India on the grounds that they would only prove counter-productive. Russia would rely on diplomacy to try to bring about a change in India’s nuclear policy.

It soon became evident that the nuclear tests would not come in the way of Indo-Russian cooperation. It was announced that Russia’s cooperation with India in the civil nuclear sector would continue. On 14 May, just a day after the second Indian test, the annual conference of the Joint Indo-Russian Council, which oversees the integrated long term programme of technical and scientific collaboration between the two countries, opened in Moscow in an atmosphere of good will and friendship. The Russian Co chairman of the Council, academician Yury Marchuk, called for an intensification of high level contacts and cooperation. In June 1998 Russia’s Atomic Energy Minister, Yevgeny Adamov, visited India to sign a supplement to the agreement of 1988 on the construction of an atomic power plant in Kudankulam in the Southern state of TamilNadu.

Russia gave a clear signal that despite differences on the nuclear issue it would be ‘business as usual’ with India. It also made it clear that India’s nuclear strategic

34 Vinay Shukla, op. cit. 260
35 G. Balachandran, “Indo-Russian Nuclear Cooperation”, The Hindu, October 18, 2000
programme was purely indigenous and that there was no question of Russian military nuclear technology being transferred to India.

It was clear from the beginning that Russia’s main worry, rather than the Indian tests themselves, was the threat of other threshold countries, above all Pakistan, also going overtly nuclear. Russia urged Pakistan to show maximum restraint in connection with India’s test and adhere to all non-proliferation norms. It was concerned that the Indian tests could disturb the current fragile balance among the nuclear -weapon powers and open the floodgates of nuclear proliferation. The emergence of new nuclear powers would destabilize the situation and led to a new arms race in Asia. A number of ‘threshold’ states, notably Iran, Iraq and Israel, are situated in close proximity to the Southern ‘underbelly’ of the former Soviet space and thus have a direct impact on Russian security.

2.5 Strategic Partnership

President Putin’s visit in October 2000 imparted a new content to the Indo-Russian relations. It has significantly contributed to the further deepening of the strategic dimension of relations between the two countries with the conclusion of ten agreements including defence deals worth 3 billion dollars. Russia agreed to transfer free of cost its aircraft carrier Admiral Gorshkov to be fitted with MIG-29 K fighters and Kamov-31(AEW) and Kamov-28 helicopters on payment basis. 140 SU-30 fighters are also to be produced in Indian under license for transfer of technology. Moscow also agreed to supply 324-T 90 tanks to India. The most important outcome of President Putin’s visit was, however, the signing of a Declaration taking cognizance of earlier treaties signed in 1971 and 1993, and the Moscow Declaration of 1994 but it does not contain the past formulation to consult each other to neutralize any threat to the other side. Instead of the obligation to consult which was embodied in the 1971 Indo-Soviet Treaty the new Declaration carries the provision of non-participation in any alliance directed against the other side. The Declaration proclaims the “establishment of relations of strategic partnership between them based on mutual understanding and long-term confidence in each other” and envisages the “elevation

of their multifaceted ties to an even higher and qualitatively new level” while imparting them a “specially close and dynamic character both in the bilateral field and in the international arena”. The preamble to the declaration refers to the “conviction that it is necessary to build a multipolar global structure based on sovereign equality of all states and peoples” and “desire to jointly contribute to the strengthening of International peace and security as well as to the promotion of the establishment of a new, just and stable world order” in consonance with the “purpose and principles of the UN Charter.” It however categorically asserts that the “strategic partnership between the sides is not directed against any other state or group of states and does not need to create a military political alliance.”

The two countries as President Putin underlined in one of his statements during his New Delhi visit in 2000 held separate views on nuclear proliferation. But Russia unlike other western powers did not sermonize India for conducting nuclear tests and impose economic sanctions. President Putin simply expressed the hope that India would continue to move towards a non-proliferation regime “taking into account its national interests.” The area of disagreements between the two countries, which was never large, had further shrunk with the passage of time.

On the political field both sides agreed to convene an annual summit level meeting, where regular bilateral political and foreign office consultations on issues of mutual concern, show closer cooperation at the UN, including its specialized agencies and institutions and at other international and regional foras. They also agreed on further intensifying their effort aimed at strengthening international peace and security, general and complete disarmament, systematic and progressive efforts to reduce nuclear weapons globally, with the ultimate goal of eliminating these weapons and joint initiatives on key international and regional issues with the new Mantra.

In the field of trade and economy, they agreed on strengthening closer cooperation within the framework of the Indo-Russian inter-governmental commission on trade, economic, scientific and technological, and cultural cooperation, as well as other joint bodies of business and industry representatives, with a view of

37 ibid see also, Devendra Kaushik ‘Changing Perspective of India-Russia Relations’ in V.D. Chopra, New Trends In Indo-Russian Relations, (kalpaz Pub, Delhi, 2003), p.93.
expanding trade and economic relations. Defence was the pivotal area of cooperation. Both countries agreed to move further from a simple buyer-seller relation to consolidating defence and military technical cooperation in a long term perspective. With this aim, they decided to deepen service cooperation and explore the possibility of joint venture and production. In the science and technological sphere they agreed on promoting existing and new forms of cooperation in fundamental and applied scientific research, expanding the exchange of scientists and scientific information, establishing direct ties between scientific research and high educational institutions. They also agreed cooperation in the fight against terrorism, separation, organized crime and illegal trafficking in narcotics. They asserted that this strategic partnership between the two sides is not directed against any other state or group of states, and does not need to be such as a military political alliance.  

2.5.1 Vajpayee’s Visit and Re-Affirmation of Strategic Partnership

This Strategic Partnership declaration was strengthened by the highly successful visit of the Indian Prime Minister A.B. Bajpayee to the Russian Federation from 4-7 November 2001. The Moscow visit of Prime Minister Vajpayee resulted in further deepening of close relations between India and Russia. The talks were held in a frank and friendly atmosphere in the true spirit of the strategic partnership existing between India and the Russian Federation. During this visit several bilateral documents were signed/issued to strengthen cooperation in various fields. These included a joint declaration covering all important aspects specifically strategic issues; Moscow declaration on international terrorism; memorandum on implementation of the Kundankulam NPP Project; Memorandum of intentions of cooperation in the field of Emergency Prevention and Response; Protocols of Cooperation between the state of Gujarat and the Astrakhan region of the Russian Federation, as also between the cities of Hyderabad and Kazas; MoU on the establishment of Indo Russian centre for Bio-technology in India; MoU for the continuance of the Mahatma Gandhi Chair of Indian Philosophy at Moscow as well as creating three more class of Indian studies in the Russian cities of St. Petersburg, Valdivostok and Kazan; cooperation agreement

38 The Hindu, October 4, 2000.
between the Moscow State Institute of International Relations (MGIMO) and the Indian Council of World Affairs (ICWA); Dollar Line of Credit agreement between Exim Bank of India and Vesheconom Bank of Russia; Protocol of Intentions between State Bank of India and Central Bank of Russia on the opening of a Subsidiary Bank, “Commercial Bank of India and Central Bank of India LLC (Limited Liability Company) in Moscow and MOU between Confederation of Indian Industry (CII) and Russian Union of Industrialists and Entrepreneurs (RUIE).  

2.5.2 Consolidation of Strategic Ties

Between Vladimir Putin’s first visit to India as President of the Russian Federation in October 2000 and his second visit in December 2002, the framework for India-Russia relations were firmly laid. This was a framework of a new special relationship of that initiated expanding of a new cooperation, and multiplying contacts in various fields, some of them of critical importance to India. What was different and special this time to this special relationship was that it was not born out of any cold war considerations, nor was it either even seemingly directed against any other country. It did not preclude the establishment of other special relationships that were not inimical to the other. It reflected the changed and changing international situation and their mutual needs and requirements. It was also intended to provide greater balance and stability to the Asia-pacific region. Notwithstanding cautionary warning of many knowledgeable analysts that Russia should not be taken for granted, Mr. Putin put his special stamp on the Indo-Russia “strategic partnership” even before his second visit. The Russian President had set the tone with his pointed questions to the US President during the latter’s Russian trip in late November (2002) just before his visit to India. In his meeting with George W. Bush at St. Petersburg on 22 November, Putin sharply raised questions about USA’s anti-terror allies, Pakistan and Saudi Arabia. “We should not forget about those who finance terrorism”, he said. Turning to Pakistan, the Russian President queried the US President, “Now where has Osama bin Laden taken refuge? They say he is somewhere between Afghanistan and Pakistan.” While he supported General Musharraf, he asked, “What can happen with armies armed with weapons that exist in Pakistan, including weapons of mass destruction? We should not forget about this.” Privately, Mr. Putin is reported to have referred to

42 V.P. Dutt, ‘Putin Russia and India’ in V. D. Chopra (ed.) op. cit. p. 13.
the Pakistani military leadership as “a junta with nukes”. Putin was not being anti-Pakistani. But he showed greater awareness of the threat from extremist forces within Pakistan and Afghanistan to both India and Russia. Russia had unequivocally condemned all terrorist attacks against India and had consistently advised Pakistan to dismantle all terrorist camps within its territory, the latest statement in this regard coming after the terrorists’ onslaught on the Raghunath temple in Jammu.\(^{43}\)

On the eve of the Putin’s visit in December 2002, the Russian Foreign Minister, Igor Ivanov emphasized that Russia “shares the view that Pakistan must honour its obligations to dismantle the terrorists’ infrastructure existing in Azad Kashmir/PoK to Chechenya.\(^{44}\) This emerging closeness buttressed in what is called the ‘Delhi declaration on further consolidation of strategic partnership’\(^{45}\) for enhanced cooperation, taking into account both political and security concerns of the two countries. Mr. Vladimir Putin paid a state visit to India from 3-5 December 2002. India and Russia signed a slew of agreements including a declaration on economic, scientific and technological cooperation, a Memorandum of understanding on protection of intellectual military technical property rights, among others. Two sides also agreed to expand military technical cooperation, identifying for the first time national security interests of both countries as a factor.\(^{46}\)

The both sides proclaimed that the establishment of strategic partnership provides a solid framework for long term and all round development of relations. They reiterated their support for each other’s territorial integrity and respect for each other sovereignty. They also agreed that they would not take any action which might threaten or impair the security of the other. Two countries reiterated their commitment to work towards a new cooperative security order that recognizes the legitimate security interests of all and promotes global peace and stability at lower levels.\(^{47}\) the promotion of the disarmament process, including reduction and eventual elimination of nuclear weapons, was one of the key issues discussed during this visit. They called for early start of multilateral talks aimed at preparing a comprehensive arrangement

\(^{43}\) ibid
\(^{44}\) Valdimir Radynhin in *The Hindu*, December 2, 2002
\(^{46}\) *The Times of India*, December 5, 2002.
on non-deployment of weapons in outer space, non use of threat of use of force in respect of space based objects and preserving the space for full range of cooperative, peaceful and developmental activities. They showed their complete determination to strengthen their cooperation in the fight against terrorism, separatism and extremism, and the support these phenomena received from organized crime and illicit arms and drugs trafficking. India and Russia also condemned 09/11 attacks categorically. They considered that international terrorism had challenged not only Americans but the entire civilized mankind. They expressed the view that the response to this outrage could be a joint one.

The one day Putin-Vajpayee summit produced a strong statement on terrorism. The joint statement called upon Pakistan to fulfil its obligations eliminating the infrastructure of terrorism as a "pre-requisite for the renewal of peaceful dialogue." It also supported the principle of bilateralism in resolving issues between India and Pakistan. It should, however, also be noted that the Russian President stressing the need for improving India-Pakistan relations and for doing everything possible to settle their differences in the context of the danger from weapons of mass destruction.48

Both sides recognized that factors influencing global energy production and supplies constituted an element of vital national interest and would be the subject of regular bilateral discussion through relevant mechanism. India and Russia would strengthen cooperation in all areas of the energy sector taking into account the needs of sustainable development and environmental protection. Two sides believed that this declaration would widen and strengthen the framework of the existing cooperation in different areas and would contribute to consolidation of strategic partnership.49

Nonetheless, seeing this kind of development in the later part of the 1990s, one should not jump to the conclusion that everything was on brawny way between the two countries. In the last one decade Indian and Russian foreign and economic policy as well as strategic priorities has undergone a sea change. Earlier the relationship had a somewhat anti-western hegemony flavour. But in post cold war era this became monetary and the relation stated being dictated by economic

48 The Times of India, December 5, 2002.
49 Strategic Digest, Vol. 32 No. 12, December 2002, p. 1430
consideration. It was evident by Russian foreign policy documents that despite the strong arms linkage, India ranked as last in the early 1990s and second last in the early 2000. This was not only one example there were many more examples which were substantiating the areas of Russian priority where India’s concern was not affecting policy decision of Russia. India’s concerns were well known to the Russian but except for assuring verbally Russia did not do anything much. In fact, India funded Su30mki was also supplied to China which was complete violation of promise made by Russian government.

Though things at the government level looked pretty good. Since 1992, eleven summit meeting had taken place and about 110 agreements (including strategic partnerships) had been signed between two countries. Various intergovernmental commissions and committees have worked to improve bilateral relations apart from defence. Bilateral trade between two sides could not cross more than $1.5 billion. India’s export to Russia was lower than even countries like Bangladesh, South Korea and Israel. Whereas China- Russia bilateral trade crossed $20 billion and was estimated to cross $50 billion dollar in near future. Even if we are to about the recent improvement in imports and expect rise from proposed new transport Corridors, the trade would not Cross US$5 to $6 billion in short term. So in trade front it apparent that China was far ahead of India and for the Russia, China was providing a more lucrative market than India. Expecting Russia in such a situation where its one point agenda to rejuvenate its economy even at the cost of its security and de-idolization of its polity from past, is nothing but satisfying false premises. Russia could offer no help for the latter’s emergency even if it wished to do so, revealing its stark limitations and lopsided development.

In this context, only one area remained, military technical cooperation. Thus next section examines the India Russia defence relations in the decade of 1990s, in the perspective of the disintegration of the USSR and its impact on India’s defence imports. Further, an attempt has been made to analyse the changing nature of Russian arms export and its impact on India’s security.

51 ibid
2.6 Defence Relationship

The greatest impact of political change in Russia was felt in India’s defence sector. The Soviet Union had a dominant position among India’s major arms supplier until it demise in 1991. The Soviet break up disrupted India’s most important source of defence supplies. It was difficult for India to coordinate the huge military industrial complex of the former Soviet Union comprising of thousand of factories, plants and research laboratories. It was divided among the fifteen independent states and there were genuine difficulties of coordination. In place of one centralized supplier of military equipments and spare parts, India had to face the problem of dealing with a large number of suppliers scattered all over the former Soviet Union. Also, due to unprecedented economic difficulties, withdrawal of state support, prevailing confusion and a policy of conversion, to civilian one many military industrial plants shut down. This situation presented a considerable logistical problem for India. Less than 10 months after the disintegration, India’s domestic arms productions were also badly affected due to disruption of military supplies from the ex-Soviet states.

2.7 Short Term Crisis after Disintegration

The primary short term military concerns for India in the early 1990’s was its limited supply of spare parts and supplies for its Soviet produced armaments. After three decades of reliance on Soviet produced hardware, almost seventy percent of India’s military imports came from the Soviet Union. Practically all the frontier armor and mechanized units of the Indian army had used the Soviet made equipments. It is estimated that in 1991 India was in position in which 70per cent of army armaments, 80 per cent of air force armaments and eighty five percent of navy armaments were of Soviet origin. Lacking the indigenous capability to produce spare parts and supplies

52 Shasikant Jha, op.cit. p.38.
55 Ibid.
57 Shasikant Jha, op.cit. , p. 38.
for these systems India's military faced an immediate crisis. It was difficult task for Indian officials to identify and locate down the estimated 3500 weapons equipment supplies scattered around the newly independent countries who manufactured the military hardware that India required. As a result India was forced to cut down production of some weapons systems and dig deep into its war contingency spares to keep its military machine rolling. Not only production, but shortage of spare parts also seriously affected India's capability to maintain existing weapons system. The major worry for India was servicing, producing and updating the existing Soviet weapons system. Another part of the problem was the essence of mutually agreed exchange rate mechanism for supply of weapons system. After the disintegration of the Soviet Union, barter exchange of Russian military spares for Indian consumers goods became a cumbersome method. A desperate Indian defence ministry tried to adopt a calibrated approach a deferred payment arrangement with the erstwhile socialist nations in order to normalize the defence supplies. Over reliance on Soviet military hardware had allowed India to postpone developing a self reliant indigenous defence industry. When problem surfaced after the break-up of USSR, it became evident that the dependence on Russian weapons over 30 years was a serious strategic defect.

2.8 Takeoff in Defence Ties

However, during temporary 'hiccup' of supply of spare parts and armaments during 1991-92, the defence relationship between India and Russia was gaining momentum.\(^{59}\) The initial confusion notwithstanding, the Russian policy makers became aware that India was potentially one of Russia's best customers. By January 1992 Major Russian offers for 'joint production' were in the offing. Proposals for the joint production, i.e., sharing finances, joint research development and exports, mainly pertained to simultaneous production of Mig-29 aircrafts and T-72M1 tank both in Russia and India. Moscow also expressed its willingness to negotiate the hitherto pending deals on T-72S tanks and MIG-21 production line. The Russian offers yielded considerable maneuverability to the Indian producers because until then India could produce only those equipments for which it had the license from the former Soviet government. India had the license to indigenize T-72 MI tanks, BMP-II arm out personnel carriers, MIG-21 315 and MIG 27M aircrafts and

imports 50 percent of the spares needed for ventures.\textsuperscript{60} In March 1992 Russia offered India Charlie-class nuclear-powered submarines, MIG31 aircrafts and Su-28 bombers. India's interest in these rests in the wish to counter the acquisition of the armada the French MIRAGE-2000 and the US-165 by Pakistan. In May 1992 Russian Deputy Prime Minister Gennady Burbulis visited India and assured the Indian government of Russian commitment to defence and spare parts supplies. However, it was declared that the new credits would be available at double the existing interest rates besides one-tenth of the payment to be made in advance.\textsuperscript{61}

In March 1992, a working group on military-technical corporation (MTC) was set up within the Committee for Industry and Power Economy headed by Deputy Chairman V.Ya Vilebsky. This working group was composed of representative of the Committee for International Affairs; Foreign Trade; Industry and Energy; Defence and Security; Budget Planning, Taxes and Prices. The state foreign economic companies' Oboronexport and Spetsvnestrtechnika were responsible for issuing license for arms transfer. These were autonomous agencies under the ministry of foreign economic relations. Through presidential decree, the licensing system for export of military equipment was introduced. In April 1992, President Yeltsin issued a decree on the measure to create export control in the Russian Federation. In May 1992, the Presidential decree on MTC of the Russian Federation with foreign countries was signed. This agency was charged with coordinating bilateral and multilateral intergovernmental commission on MTC, licensing of sales to third countries sales of arms and military equipments manufactured by foreign states with Russian assistance and endorsing documents on procedures for MTC. Regulatory functions were also vested in the Ministry of Foreign Affairs (MFA). This ministry supervised Russia's compliance with international obligations and ensured all that participants in MTC respect the political interest of the Russian Federation.\textsuperscript{62}

In September 1992, the Indian Defence Minister Sharad Pawar visited Moscow. Under an agreement Russia agreed to extend an $830 million credit to India for the purchase of defence equipments. It was also pointed out by new Russian

\textsuperscript{60} Hindustan Times, 28 December 1991
\textsuperscript{61} Jha, op.cit. p. 39.
\textsuperscript{62} V. D. Chopra, "Indo-Russian Defence Cooperation and India's Independence and Sovereignty" in V. D. Chopra (ed), New Trends Indo-Russia Relations. (Kalpaz Publication, New Delhi), p. 126.
regime that time that no other country was given such assistance. However, bilateral relations remained unsatisfactory. High level discussions with Russian Defence Minister Pavel Grachev affirmed uninterrupted delivery of spare parts to Indian Defence Minister Pawar. Russia was unable to fulfill its commitment yet Pawar made a subsequent visit in October 1992, in an apparent effort to convey a message to the Russians that there would be other military sources also available to fulfill India’s defence requirements.

To prevent further damage, a single specialized state agency, Rosvoorouzhenie (State Corporation for Export and Import of Armaments and Military Equipment) was set up in November 1993. Rosvoorouzhenie worked under the direct supervision of Russian government and was accountable to the President of the Russian Federation.

2.9 Yeltsin’s Visit

During President Yeltsin’s visit to India in January 1993 the two countries signed a comprehensive agreement to ensure guaranteed supply of defence equipments, spare parts, product support and services needed for maintenance, repair and modernization of Russian armaments for Indian Army, Navy and Air Force. However, doubts persisted in view of chaos and general dislocation of the economy, including defence industries. These concerns were widely shared in India that Russia may not be reliable supplier of spare parts and support services. In order to ensure the supply of spare parts a proposal was mooted for setting up Indo-Russian joint venture for the production. These production units in India could fulfill similar requirements of countries like Malaysia and Indonesia that had also purchased major weapon systems from the Soviet Union.

After Yeltsin’s visit to India, defence cooperation took a new turn. Joint declaration at the end of President Yeltsin’s visit, Russian offers of joint production of

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64 Biplob Gogoi op.cit. p.30
its frontline MIG and Sokhoi Combat aircraft in India was certainly a major milestone in Indo-Russian defence cooperation. By this offer India jumped from the “traditional buyer-seller relationship” to “joint partner” to use the skills acquired from operating such hardwares. Most of the Russian sales of its frontline equipments, India had already confirmed that “Indians could test evaluate the equipment performance parameters much better than the soviet themselves.”

2.10 Rao’s Visit

The Indo-Russian military relations received a degree of stability after the defence agreements were signed between the two countries during Indian Prime Minister visit to Moscow in July 1994. Both countries reached an agreement on long term bilateral military-technical cooperation till 2000. During Rao’s visit the two sides agreed at the highest level to increase their military cooperation. This was considered as an important landmark in Indo-Russian relationship. Both reiterated that their defence cooperation was not directed against third countries. The issue of disruption in the supply of spare parts from Russia to India was at focus of attention. Earlier, it was further extended for two years as it was not fully utilized so far. Two defence related agreements signed during this visit signified new dimensions of a new relationship based on hard-headed mutual benefits. The old ideological luggage had been discarded and the private sector had to play a major role.

Further, the two countries agreed on updating of the MIG -21 aircrafts, the workhorse of the Indian air force, to keep them combat-working into the 21st century. Russia agreed to help India in upgrading of its 170 MIG aircrafts. The two sides formalized agreements to set-up joint ventures in the field of civil and military aviation. Of particular importance was the Indo-Russian aviation private department — a joint venture company set up with India with an equity base of $400 million to manufacture spare parts to upgrade and service military aircraft of Russian origin.

67 News from Russia, vol.2, no.46, RIA Novosti, Information Department, Embassy to Russian Federation in India.
See also, Jyotsna Bakshi in Satish Kumar (ed.), op.cit. p. 99.
70 Biplob Gogoi op.cit. p. 311.
being operated by India and the other developing countries. Such ventures were based on purely commercial considerations. Plans to set-up engine overhaul plants for MIG-295 and upgrading of T-72 tanks were also finalized subsequently. It was also agreed that Malaysians pilots would be trained in India to fly MIG – 29s supplied to the Malaysian air force under the June 1994 Russian — Malaysian agreement. The Indian ambassador to Moscow at the time was reported to have remarked that the joint venture symbolized a new type of defence relationship between India and Russia from ‘buyer-seller’ to participation and interaction. Earlier in May 1994, Viktor Samoliov, the director general of Rosvooruzheniye [main Russian arms export company] visited India. He gave a list of export proposals exceeding $1.5 billion that included warships, combat aircrafts, helicopters, anti-aircrafts rocket systems and tank. However, not all these proposals materialized in the following year. For instance, it was reported that the long-expected decisions by India to produce the MIG-29 aircraft under license did not materialize. It seemed Russia was ready to fulfill all the requirements of the Indian side in conventional weapons. Russia was also keen to get contracts for modernization of Soviet weapons system. It was the Indian side that had to decide. For Indian side, upgradation of Soviet weapons was at the top priority specially MIG-21 and kilos class submarines modernization. Russia also agreed to upgrade the 21-km range BM-21 multiple rocket system that was with India. In fact, up to 1996-97, the major part of arms transfers from Russia or their production under license in India consisted of orders given to the former Soviet Union. These included fire control and surveillance radar, shshm system, production under license of 165 MIG-27 flogger-j, Aircraft and 7 Trantuls class fast attack craft, Indian designation Vibhuti class. The reason largely were, (a) India’s decline in defence expenditure, and (b) Indian pursuit of indigenous programme of developing jet and MBT etc. This somehow was getting delayed. Important manufacturing facilities had been set-up in India for the production of major Soviet systems under license, for instance, MIG-27 production line in Bangalore, the T-72 production line in Avadi and BMP-2 production line in Shankarpally, Andhra Pradesh.

71 Jha, p.40.
72 Asian Record, September 1O-16,p.24225
The new order by India in 1992-93 comprised shshm systems and garpun fire control radar for Delhi class destroyers and Brahmaputra class frigates, which were received in 1997-99, in 1994 India ordered 8 MIG-29 fulcrum -c aircraft and received them in 1996. In 1995, India ordered 2 MIG-29 UB fighter / trainer aircraft and received them in 1996. In 1994-96, India also acquired 323 Bmm guns from Russia-120 in 1994, 202 in1995, and 1 in 1996.74

2.11 Relations after Mid 1990s

Russia and India showed mutual interest in continuing their successful interaction in the military field, the principles and the framework of which was set by the 1993 agreement on the military cooperation. During the visit to India by the Russian defence minister in October 1996 the agreement on cooperation between the defence establishments of the two countries was signed. Russian defence minister Igor Rodiona signed a military technology cooperation agreement with his Indian counterpart, Mulayam Singh Yadav. In early October 1997, Indian Defence Minister Mulayam Singh Yadav visited Moscow and the Russian president agreed to extend bilateral defence cooperation till the year 2010. Initially, this period was upto 2000. India was the only country with which Russia signed this type of bilateral defence programme in 1994. This extension by a decade added a new dimension to Indo — Russian relations. During Prime Minister Primakov’s visit to New Delhi in December 1998, out of seven agreements signed between India and Russia, the document on long term military technical cooperation till the year 2010 was the key document. On a visit to New Delhi in March 1999, Russian Defence Minister Igor D. Sergeyev and his Indian counterpart George Fernandez signed a military cooperation agreement to train Indian personnel in key Russian military academics. The long term bilateral defence cooperation programme would be covering such new areas as naval nuclear technologies and anti-ballistic missile defence system. This long term MTC would enhance the joint R&D capabilities of the two countries in the production of new weapon system. Regular exchange of visits by the chiefs of the army services had become usual norms of relations in this field. Bilateral military and technical cooperation was developing at an active pace. It was running on the basis of the long —term programme of the military and technical Cooperation till the year 2010 signed

74 Jyotsna Bakshi in Satish Kumar (ed.), op.cit. p.100..
during the visit to India of the chairman of the Russian government in December 1998 as well as on the basis of a package of frame agreement in the specific areas of defence cooperation concluded during the visit to India of the Russian president V.V. Putin in October 2000. Apart from supplies of the ready-made military hardware of the Russian origin the said documents envisage further transfer to the Indian side of license and technology for manufacturing different types of armament for all army services, as well as joint activities in R&D area.

### 2.12 Putin Visit

The four-day visit of President Vladimir Putin to India in October 2000 boosted political, security defence and, to a much lesser extent, economic relations between the two countries. From the political relations' point of view, President Putin's speech to members of Parliament on 4 October outlined a framework whose contours got gradually filled up in the coming two years. Addressing a joint sitting of Parliament, Mr. Putin repeatedly stressed Russia’s long standing friendship with India. He did not consider Moscow’s relations with other countries to be an alternative to India, “a long-term friendship with India”. To demonstrate Russia's keenness to take the defence ties to new heights, President Vladimir Putin had agreed to pass a decree allowing India to deal directly with defence equipment maker's in that country. Russian law forbids such direct contract and all defence deals were struck through Rosboronexport, a government owned arms marketing agency. India would be the only exception.

India would also be allowed to export, to third countries, all kinds of defence equipment manufactured under Russian license. But India would have to first submit a list of such equipment and the destination countries to Russia, which would have the veto power. India was already considering export of an upgraded version of the MIG-21 under this scheme.

Two working groups - one on military - technical cooperation and the other on shipbuilding and aviation - had been set up to monitor the progress of all joint ventures. These groups would meet twice a year to ensure that there would be no

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delay in the time-bound programme. Separate smaller groups, specific to particular areas, would meet on a quarterly basis to ensure progress.

During the visit an agreement on establishing the Russian -Indian intergovernmental commission on MTC was also signed. The said commission was Co-chaired by the deputy chairman of the Russian government I.I. Klehanov and the Indian Defence Minister. Its first session was held in early June 2001 in Moscow.

2.12.1 Jaswant Singh’s Visit

Union Defence and External Affairs Minister Jaswant Singh visited Moscow for four days on 4-7 June 2001 to participate in the first ministerial level meeting of the Joint Commissioner of Military Technical Cooperation. Both countries signed a joint protocol to augment and define, in greater detail, the long-term programme of defence cooperation till the year 2010. Russia would deliver a total of $10 billion worth of arms and other military-use hardware and technologies during the 10-year period covered by the bilateral cooperation programme.\textsuperscript{76} The protocol shifts the focus of the 2001-2010 programmes from straightforward sales of arms to joint development and production of military hardware.

The new protocol also confirmed India’s intent to procure the Soviet-era admiral Gorshkov aircraft carrier and a batch of MIG-29K fighters for it, as well as projects to cover licensed production in India of Russian-made armoured vehicles and diesel-powered submarines. A package of contract for retrofits, equipment and 50 MIG-29 KS for the Gorshkov were also signed.

Both countries decided to thrust joint R&D in high-tech areas of military technologies. India is now interested not only in technology transfer, but also in jointly developing new defence technologies. A separate working group on R&D was also set up.

The Indian side also secured Russia’s agreement to streamline the supply of spare parts. Under a new dispensation Russia would be committed to life-long supply of spares or to setting up facilities for their production in India. The Russian side

would also provide unified price lists for spares and components and give Indian specialist access to technical documentation of the hardware sold to India. During the Putin visit in December 2002, the then prime minister Atal Bihari Vajpayee stressed that Russia would remain India's biggest supplier of defence in near future and further stated that India—Russia defence relations had gone beyond that of merely buyer-seller as it encompassed to wide range of including joint research, design, development and co-production.

2.13 Military transaction from Russia to India:

As other areas were not taking off military and technical cooperation occupied a crucial place in the whole gamut of bilateral ties in post Cold War era. For many decades ever since 1960, USSR was a principal source of military hardware to India. The collapse of Soviet Union led to a period of hiatus for some years, but from mid 1990 once again military transaction between both sides picked up. And at the time of Putin presidency, it once again reached the level where India has become overdependent on Russia. As a part of their MTC, India and Russia in 1996 formalised the joint Indo-Russian working group (JIRWOG). This group seeks to organize bilateral defence cooperation along three levels:77

- It meets every six months to one year and is mandated to take care of older or existing contracts for all three services;

- The military technical group meets at the joint secretary level to chart future areas of cooperation;

- Review and implementation of service-to-service contacts formalised during the visits of top Russian dignitaries; aimed at clarifying many operational aspects of service to service cooperation. It also involves exchange of officers, sharing information concerning military exercise, training of personnel and so forth.

A brief analysis of Russian transactions of arms to India in all three areas is given below. (See table appendix).

2.13.1 Russian Arms to Indian Army

The last major overhaul of the Indian army was undertaken in the early 1980s. But due to disintegration of USSR, the process of modernization of Indian army in 1990s was halted. Thus another exercise was long overdue. After revival in relationship India’s defence planner envisaged the future face of Indian armed force as a more mechanized, and more modern based on lean and mean fighting machine strategy. For this Indian government one again relied on its old time trusted friend Russia, viewed as a successor regime of the erstwhile USSR.

While the acquisitions of the Indian navy and the air force of defence equipment from Russia were highlighted by the media, the army was not far behind. In recent past Indian army finalized deal for many of the hardware which were required for the modernization and upgradation.

T-72 Tanks Upgradation: The Indian army formalized the 2s19m1-155mm self propelled guns (SPGS) for the chassis of T-72 tanks that were being produced at Avadi. The advantage of this gun is that they can be operated both by day and by night in a self contained mode. The gun determines its initial coordinates with the help of ground based satellite navigation systems and can store information for about 10 fire missions at any one time. Depending upon the type of shell used, its range varies from 30-40 km. The howitzer is manufactured by Uraltransmash Enterprise and sold by Rosoboronexport, which was ready to consider proposals for licensed production. It was expected that initially some 500 of these guns would be imported and eventually, another 2,000 plus would be assembled/manufactured in India. Upgradation of T-72 Main Battle Tanks: not satisfied with the results of desert tank trials Indian army rejected the T-72 tank engine upgraded by the heavy vehicle factory and opted instead to buy the v-84ms engines that powers Russia’s T-90s tank. Some 1,500 of the 1700 odd T-72 tanks with the Indian Army need to be upgraded. As per some reports, as many as 70 per cent of them were out of order and not fully battle worthy. Reportedly, Israel, Poland, Ukraine and Slovakia had offered to overhaul and upgrade these tanks. Of these, 250 were being upgraded by a Polish

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firm, but the balance would probably be done in cooperation with Russia. The deep upgrade is expected to enhance the battle capabilities of the T-72 by a good 1.7 times. As a result of talks between Uralvagonzavod and the India Ministry of Defence (MoD), the sides had reached an accord on conducting demonstration tests of the T-72 M1 upgraded tank at the Indian proving grounds.

**T-90’s Deal:** In response to the arrival of the highly capable T-80UD main battle tank on its western borders and its inability to field an indigenous competitor, India turned yet again to Russia for “gap filler”. In the summer of 1999, three Russian T-90 tanks underwent field tests in the Pokhran Desert. Despite experiencing overheating in the engines of all three tanks and facing the potential delivery of T-90 tanks without six key components, including night vision devices and navigation systems, Indian officials proceeded with contract negotiations to purchase 300 tanks. Among the factors making the T-90 attractive to some Indian officials was a provision to produce the tank under license at the Heavy Vehicles Factory at Avadi. While each T-90 is priced at approximately $2.4 million each, the projected cost for the beleaguered Arjun is $4.7 to $5.3 million each. The decision to pursue the purchase of the T-90, while still funding the development of the indigenous Arjun and the modernization of the T-72, highlights a continued trend in India’s post-Cold War military procurement in which limited defense budgets are scattered to simultaneously support indigenous projects, upgrade programs and foreign procurement. Trying to serve three masters, self-reliance, immediate needs and legacy systems, India remains unable to rapidly progress in the development of its indigenous military production. As one senior retired Indian army officer stated, “No country, however wealthy, can afford to produce three different tanks simultaneously.”

A delivery/license contract for the T-90S tanks was signed in February 2001. Under the agreement, India will receive 310 combat vehicles, of which 124 will be fully assembled and equipped in Russia (this part of the contract has already been fulfilled) and the remaining 186 to be delivered in components and parts for subsequent assembly at the Avadi plant in Tamil Nadu. The contract is estimated at US $ 600-800 million (according to diverse data). Uralvagonzavod has a long-term programme of cooperation with India for a period till 2010. In March 2001 in Delhi, both sides concluded a package of contracts for the

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81 Jerome M. Coloney op.cit. p.72
supply of 124 main battle tank “T-90s” in ready made conditions. For the license assembly of another batch of 186 units in India, as well as for further transfer of technology of their indigenous production by the Indian defence sector enterprise.\textsuperscript{82}

\textbf{Munitions for Bofors Howitzers:} On completion of the second plenary meeting of Russian-Indian Intergovernmental Commission on Military-Technical Cooperation, which was held in Delhi in February 2002, three contracts were signed. These relate inter-alias to the delivery of the Krasnopol 155 mm guided projectiles for the Swedish made FH-77 artillery systems from Bofors currently operational with the Indian Army.

\textbf{Smerch-M (MRLs):} A deal for 36 300 mm 9A52-2 Smerch-M long-range multiple rocket launchers (MRLs) from Russia had been completed. India and Russia signed a MoU for the purchase of the system in February 2002.\textsuperscript{83} The Smerch – M uses the MAZ-543-A1 heavy truck chassis. The Indian order also includes an equivalent number of 9T234-2 transloader vehicles, using the same basic chassis. The Smerch system uses two families of rockets the 70 km range 9M55K and the 90 km-range 9M525. Both families of rockets include rockets with unitary and submunitions (mines, unguided and dual –colour IR guided) warheads. Apart from High Explosive blastfragmentation warheads, these launchers can also deliver anti-tank mines for laying remotely deliverable minefields. The range is 40 km and targets like tanks, armoured personnel, carriers, artillery and mortar batteries can be engaged. The Smerch rocket can carry up to five Bazalt parachute-retarded munitions, which use a two-coloured sensor to find the target and fire a 1-kilogram penetrator at 2,000 meters a second.

\textbf{BMP2:} The existing infantry fighting vehicle of Soviet design is being manufactured in India at the rate of about 100 per year. Over 1000 of these vehicles are currently operational. The BMP2 has also become obsolete and needs upgradation. Russia is in a position to supply the new upgraded versions/kits of the BMP2.

\textbf{Anti-missile System:} India was very keenly on the lookout for an anti-ballistic missile shield. This shield would need to consist of multiple concentric layers. it was

\textsuperscript{82} R.K. Jasbir singh, \textit{Indian Defence Yearbook} 2004, op. cit.p.254
\textsuperscript{83} \textit{Indian Defence Yearbook} 2005,op.cit.p.332.
not clear whether the USA would approve the sale of the Arrow anti-missile system by Israel to India, the second concentric layer was highly likely to be the Russian Antey 2500 anti-missile and anti-aircraft system. This system is unparalleled in its area of focus, namely defence against attacks by air using short of medium range aerodynamic or ballistic missiles.

Coupled with the already extensive inventory of Soviet/Russian military equipment in Indian armoury, these recent acquisitions and licenses to build locally imply a long term commitment to Indo-Russian strategic partnership going beyond mere cooperation and friendship.

2.13.2 Aviation Cooperation

While the Indian air force continue to fly a mix of Russian, British and French aircraft, the large number of MiG and Sukhoi aircrafts in the Indian inventory makes continued Indo-Russian cooperation in this field highly likely. From Airborne Early Radar Warning (AERW) helicopters to the supersonic Brahmos anti-ship missiles, the cooperation between India and Russia in the arena of aviation and aero-space are fast taking off. The canvas of cooperation was very vast but some of the facets were truly moist interesting, as adding these facilities and force multipliers to our arsenal would result in a quantum jump in our defence preparedness and capabilities. No longer is India content with merely being a passive buyer of semi-obsolete junk military hardware. In late 1990 the country was gearing up as never before to design, manufacture, and maintain state-of-the-art aircraft, helicopters and missiles. Simultaneously, of course, the latest equipments were being procured from reliable overseas suppliers amongst whom Russia and its apex defence export organization, Rosoboronexport, were at the forefront.

However, among the immediate concerns of the Indian air force in 1990s were the need for advanced multirole fighters and the need to upgrade its fleet of aging MiG-21bs. In 1996, India and Russia signed two key contracts to address these Indian concerns. But three years later, provisions of these contracts were barely being addressed. The $340 million Indo-Russian contract to upgrade 125 MiG-21bs also came under heavy criticism. As a legacy aircraft from early Indo-Soviet military cooperation, the aging MiG-21b remained a workhorse for the Indian air force. In
1998, a report by the comptroller and auditor general stated that between 1991 and 1997, the Indian air force lost 147 aircraft and sixty-three pilots in 187 accidents and that 62 percent of all fighter aircraft accidents involved MiG-21s. In April 1999, the Indian parliament's forty-four-member Defence Committee issued a report requesting a review of the 1996 contract. The contract stipulated that the first two MiGs would be upgraded in Russia's Nizhny Novgorod facility and the final 123 MiGs would undergo rework in the Hindustan Aeronautics Limited facility in Nasik. Due to be completed entirely by the end of 2000, the four-year contract experienced an immediate setback when it took over two and a half years before the first two Russian upgrades flew, and in November 1998, the timeline for this critical Indo-Russian project was slid three years until 2003.

A $1.8 billion contract for forty SU-30 multipurpose fighters was the largest ever between the two countries and made India the first foreign recipient of this highly related jet. By the summer of 1999, however, India had received only eight fighter versions of the SU-30 and none of the bomber and multirole versions of the aircraft. Moreover, China, against whom the SU-30 was primarily intended, also secured a contract from Russia in September 1999 for the purchase of sixty SU-30s.

Despite the apprehension of some Indian policy-makers and military officers over the rejuvenation of India's military and, consequently, strategic reliance on Russian arms imports, India and Russia reaffirmed their military cooperation in 1999. With Russia interested in maintaining its crucial arms market in India, and India unable to afford the rising costs of Russia's now profit-oriented arms market, Russia presented India with a unique lease agreement. During the twelve months following India's 1998 nuclear tests, India actively pursued the purchase of long-range strike bombers and airborne warning and control aircraft to improve its nuclear strike capability. In October 1999, Russia offered to lease, and eventually sell, Russian A-50 AWACS and TU-22M3 strategic bombers to India. This unique offer would not only allow India to overcome its budgetary constraints, but more importantly from the Russian perspective, it would allow its Taganrog aviation firm to "outbid" a less expensive Israeli AWACS contract being reviewed by New Delhi. Subsequent reports,

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however, claimed that the A-50 and the TU-22M3 were no longer produced in Russia and that the lease would entail the transfer of excess Russian aircraft. 86 Reports conflicted, however, on whether the TU-22M3s made available for export would have the ability to carry nuclear warheads, for which the aircraft was primarily designed. As the first foreign country able to possess Russia’s sophisticated TU-22M3 bomber and simultaneously unable to field an indigenous command and control aircraft, India nonetheless appears set on pursuing this lease option. 87

**Sukhoi deal:** In December 2000 in Irkutsk the two sides signed a contract for the license production of 140 “SU 30 MKT” multipolar fighter jets, its engines and airborne equipment by the enterprises of Hindustan Limited (tentatively in 2004-2016). This means complete transfer of technology to India. This Indo-Russian Sukhoi deal was the single largest defence deal ever signed by Russia with the foreign country. Under this deal, 150 SU-30 MKI would be manufactured in India, including indigenous production of all the components over a period of the next two decades. The SU3OMKI would have on board avionics and other support system developed by India and also equipment from countries like France, Israel, South Africa and the United Kingdom. 88 In 2002 a news was published in The Indian Express, that Sukhoi deal would be in trouble, due to the high rate of engine failure compelling officials to convey Indian government to stop the payment to the Russian manufacturer as long as problem would not sorted out by them. Sources said that the SU 30MKI began to experience a high rate of engine failure after induction. Each engine has a life that is measured in hours around 300 hours spent in flying, taking off and landing and in between overhauls to maintain them, the engine are subjected to periodic overhauling, calculated as time overhauls (TBO). A majority of the Su-30 MKI’s engines made troubles before their TBO. 89 However, this problem was later sorted out and it was expected that another milestone in Indo-Russian defence cooperation would be achieved when the first Indian-assembled Su-30MKI fighters roll out some time in 2004. Under the licensed production contract, India is to receive the so-called “in-depth license” for production of those fourth+ generation aircraft. The number of Su30MKI fighters manufactured in India will be increased in a phased manner. Just 3

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86 Atul Aneja “Russia to Lease out AWACS to India,” *The Hindu*, November 6, 1999.
87 *Indian Express*, October 18, 1999.
88 *The Hindustan Times*, December 29, 2000
89 *The Indian Express*, December 14, 2002

71
to 5 fighters are slated to be manufactured in 2004, 6 in 2005, with an increase to 8 machines by 2008. Between 2007 and 2009, HAL (Hindustan Aeronautic Limited) would be producing 10 or more of these aircraft every year. Initially, the fighters will be assembled using Russian components and with assistance given by the Irkut Corporation. The first fighter totally manufactured by Indian experts is expected to take to the air in 2007.

Brahmos Project: By far, the most interesting area of cooperation between India and Russia has been the Brahmos project. It was expected that the first batches of the PJ10 Brahmos missiles would enter service with the Indian Armed Forces late in 2004. The Indo-Russian Joint venture was set up as an equal partnership between the Indian Defence has developed a guidance system with an onboard computer. Over most of its trajectory, the missile is guided by an inertial navigation system and at the terminal phase, by an active radar seeker.90

Russia has invested US $ 122 million and India – US $ 127 million in this joint venture.91 The missile is tended to counter both single medium-class destroyer-type ships and large surface combatant forces. A salvo of nine Brahmos missiles could destroy a force of three surface frigate-type combatants. The main features of the missile are relatively low weight (3 tones) and small dimensions. The inertial navigational system leads the missile to the target area using data entered before launch. At a predetermined point, the missile’s guidance system is activated for a short time and determines the target position precisely.

The missile is immune to electronic countermeasures, develops a speed of up to 750m/s and can accomplish complex tactical manoeuvres. According to experts, no present –day fleet in the world can ensure effective protection against Brahmos-type missiles for at least the next ten years.

Multi-role transport aircraft (MTA): Another project was the proposed joint development of a multi-role transport aircraft (MTA). The project would involve Rosoboronexport and HAL. This Indo-Russian military transport would be developed around the IL-214 plane. The MTA project estimated cost was US $ 350 million with

91 ibid
the development costs to be shared between the partners almost equally, with Russia financing 53 percent of the cost, and India-47 per cent. The estimated price tag for each aircraft would be US $12 to 15 million. India was hopeful of getting orders for 100-200 aircraft, primarily to replace the 118 ageing AN-32 transports, which were still being operated by the Indian Air Force. Third countries are also expected to buy the rest of the machines.

These developments, viewed in tandem with progress in other related fields of high technology shall soon enable India to take its rightful place in the comity of developed and self-reliant nations.

2.13.3 Naval Cooperation

The Indian navy, with almost 85 per cent of its vessels of Soviet/Russian origin, was quick to rejuvenate the sagging Indo-Russian bond. Between 1986 and 2000 the Indian Navy received a total of ten Type 877EKM vessels, of which eight were built in St. Petersburg and two at the Krasnoye Sormovo shipyard in Nizhny Novgorod. Since 1997 the Indian Navy has embarked on a gradual modernization of the earlier built submarines. In particular, in 1999, Zviozdochka modernized the first submarine, INS Sindhuvir. Since 2000, the Indian Type 877EKM submarines undergoing modernization have started receiving the Klub-S attack missile system developed at the Ekaterinburg-based Experimental Machine Design Bureau, Novator.

However, paramount concern for many naval planners was the desire to acquire a new air defense ship, ADS, to replace the INS Vikrant, one of two former British light aircraft carriers owned by India that was decommissioned in 1997. With the only remaining Indian aircraft carrier, INS Viraat, slated for decommissioning in 2004-05, and an inability to build an indigenous air defense ship by this date, Indian planners were concerned about being without an aircraft carrier for the first time since 1961. An immediate “gap filler” for India’s ADS requirement was Russia’s 44,500-ton Admiral Groshkov.

A memorandum of understanding was reportedly signed between India and Russia in October 1999 that provided for the “free” transfer of the Admiral Groshkov of India, but which also stipulated a Russian provided, and Indian funded,
modernization package costing $400 million. Built as a helicopter carrier and damaged in a fire, the Admiral Groshkov would require extensive modifications, including the removal of ballistic missile launchers from the bow of the ship and the installation of a jump-ramp and arresting gear for launching and recovering fixed-wing aircraft. The long awaited deal for the Admiral Groshkov was most likely facilitated by two additional Indo-Russian naval contracts that provided for the sale of ten Kamov-31 radar picket helicopters for $45 million and twenty MiG-29K interceptor jets for use aboard the Admiral Groshkov. The Kamov-31 purchase was criticized by observers because the aircraft was not tested in the harsh climate of the Indian Ocean, its ability to datalink up to twenty targets was not demonstrated, and its height and rotor blade span prohibit its stowage aboard the INS Viraat without interfering with aircraft operations. The decision to purchase the MiG-29K over the Sukhoi-33 was reportedly made due to the larger size of the SU-33 and the potential difficulty in operating it off of the carrier. With Britain unwilling to sell India one of its last three Invincible-class carriers and plans to purchase a 28,000 ton French carrier abandon, the purchase of the Admiral Groshkov appears to be the only "gap filler" available for India to maintain its four-decade-old carrier presence in the Indian Ocean. In August 2003, the Indian Navy took delivery of missile frigate INS Talwar, the first of the three Krivak III Type 1135.6 combatant ships being constructed at the Baltiisky shipyard under the Indian Navy's order. The armaments installed on the frigate include SAM and artillery systems such as the Shtil-l multi-channel medium-range SAM system, the Kashtan Air Defence missile/gun system, and the Puma-Universal artillery system. It is expected that this contract for three frigates signed by Rosoboronexport of Russia with the Indian Navy shall be renewed for a further three missile frigates. INS Trishul, the second Type 1135.6 frigate built at the Baltiisky Shipyard for the Indian Navy, started sea trials in August 2002 and expected to be commissioned by early 2004.

The Indian Navy recently operated four Type 877EKM diesel-electric submarines equipped with the Klub-S systems. Among them were a new submarine,
the INS Sindhushastra, built at the Admiralty Shipyard and handed over in April 2000, two boats, INS Sindhukesari and INS Sindhuraj, upgraded at St. Petersburg in 200-01, and the INS Sindhuratna, upgraded at Zviozdochka. Each of the upgraded subs have siz 533 mm torpedo tubes with 14 torpedoes) and four 3M-54E supersonic anti-ship missiles with a range of around 220 km. signed by Rosoboronexport late in August 1999 and February 2001.

Under a long-term contract signed in September 2002, with Zviozdochka of Russia, the Hindustan Shipyard at Vishakapatnam would be upgraded to enable it to handle repairs and upgrades of Russian-built submarines. Eventually, some 300 to 700 Russian specialists posted at Vizag would assist in repairing submarines at the Indian shipyard. This was in keeping with India’s recent approach that indigenous capabilities for manufacturer, repair and maintenance must be enhanced rapidly to reduce dependence on foreign nations in time of crises.

2.14 Indo-Russian Relations: An Assessment

In the post - Soviet era Indo- Russia defence cooperation itself has undergone radical changes. The two countries are not only involved in joint defence research, but also moving towards technology transfer and joint production of military hardware. The $ 1.8 billionSu-3OMKI deal was only one example. When Russia offered this aircraft to India in 1994, it was still on the drawing board because of lack of finance for Russian defence industries. However, in exchange of lack of finance for R&D, Russia offered India the spin-off from the research. General Oleg Sidorenko, Deputy Director General of Rosovoorezheniye, the Russian arms exporting agency, underlined the unique nature of the deal: at the turn of century the Russian and Indian air forces would inducting this state-of-the-art multi-role fighter simultaneously, only under different names. He claimed that it was unprecedented (it is indeed unusual) for an exporting country to supply the latest technology to another power even before it is adopted by its own armed Forces, and this indicated the level of trust between India and Russia. Russia is also helping India develop ships and submarines and upgrades its 125 MiG-21 bis aircraft, produced indigenously under Soviet licence, to a fourth generation aircraft. Moreover, The Russians want to join hands with India to develop a futuristic fighter, technically called fifth-generation aircraft. During Ivanov’s visit to
New Delhi, which preceded Putin's visit, a joint Indo-Russian team of scientists and technicians made a conceptual presentation on the aircraft in the defence ministry. An agreement to jointly develop such an aircraft was clinched between Russia and India in November 2001. Ivanov said his vision of future Indo-Russian military cooperation saw “the two working together along an entire chain, starting from research and development all the way to final production and testing” of fighters.94

India and Russia are thinking in terms of inviting China to become part of their plans to develop the fifth generation, multi-role fighter aircraft, according to the former Russian Ambassador to India, Alexander Kadakin.95 The present trend in military production is to globalize production, Ivanov said. This, Moscow is in talks with not only India but some European countries like France about pooling resources to develop a fifth-generation fighter.96

Overall, seeing the trends and cooperation in military and technical field, the process seems irreversible. Russia on its part is trying its best to fulfill India’s needs and requirements. At the same time, however it does not want to loose other clients (read :China) by appeasing India. Russian move in the early 1990s to make India as a partner in the development and manufacturing of weapons system in a joint venture project to develop a new military hardware, such as multi-role transport aircraft, Brahmos cruise missile, family flanker aircraft etc gave the impression of Russia’s strategy to regain India’s confidence regarding Russian sources and their reliability. Russia’s post Soviet policy in recuperating India to its fold and moulding its military -techno requirement to Russian hardware also appeared to achieve success. It is by the growing strength of indo Russian military cooperation. By the end of 1999, all three branches of the Indian military involved in major procurement programs with Russia had achieved to cold war level of cooperation. It is a testimony to the fact that India has once again entered the phase of over reliance as witnessed in Soviet era. The process of supply source diversification pursued by India in the early 1990s didn’t hamper structured Indo-Russian defence relations. But this scenario once again posed the question mark on the rationality of India’s defence procurement policy and reminded that India should not have failed to remember the traumatic uncertainty that

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95 ibid
96 ibid
India faced at the time of disintegration of Soviet Union. In the aftermath of Soviet Union disintegration this over reliance in the military realm posed special difficulties for India. Its huge dependence on Soviet arms transfers for spare parts and equipment turned out to be a nightmare for India’s military modernization plan and security of the country. In this crunch situation, the Indian Defence Ministry was forced to turn to Ukraine and other East European countries for help. Moreover, in the beginning of the new Indo-Russian ties there was uncertainty on both sides. It further aggravated the problem of India’s multiple crises in the security and economic spheres. Its strategic framework seemed to be in shambles, and the financial sector was under stress. This grim situation was further compounded by an acute foreign exchange crisis that India faced in early 1990s. The Rupee-Rouble balance threatened the Indo-Russian trade with the impending danger of collapse at a time when India was left with just enough foreign exchange to cover a fortnight’s worth of imports and was struggling to combat her internal insurgency. As a result, the early years (1991-96) in which the Russian policy towards India can be dubbed at best as a policy of ‘benign neglect’, have left a deep mark on Indian policymakers, in particular by providing a rude awakening for those who imagined that Indo-Russian relations were strong enough to weather any circumstances that might emerge. The partial recovery of their ties since then can be explained in large part by the techno-commercial arms trade which has proved to be the only real enduring aspect of their earlier ‘special’ bilateral relationship.

The Parliamentary Committee on defence had recommended in March 2004 that, while Russia was an important arms supplier to India, New Delhi should avoid depending too much on Moscow. But military leadership defended Russia against the lawmakers criticism, stating that military technical cooperation between the two countries rested on very firm foundation, and it is poised for further growth. However the reality gives different picture. India’s 1999 combat operations in Kargil highlighted a gap in the combat readiness and logistics of its ground forces. To satisfy a deficit in ordnance supplies and basic army equipment, India turned to Israel and South Africa both during and after the conflict. Among the items and contracts secured were 155mm howitzer shells from South Africa. India also utilized Israeli “Litening pods”, which contained an infrared camera and were installed on Mirage-2000 fighters, to conduct night time attacks on the Pakistani-backed insurgents. Additionally, India employed Israel-made Griffen Laser guided kits to effectively
direct Spanish-made 250-milogram bombs to target. Finally, the inability of India to indigenously sustain its “limited war” in Kargil was demonstrated by the decision to lift an eight-year-old ban on the Swedish company Celsius, formerly Bofors to allow the importation of crucial spare parts and shells for India’s 155 mm howitzers. While India inevitably turned to South Africa’s Denell Corporation for the 155mm shells, the decision by the BJP coalition to resume trade with a company affiliated with the Rao bribery scandal of the late 1980s showed the importance of this imported asset for India’s defense. Moreover, The reality of this situation was that for Russian military industrial complex arms sales were the life buoy(as stated by deputy premier of Russia) for their defense industries because the defense budget was so small and military state orders were so few that there almost 800 out of 1600 arms industry were running on Indian contracts. The importance of India for the Russians may be gauged by the fact that the Indians buy more hardware from the Russian defense industry than do Russia’s own military forces. Despite that Russia has shown little sincerity to Indian concern over China. India is also faced with the unsettling knowledge that since the end of the Cold War, Russia’s relations with China have been arming considerably. However reality also made it difficult choice for Russia. India and China have been Russia’s two largest arms recipients, trading places over the 1990s for first or second place. Russian leaders have termed both China and India as ‘strategic partners’ during respective visits to Beijing and New Delhi, a noticeable departure from the past when there was no question that Russia saw China as a strategic competitor, with the special relationship reserved for India. India has to understand this policy shift. So far India has not appeared to be unduly concerned about the Russo-Chinese arms ties, but such cooperation might well reach a level that India find hard to ignore.

Though Russia had indicated some sensitivity to India’s concern about the massive build up of Chinese military capabilities via Russian weapons sales, but in practice, the Russians did little to address the repercussions for India. In 1996, India ordered 40 Su-30 multipurpose aircraft, with Russia prepared to upgrade them to Su-30 MK according to Indian specifications, utilizing Indian, French and Israeli avionics, which apparently the Chinese were also interested in. During a visit by Indian

Defense Secretary Ajit Singh to Moscow in November 1998, the Russians assured him that they would not sell the Su-30 MK multipurpose fighter to China or any other neighbouring country in deference to India. Subsequently however, the Russians changed their mind and decided to go ahead with sales to China, fitting the aircraft with avionics according to Chinese specifications.

Russia’s commitment not to sell arms to Pakistan (at least not directly or openly) appeared firm enough though it was not out of the question that the Russians may reconsider its hands-off approach to Pakistan for other reasons. In this connection, Putin’s decision to send his special envoy, Sergei Yastrzhembsky, to Pakistan on the eve of the Russian leader’s trip to India in October 2000, and the revelation that Putin himself had accepted a Pakistani invitation, no doubt gave India a jolt. Pakistan took the initiative in reaching out to Russia, and the Russians also appeared very receptive. A major reason was Russia believes that Pakistan could play an important role in containing Islamic fundamentalism in the region. Additionally, China’s assistance to Pakistan in the nuclear and missile arena, as well as possible re-export of arms from Russia have caused concern for India. There is also the possibility that Chinese-Pakistani joint military production would rely on Russian weapons design transferred to China.

Nonetheless, after more than a decade of the Soviet collapse, relationship between the two sides particularly in the economic field, were in nascent stage. It did not move beyond the public sector and government declarations. It was evident from the trade figures that had been declining substantially since the early nineties and its total trade was not crossed $2 billion a year. Moreover despite the promising start in 1992, rapid privatization in 1994-95, financial crisis of 1998 and strong recovery since 1999, the result of economic transformation had been far from satisfactory. Its economy at the end of 1990s was reduced to half of what it was in 1990. This crisis most seriously affected the Russian defence industry throughout the 1990s. An effect was so serious that new government drastically cut the defence expenditure and procurement level of arms. Industry was reached at the level where most of the production unit virtually shut their doors. In compare with the Soviet era where over two-thirds of all defence spending was typically allocated to the research, development procurements and maintenance of military equipment and supporting
infrastructure in new regime proportion for personnel related expenditure accounts for approaching three fifths of all defense outlays, a significantly higher proportion than in the west. It left very small proportion for research and development.

Nonetheless, relying once again at the same level would not be considered as a well thought-out step from Indian planners. This can be more substantiated in the next chapters when we will examine the state of Russian economy and its effect on its military industrial complex and growing defence ties between Russia and China. It will give us clear picture of Russian arms industry’s state of order and its strengths and weaknesses. It will also present insight to our policy makers as to where it led to security of the country.

<table>
<thead>
<tr>
<th>No. ordered</th>
<th>Weapon designation</th>
<th>Weapon description</th>
<th>Year of order/license</th>
<th>Year(s) of deliveries</th>
<th>No ordered/produced</th>
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<td>8</td>
<td>Plank Shave</td>
<td>Surveillance radar</td>
<td>(1983)</td>
<td>1989-98</td>
<td>(5)</td>
<td>For 8 Khukhri Class (project 25/25 A Type)</td>
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<td>8</td>
<td>Bass Tilt</td>
<td>Fire Control radar</td>
<td>1983</td>
<td>1989-98</td>
<td>(5)</td>
<td>For 8 Khukhri Class (project – 25/25 A Type) corvettes: for use with 76 mm gun and AK-630 30mm CIWS</td>
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<td>100mm Naval gun</td>
<td>(1986)</td>
<td>1997</td>
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<td>For 3 Delhi Class (Project – 15 type) destroyers</td>
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<td>For 3 Delhi class (Project -15 type) destroyers for use with AK-650 30 mm guns</td>
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<td>1997</td>
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<td>Fire radar control</td>
<td>(1986)</td>
<td>1997</td>
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<td>For 3 3 Delhi Class (project – 15 type) destroyers for use with AK-100 100mm gun</td>
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<td>1997</td>
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<td>1998</td>
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<td>For Brahmaputra Class (project – 16 A type) frigates</td>
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<td>SA-N-4-Grecko/Osa-M</td>
<td>ShAm</td>
<td>(1989)</td>
<td>1998</td>
<td>(20)</td>
<td>For 3 Brahmaputra Class (project – 16A type) frigates</td>
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<td>(98)</td>
<td>SS-N-25? X-35 Uran</td>
<td>ShShM</td>
<td>1992</td>
<td>1997-99</td>
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<td>For 3 Brahmaputra Class (Project – 16A Type) frigates; for use with SS-N-25 ShShMs</td>
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<td>1998-99</td>
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<td>For (Mi-25 and Mi-35) helicopters</td>
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<td>(750)</td>
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<td>(1996)</td>
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<td>For 125 Mig-21 bis fighter aircraft upgraded to Mig-21-93 and possibly also for Mig-29 fighter aircraft</td>
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<td>(384)</td>
<td>SA-19 Grison SAM</td>
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<td>1997-99</td>
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<td>For 245 2S6 AAV (G/M)s</td>
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<td>Top plate Surveillance radar</td>
<td>1997</td>
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<td>On 3 Krivak-4 frigates; designation uncertain</td>
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<td>2</td>
<td>Kilo Class/Type-877E Submarine</td>
<td>1997</td>
<td>1997</td>
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<td>Incl 1 originally built for Russia Navy, but sold to India before completion; Indian designation Sindhughosh Class; for delivery 1997-2000</td>
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<td>3</td>
<td>Krivak-4 Class Frigate</td>
<td>1997</td>
<td>...</td>
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<td>Deal worth Rs. 35.4b, delivery possibly delayed from 2001/2002 to 2002/2003 because of financial problems of producer; ordered due to problems with indigenous production of major warships</td>
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<tr>
<td>3</td>
<td>AK-100 100mm L/59 Naval gun</td>
<td>(1997)</td>
<td>...</td>
<td></td>
<td>On 3 Krivak-4 Class frigates</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Cross Sword Fire control radar</td>
<td>(1997)</td>
<td>...</td>
<td></td>
<td>For 3 Krivak-4 Class frigates; for use with SA-N-9 Sh AM System; status uncertain</td>
<td></td>
</tr>
<tr>
<td>Russia</td>
<td>Ka-31/Helix</td>
<td>AEW helicopter</td>
<td>1999</td>
<td>2002</td>
<td>(2) Deal worth $92 m; delivery 2002-2003</td>
<td></td>
</tr>
<tr>
<td>---------</td>
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<td></td>
</tr>
<tr>
<td>5</td>
<td>Ka-31/Helix</td>
<td>AEW helicopter</td>
<td>2001</td>
<td></td>
<td>Deal worth $108m; delivery 2003</td>
<td></td>
</tr>
<tr>
<td>40</td>
<td>Su-30MK/Flanker</td>
<td>FGA aircraft</td>
<td>1996</td>
<td>1997-2002</td>
<td>(28) Deal worth $1.55-1.8b; Su-30MKI version; ordered while still being developed and first 16 delivered as Su-30MK version to be modified to Su-30MKI after delivery; delivery 1997-2003</td>
<td></td>
</tr>
<tr>
<td>(1140)</td>
<td>AA-10C/d Alamo/R-27E</td>
<td>BVRAAM</td>
<td>1996</td>
<td>1997-02</td>
<td>(300) For S-30 MKI FGA aircraft</td>
<td></td>
</tr>
<tr>
<td>(3900)</td>
<td>AA-11 Archer/R-73</td>
<td>SRAAM</td>
<td>(1996)</td>
<td>1997-02</td>
<td>(600) For su-30MK FGA and modernized MiG-21 bis (MiG-21-93) fighter aircraft and possibly for MiG-29 fighter and modernized MiG-27ML FGA ac</td>
<td></td>
</tr>
<tr>
<td>(750)</td>
<td>AA-12 Adder/R-77</td>
<td>BVRAAM</td>
<td>(2000)</td>
<td></td>
<td>See previous comment</td>
<td></td>
</tr>
<tr>
<td>(4)</td>
<td>Tu-22M3/Backfire-C</td>
<td>Bomber aircraft</td>
<td>(2002)</td>
<td></td>
<td>Ex-Russian; lease; contract not yet signed</td>
<td></td>
</tr>
<tr>
<td>(4)</td>
<td>140mm RL</td>
<td>Naval MRL</td>
<td>(1992)</td>
<td>1997</td>
<td>(2) For 2 Magar Class landing ships; designation uncertain</td>
<td></td>
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<tr>
<td>(14)</td>
<td>BM-9A52 Smerch</td>
<td>MRL</td>
<td>(2002)</td>
<td></td>
<td>Deal worth Rs 12b; contract not yet signed</td>
<td></td>
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<tr>
<td>(14)</td>
<td>2S6M Tunguska</td>
<td>AAV (G/M)</td>
<td>(2001)</td>
<td>2002</td>
<td>(14) Deal worth Rs. 6 b incl 14 AAV (G/M)s</td>
<td></td>
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<tr>
<td>(224)</td>
<td>SA-19 Grisor/9M111</td>
<td>SAM</td>
<td>(2001)</td>
<td>2002</td>
<td>(224) Deal worth Rs 6b incl 14 AAV (G/M)s</td>
<td></td>
</tr>
<tr>
<td>310</td>
<td>T-90S</td>
<td>Main battle tanks</td>
<td>2001</td>
<td>2001-02</td>
<td>(124) Deal worth $600-700m (incl 55% advance payment); ordered as reaction to Pakistani acquisition of 320T-80UB tanks; incl 186 assembled in India; delivery 2001-2004</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Bass Tilt</td>
<td>Fire control radar</td>
<td>(1992)</td>
<td>1997-2002</td>
<td>10 For 3 Delhi Class (Project-15) destroyers and 4 Korea Class (Project-25A) corvettes</td>
<td></td>
</tr>
<tr>
<td>(416)</td>
<td>SS-N-25/Kh-35</td>
<td>Uran</td>
<td>Anti-ship missile</td>
<td>(1992)</td>
<td>1997-02</td>
<td>(300) For Delhi Class (project-15) and modernized Kashin-2 (Rajput) class destroyers, Brahmaputra Class (Project-16A) Frigates, Korea Class (Project-25A) corvettes and tarantul-1 (Viohuti) Class FAC</td>
</tr>
<tr>
<td>(125)</td>
<td>Kopyo</td>
<td>Combat ac radar</td>
<td>1996</td>
<td>2001-02</td>
<td>(28) (Part of deal worth $ 428-626 m for modernization of up to 125 MiG-21bis fighter act to MiG-bis UPG (Mig-211) version; opttion on 50 more; delivery 2001-04/05</td>
<td></td>
</tr>
<tr>
<td>(4)</td>
<td>SA-12/S-Giant/9M82</td>
<td>SAM</td>
<td>(2002)</td>
<td></td>
<td>Deal worth $ 1.5 or $ 2.5 incl 150 missiles; contract probably not yet signed</td>
<td></td>
</tr>
<tr>
<td>No.</td>
<td>System/Class</td>
<td>Type</td>
<td>Year</td>
<td>Price (in millions)</td>
<td>Description</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>150</td>
<td>SA-12b Giant/9M82</td>
<td>SAM</td>
<td>(2002)</td>
<td></td>
<td>See previous comment</td>
<td></td>
</tr>
<tr>
<td>27</td>
<td>Zmei/Sea Dragon</td>
<td>MP aircraft radar</td>
<td>(2000)</td>
<td>2002</td>
<td>For modernization of 8 Tu-142 and ASW/MP ac to Tu-142J, and some 14 Ka-28 ASW helicopters and 5II-38 ASW/MP aircraft</td>
<td></td>
</tr>
<tr>
<td>1440</td>
<td>AT-16/9M120</td>
<td>Anti-tank missile</td>
<td>(2000)</td>
<td>2002</td>
<td>For Mi-17 helicopters</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Krivak-4 Class</td>
<td>Frigate</td>
<td>1997</td>
<td></td>
<td>Deal worth Rs. 35.4b ($0.82-1b); Indian designation Talwar Class; Russian designation Tpe-1135.6; ordered due to problems with Indian production of major warships; delivery to 2003/2004</td>
<td></td>
</tr>
<tr>
<td>96</td>
<td>SS-N-27/3M54E1</td>
<td>Anti-ship missile</td>
<td>(1998)</td>
<td>2001-2002</td>
<td>For Krivak-4 Class frigates and new and modernized Kilo class submarines</td>
<td></td>
</tr>
<tr>
<td>2500</td>
<td>SA-18 Grouse/Igla</td>
<td>Portable SAM</td>
<td>2001</td>
<td>2001-02</td>
<td>Deal worth $32-50 m</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Gorshkov Class</td>
<td>Aircraft carrier</td>
<td>(2002)</td>
<td></td>
<td>Ex-Russian; modernized before delivery; contract not yet signed; delivery 2004-05</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Akula-2 Class</td>
<td>Nuclear submarine</td>
<td>(2002)</td>
<td></td>
<td>Possibly ex-Russian; lease; delivery 2004; contract not yet signed</td>
<td></td>
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</tbody>
</table>