



BILATERAL RELATIONS

INDIA - RUSSIA

INTRODUCTION

India–Russia relations are the bilateral relations between India and Russia. During the Cold War, India and the Soviet Union (USSR) had a strong strategic, military, economic and diplomatic relationship. After the Dissolution of the Soviet Union, Russia inherited its close relationship with India which resulted in both nations sharing a Special Relationship. Russia and India both term this relationship as a "special and privileged strategic partnership" . Owing to the bonhomie shared by the countries' respective leaders, Prime Minister Narendra Modi and President Vladimir Putin, the bilateral relationship has seen further growth and development. An informal meeting between them in 2018 at Sochi helped accelerate the partnership, displaying the role of interaction and cooperation between India and Russia.

Traditionally, the Indo-Russian strategic partnership has been built on five major components: politics, defence, civil nuclear energy, anti-terrorism co-operation and space. These five major components were highlighted in a speech given by former Indian Foreign Secretary Ranjan Mathai in Russia. However, in recent years a sixth, economic component has grown in importance, with both countries setting a target of reaching US\$30 billion in bilateral trade by 2025, from about US\$9.4 billion in the year 2017. In order to meet this goal, both countries are looking to develop a free trade agreement. Bilateral trade between both countries in 2012 grew by over 24%.

The powerful IRIGC (India-Russia Intergovernmental Commission) is the main body that conducts affairs at the governmental level between both countries. Both countries are members of many international bodies where they collaborate closely on matters of shared national interest. Important examples include the UN, BRICS, G20 and SCO.

India is the second largest market for the Russian defence industry. In 2017, approximately 68% of the Indian Military's hardware import came from Russia, making Russia the chief supplier of defence equipment. India has an embassy in Moscow and two consulates-general (in Saint Petersburg and Vladivostok). Russia has an embassy in New Delhi and six consulate-generals (in Chennai, Goa, Hyderabad, Kolkata, Mumbai and Thiruvananthapuram).

According to a 2014 BBC World Service Poll, 85% of Russians view India positively, with only 9% expressing a negative view. Similarly, a 2017 opinion poll by the Moscow-based non-governmental think tank Levada-Center states that Russians identified India as one of their top five "friends", with the others being Belarus, China, Kazakhstan and Syria.

HISTORY

Goods uncovered from archaeological site such as Pazyryk indicates that nomads inhabiting the area conducted trading activities with India during 4th-3rd century BCE. In 1468, Russian traveller Afanasy Nikitin began his journey to India. Between 1468 and 1472, he travelled through Persia, India and the Ottoman Empire. The documentation of his experiences during this journey is compiled in the book *The Journey beyond Three Seas (Khozheniye za tri morya)*. In 18th century the Russian cities Astrakhan, Moscow and St. Petersburg were frequently visited by Indian merchants. Russia was used as a transit trade between Western Europe and India.

In 1801, Tsar Paul ordered plans made for the invasion of British India by 22,000 Cossacks, which never actually occurred due to poor handling of preparations. The intention was that Russia would form an alliance with France, and attack the British Empire and its weak point using a French corps of 35,000 men and a Russian corps of 25,000 infantry and 10,000 mounted Cossacks. Some Cossacks had approached Orenburg when the tsar was assassinated. His successor Alexander I immediately cancelled the plans.

Soviet Union and India

A cordial relationship began in 1955 and represented the most successful of the Soviet attempts to foster closer relations with Third World countries. The relationship began with a visit by Prime Minister Jawaharlal Nehru to the Soviet Union in June 1955, and First Secretary of the Communist Party Nikita Khrushchev's return trip to India in the fall of 1955. While in India, Khrushchev announced that the Soviet Union supported Indian sovereignty over the disputed territory of the Kashmir region and over Portuguese coastal enclaves such as Goa.

In 1965 the Soviet Union served successfully as peace broker between India and Pakistan after an Indian-Pakistani border war. The Soviet Chairman of the Council of Ministers, literally Premier of the Soviet Union, Alexei Kosygin, met with representatives of India and Pakistan and helped them negotiate an end to the military conflict over Kashmir.

Relations between the Soviet Union and India did not suffer much during the right-wing Janata Party's coalition government in the late 1970s, although India did move to establish better economic and military relations with Western countries. To counter these efforts by India to diversify its relations, the Soviet Union proffered additional weaponry and economic assistance.

Russia and India

Relations with India have always been and I am sure will be one of the most important foreign policy priorities of our country. Our mutual ties of friendship are filled with sympathy, and trust, and openness. And we must say frankly that they were never overshadowed by disagreements or conflict. This understanding - this is indeed the common heritage of our peoples. It is valued and cherished in our country, in Russia, and in India. And we are rightfully proud of so close, so close relations between our countries.

– Dmitry Medvedev, about relations with India

We are confident that India lives in the hearts of every Russian. In the same way, I can assure you that Russia also lives in our souls as a Homeland, as people who share our emotions, our feelings of mutual respect and constant friendship. Long live our friendship!

– Pratibha Patil, about relations with Russia

"...India-Russia relationship is one of deep friendship and mutual confidence that would not be affected by transient political trends. Russia has been a pillar of strength at difficult moments in India's history. India will always reciprocate this support. Russia is and will remain our most important defense partner and a key partner for our energy security, both on nuclear energy and hydrocarbons,"

– Pranab Mukherjee, about relations with Russia

POLITICAL RELATIONS

The first major political initiative, since the collapse of the Soviet Union, between India and Russia began with the Strategic Partnership signed between the two countries in 2000. President Vladimir Putin stated in an article written by him in the Hindu, "The Declaration on Strategic Partnership between India and Russia signed in October 2000 became a truly historic step". Former Prime Minister Manmohan Singh also agreed with his counterpart by stated in speech given during President Putin's 2012 visit to India, "President Putin is a valued friend of India and the original architect of the India-Russia strategic partnership". Both countries closely collaborate on matters of shared national interest these include at the UN, BRICS, G20 and SCO. Russia also strongly supports India receiving a permanent seat on the United Nations Security Council. In addition, Russia has vocally backed India joining the NSG and APEC. Moreover, it has also expressed interest in joining SAARC with observer status in which India is a founding member.

Russia currently is one of only two countries in the world that has a mechanism for annual ministerial-level defence reviews with India. The Indo-Russian Inter-Governmental Commission (IRIGC) is one of the largest and most comprehensive governmental mechanisms that India has had with any country internationally. Almost every department from the Government of India attends it.

Relations have deteriorated recently due to India's anti-China stance. Russian foreign minister, Sergey Lavrov, accused the West of trying to undermine Russia's close partnership with India. He added that India is being used as an object by the Western powers.



IRIGC

The Indo-Russian Inter-Governmental Commission (IRIGC) is the main body that conducts affairs at the governmental level between both countries. Some have described it as the steering committee of Indo-Russia relations. It is divided into two parts, the first covering Trade, Economic, Scientific, Technological and Cultural Co-operation. This is normally co-chaired by the Russian Deputy Prime Minister and the Indian External Affairs Minister. The second part of the commission covers Military Technical Co-operation this is co-chaired by the two countries respective Defence Ministers. Both parts of IRIGC meet annually.

In addition, to the IRIGC there are other bodies that conduct economic relations between the two countries. These include, the Indo-Russian Forum on Trade and Investment, the India-Russia Business Council, the India-Russia Trade, Investment and Technology Promotion Council and the India-Russia Chamber of Commerce.

An article penned by Vladimir Putin was published in The Times of India on 30 May 2017, a day before Prime Minister Narendra Modi's visit to Russia, to mark the 70th anniversary of the establishment of relations between India and the Russia on 13 April 1947.



MILITARY RELATIONSHIP

The Soviet Union was an important supplier of defence equipment for several decades, and this role has been inherited by the Russian federation. Russia 68%, USA 14% and Israel 7.2% are the major arms suppliers to India (2012-2016), and India and Russia have deepened their Make in India defence manufacturing cooperation by signing agreements for the construction of naval frigates, KA-226T twin-engine utility helicopters (joint venture (JV) to make 60 in Russia and 140 in India), Brahmos cruise missile (JV with 50.5% India and 49.5% Russia). In December 1988, an India-Russia co-operation agreement was signed, which resulted in the sale of a multitude of defence equipment to India and also the emergence of the countries as development partners as opposed to purely a buyer-seller relationship, including the joint ventures projects to develop and produce the Fifth Generation Fighter Aircraft (FGFA) and the Multirole Transport Aircraft (MTA). The agreement is pending a 10-year extension. In 1997, Russia and India signed a ten-year agreement for further military-technical cooperation encompassed a wide range of activities, including the purchase of completed weaponry, joint development and production, and joint marketing of armaments and military technologies.

Now, the co-operation is not limited to a buyer-seller relationship but includes joint research and development, training, service to service contacts, including joint exercises.

In October 2018, India inked the historic agreement worth US\$5.43 billion with Russia to procure five S-400 Triumf surface-to-air missile defence system, the most powerful missile defence system in the world ignoring America's CAATSA act. The United States threatened India with sanctions over India's decision to buy the S-400 missile defense system from Russia.

- India and Russia have several major joint military programmes including:
- BrahMos cruise missile programme
- 5th generation fighter jet programme
- Sukhoi Su-30MKI programme (230+ to be built by Hindustan Aeronautics)
- Ilyushin/HAL Tactical Transport Aircraft
- KA-226T twin-engine utility helicopters
- some frigates

Between 2013 and 2018, Russia accounted for 62% of arms sales to India, down from 79% between 2008 and 2012.

Troops of the Indian Armed Forces during the 2020 Moscow Victory Day Parade.

Additionally, India has purchased/leased various military hardware from Russia:

- S-400 Triumf (purchase pending)[40]
- Kamov Ka-226 200 to be made in India under the Make in India initiative.
- T-90S Bhisma with over 1000 to be built in India
- Akula-II nuclear submarine (2 to be leased with an option to buy when the lease expires)
- INS Vikramaditya aircraft carrier programme
- Tu-22M3 bombers (4 ordered, not delivered)
- US\$900 million upgrade of MiG-29
- Mil Mi-17 (80 ordered) more in Service.
- Ilyushin Il-76 Candid (6 ordered to fit Israeli Phalcon radar)
- The Farkhor Air Base in Tajikistan is currently jointly operated by Indian Air Force and Tajikistan Air Force.



ECONOMIC RELATIONS

Bilateral trade between both countries is concentrated in key value chain sectors. These sectors include highly diversified segments such as machinery, electronics, aerospace, automobile, commercial shipping, chemicals, pharmaceuticals, fertilisers, apparels, precious stones, industrial metals, petroleum products, coal, high-end tea and coffee products. Bilateral trade in 2002 stood at \$1.5 billion and increased by over 7 times to \$11 billion in 2012 and with both governments setting a bilateral trade target of \$30 billion by 2025. Bilateral bodies that conduct economic relations between the two countries include IRIGC, the Indo-Russian Forum on Trade and Investment, the India-Russia Business Council, the India-Russia Trade, Investment and Technology Promotion Council, the India-Russia CEOs' Council and the India-Russia Chamber of Commerce.

Both Governments have jointly developed an economic strategy that involves using a number of economic components to increase future bilateral trade. These include development of an FTA between India & the EEU, a bilateral treaty on the promotion and protection of investments, a new economic planning mechanism built into IRIGC, simplification of customs procedures, new long-term agreements in the expansion of energy trade including nuclear, oil and gas. Finally, long term supplier contracts in key sectors such as oil, gas and rough diamonds. Companies such as Rosneft, Gazprom, Essar & Alrosa will act as long term suppliers respectively.

Both countries have also agreed to work together in the aerospace sector to co-development and co-produce aircraft, examples include the Sukhoi Superjet 100, MS-21, FGFA, MTA and Kamov Ka-226. Some of the co-developed aircraft will be jointly commercially exported to third countries and foreign markets e.g. FGFA and Kamov Ka-226.

India is currently the world's largest cutting & polishing centre for diamonds. Both countries have agreed to streamline their bilateral trade in diamonds through reductions in regulations and tariffs. Indian - Russia has agreed to build more than 20 nuclear reactors over the next 20 year. Officials from both countries have discussed how to increase co-operation between their countries respective IT industries. Due to India simplifying recent visa rule changes for Russians travelling to India, the number of tourists increased by over 22%. In 2011 the Indian consulates in Moscow, Vladivostok and St. Petersburg issued 160,000 visas, an increase of over 50% compared to 2010.

Both the countries set the investment target of \$30 billion by 2025. Since they met the target by 2018, India and Russia expect to enhance the figure to \$50 billion. India also proposed to set up a special economic zone for Russian companies.

On 5 September 2019, India pledged a USD 1 billion line of credit (concessional loans) for the development of Russia's far east.

INDIAN COMMODITIES EXPORTS TO RUSSIA (2014)

Russian imports from India amounted to \$3.1 billion or 1% of its overall imports, and 0.7% of India's overall exports in 2014. The 10 major commodities exported from India to Russia were:

PRODUCT CATEGORY	QUANTITY (\$ MILLION)
PHARMACEUTICALS	\$819.1
ELECTRONIC EQUIPMENT	\$382.3
MACHINES, ENGINES, PUMPS	\$159.4
IRON AND STEEL	\$149.1
CLOTHING (NOT KNIT OR CROCHET)	\$135.7
COFFEE, TEA AND SPICES	\$131.7
TOBACCO	\$113.9
VEHICLES	\$111.1
KNIT OR CROCHET CLOTHING	\$97.9
OTHER FOOD PREPARATIONS	\$77.7

RUSSIAN COMMODITIES EXPORTS TO INDIA (2014)

Russian exports to India amounted to \$6.2 billion or 1.3% of its overall exports, and 0.9% of India's overall imports in 2014. The 10 major commodities exported from Russia to India were:

PRODUCT CATEGORY	QUANTITY (\$ MILLION)
GEMS, PRECIOUS METALS, COINS	\$1100.0
MACHINES, ENGINES, PUMPS	\$707.4
ELECTRONIC EQUIPMENT	\$472.7
FERTILIZERS	\$366.8
MEDICAL, TECHNICAL EQUIPMENT	\$302.7
OIL	\$223.8
IRON AND STEEL	\$167.4
PAPER	\$136.8
INORGANIC CHEMICALS	\$127.4
SALT, SULPHUR, STONE, CEMENT	\$105.1

FREE TRADE AGREEMENT (FTA)

Both governments have long viewed their bilateral trade well below its optimal potential, with the only long term way of rectifying this through having a Free trade agreement (FTA). Both governments have set up a joint study group (JSG) to negotiate the specifications of an agreement, a final agreement would be signed between India and Eurasian Economic Union of which Russia is a part of (also including Kazakhstan, Armenia, Kyrgyzstan & Belarus). Thereby, the Indo-Russian FTA would result in a much bigger free trade agreement including India, Russia, Kazakhstan, Armenia, Kyrgyzstan & Belarus.[65] It is predicted once an FTA is in place bilateral trade will increase manifold, thereby significantly increasing the importance of economics in bilateral ties.

The table below shows the recent Indo-Russian bilateral trade performance:

INDO-RUSSIAN TRADE (2009-12)

YEAR	TRADE VOLUME (BILLION \$)	ANNUAL CHANGE
2009	\$7.46	-
2010	\$8.53	+14.34%
2011	\$8.87	+3.98%
2012	\$11.04	+24.50%

CO-OPERATION IN THE ENERGY SECTOR

Energy sector is an important area in Indo-Russian bilateral relations. In 2001, ONGC-Videsh acquired 20% stake in the Sakhalin-I oil and gas project in the Russian Federation, and has invested about US\$1.7 billion in the project. Gazprom, the Russian company, and Gas Authority of India have collaborated in joint development of a block in the Bay of Bengal. Kudankulam Nuclear Power Project with two units of 1000 MW each is a good example of Indo-Russian nuclear energy co-operation. Both sides have expressed interest in expanding co-operation in the energy sector.

In December 2008, Russia and India signed an agreement to build civilian nuclear reactors in India during a visit by the Russian president to New Delhi.



SPACE CO-OPERATION

Historically, there has been a long history of cooperation between the Soviet Union and India in space. Examples include Aryabhata it was India's first satellite, named after an Indian astronomer of the same name. It was launched by the Soviet Union on 19 April 1975 from Kapustin Yar using a Kosmos-3M launch vehicle. The only Indian to visit space, Rakesh Sharma, was also launched by the Soviet Union under Interkosmos space program. During President Vladimir Putin's visit to India in December 2004, two space-related bilateral agreements were signed viz. Inter-Governmental umbrella Agreement on co-operation in the outer space for peaceful purposes and the Inter Space Agency Agreement on co-operation in the Russian satellite navigation system GLONASS. Subsequently, a number of follow-up agreements on GLONASS have been signed.

In November 2007, the two countries have signed an agreement on joint lunar exploration. These space co-operation programmes are under implementation. Chandrayaan-2 was a joint lunar exploration mission proposed by the Indian Space Research Organisation (ISRO) and the Russian Federal Space Agency (RKA) and had a projected cost of 4.25 billion (US\$90 million). The mission, proposed to be launched in 2017 by a Geosynchronous Satellite Launch Vehicle (GSLV), included a lunar orbiter and a rover made in India as well as one lander built by Russia. But due to the repeated delays in the joint venture, the Indian side ultimately decided to develop its own lander and borne all costs of the mission by itself. Later on ISRO developed its own lander named Vikram and launched Chandrayaan-2 mission successfully on July 22, 2019 from SDSC SHAR, Sriharikota, Andhra Pradesh.



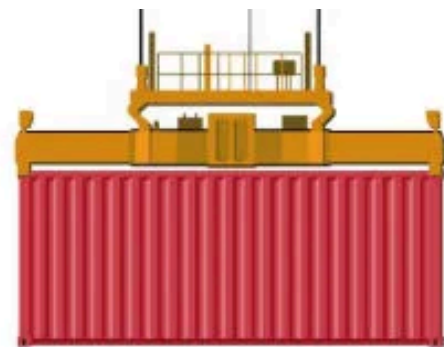
SCIENCE AND TECHNOLOGY

The ongoing collaboration in the field of science & technology, under the Integrated Long-Term Programme of Co-operation (ILTP) is the largest co-operation programme in this sphere for both India and Russia. ILTP is coordinated by the Department of Science and Technology from the Indian side and by the Academy of Sciences, Ministry of Science and Education, and Ministry of Industry and Trade from the Russian side. Development of SARAS Duet aircraft, semiconductor products, super computers, poly-vaccines, laser science and technology, seismology, high-purity materials, software & IT and Ayurveda have been some of the priority areas of co-operation under the ILTP. Under this programme, eight joint Indo-Russian centres have been established to focus on joint research and development work. Two other Joint Centres on Non-ferrous Metals and Accelerators and Lasers are being set up in India. A Joint Technology Centre based in Moscow to bring cutting edge technologies to the market is also under processing. An ILTP Joint Council met in Moscow on 11-12 October 2007 to review co-operation and give it further direction. In August 2007, an MoU was signed between Department of Science and Technology and Russian Foundation of Basic Research, Moscow to pursue scientific co-operation.

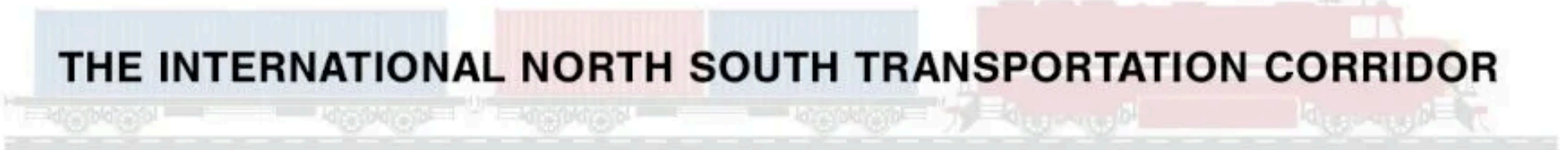


NORTH-SOUTH TRANSPORT CORRIDOR

The North-South Transport Corridor is the ship, rail, and road route for moving freight between India, Russia, Iran, Europe and Central Asia. The route primarily involves moving freight from India, Iran, Azerbaijan and Russia via ship, rail and road. The objective of the corridor is to increase trade connectivity between major cities such as Mumbai, Moscow, Tehran, Baku, Bandar Abbas, Astrakhan, Bandar Anzali etc. Dry runs of two routes were conducted in 2014, the first was Mumbai to Baku via Bandar Abbas and the second was Mumbai to Astrakhan via Bandar Abbas, Tehran and Bandar Anzali. The results showed transport costs were reduced by "\$2,500 per 15 tons of cargo". Other routes under consideration include via Armenia, Kazakhstan and Turkmenistan.



THE INTERNATIONAL NORTH SOUTH TRANSPORTATION CORRIDOR



COOPERATION IN THE CULTURAL SPHERE

Indo-Russian relations in the field of culture are historical. One of the first Russian visitors to India was Afanasiy Nikitin a merchant from Tver in Russia. His famous journey (1466-1472) was documented in the book *A Journey Beyond the Three Seas*. Nikitin spent three years in India (1469-1472) travelling to its many regions and documenting its people, culture, economy, technology, history, society and food. Nikitin's journey was portrayed by Soviet actor Oleg Strizhenov alongside Hindi screen legend Nargis Dutt in the 1950s film *Journey Beyond Three Seas*.

Astrakhan in Russia has historically been a trading centre for Indian merchants since the 16th century. In 1722 Peter the Great met with Anbu-Ram the leader of the Indians merchants in Astrakhan. In the meeting Peter the Great agreed to Anbu-Ram's request for full free trade including transit rights.

Traditionally, there has been strong collaboration in the field of cinema between India and the USSR. Several generations of Russians grew up watching subtitled Indian films (mainly Bollywood) and vice versa for Indians watching Russian films. Popular Indian films in the USSR included *Awara*, *Bobby*, *Barood*, *Mamta* and *Disco Dancer*.

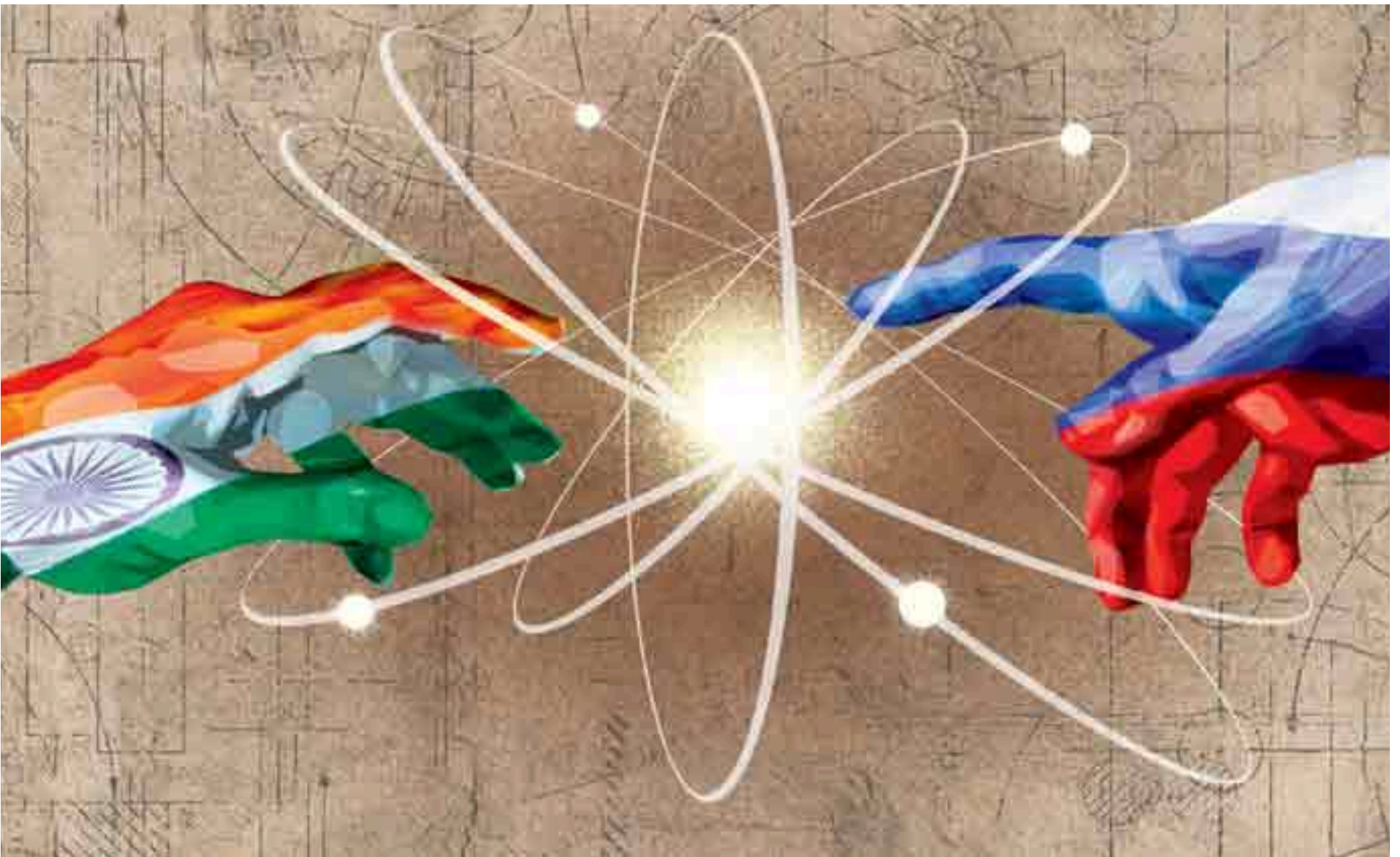
Yoga in Russia has been growing and becoming increasingly popular since the 1980s, particularly in major cities and urban centres, mainly due to its reputation for health benefits. However, it has its roots much earlier in Russia during the time of noted Russian actor and trainer Constantin Stanislavski who was significantly influenced by Yoga and Indian philosophy.

Russia's Rossotrudnichestvo Representative Office (RRO) established in 1965 has five Russian Centres of Science and Culture (RCSC) in India they include New Delhi, Mumbai, Kolkata, Chennai and Trivandrum. The head of RRO and director of RCSC, Fyodor Rozovsky, expects cultural ties to grow between both countries. He and other officials also expects the number of Indian students studying in Russia to increase once both countries sign an agreement on joint recognition of higher education diplomas. There is a Hindi Department, in the University of Moscow along with five Chairs relating to Indology in Moscow, Saint Petersburg, Kazan and Vladivostok.

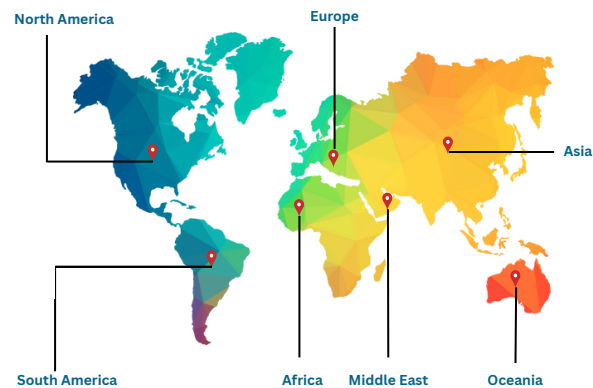
Days of Russian Culture were held in India in November 2003, in Delhi, Kolkata and Mumbai. "Days of Indian Culture" in Russia were organised from September to October 2005 in Russia. Chief Minister of National Capital Territory of Delhi led a delegation for participating in the event "Days of Delhi in Moscow" from 28 May to 1 June 2006. The "Year of Russia in India" was held in 2008. It was followed by the "Year of India in Russia" in 2009.

NUCLEAR DEALS

On 7 November 2009, India signed a new nuclear deal with Russia apart from the deals that were agreed upon by the two countries earlier. India and Russia are in discussion for construction of two more nuclear power units at Kudankulam. Two units of the Kudankulam Nuclear Power Plant are already operational. During Russian president Vladimir Putin's visit to India for the 13th annual summit, a co-operative civilian nuclear energy road map was agreed to running until 2030, sixteen to eighteen new reactors will be constructed, with installed capacity of 1,000 MW each. A 1,000 MW reactor costs around \$2.5 billion so the deal may touch \$45 billion in worth.



SERVING CLIENTS WORLDWIDE



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