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# Kremlin, India Strike Weapons Deals

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Putin and Singh arriving for a signing ceremony in New Delhi, where arms deals worth $2.9 billion were clinched. **Grigory Dukor**

India on Monday agreed to buy $2.9 billion worth of Russian weapons, as President Vladimir Putin visited the longtime ally.

Under the larger deal, India will purchase kits to assemble 42 Sukhoi-30 fighter jets for $1.6 billion. The other contract is for 71 Mi-17 helicopters worth $1.3 billion.

"We agreed to strengthen the partnership of Russia and India in the area of military equipment cooperation further and advance new projects, including by creating joint ventures and transferring technology," Putin said after his talks with Indian Prime Minister Manmohan Singh.

The fighter jet deal brought the total number of Sukhoi-30 warplanes sold to India to 230, with a total value of $8.5 billion, Interfax reported.

India's HAL Corp. plans to build 140 of these jets by the end of 2015.

"Russia is a key partner in our efforts to modernize our armed forces," Singh said in a statement.

As far as helicopters go, India has already been taking delivery of Mi-17s under a previous contract. Signed in 2008, it stipulates that Russia will supply 80 helicopters worth $1.3 billion.

India has been Russia's largest customer for military hardware, despite missed deadlines that sent New Delhi shopping for Western weapons more often.

In one such delay, Russia this year again postponed delivery of an aircraft carrier to the Indian navy, saying it will be ready in November.

"It's clear that because New Delhi has plotted a course for diversification of weapons suppliers, the competitive battle is escalating," Russia's ambassador to India, Alexander Kadakin, said in an interview posted on the Foreign Ministry's website Monday. "Russia is ready for this."

Yet it appeared that the deals announced Monday fell short of expectations. Russian defense industry sources had said Putin's visit to New Delhi would likely produce agreements for the sale of military equipment worth more than $7.5 billion.

In other business, the government's Russian Direct Investment Fund and the State Bank of India agreed to set up a joint fund.

The fund could invest up to $2 billion in projects that seek to develop trade and economic cooperation between the countries.

Indian state oil companies have also expressed interest in acquiring stakes in Russian projects, according to the joint statement on the outcome of Putin's visit.

In addition, it said India wants to buy Russian oil and liquefied natural gas.

n Multi-industry conglomerate Sistema expects an out-of-court resolution of a dispute over its subsidiary's loss of a license in India, Sistema's principal owner, Vladimir Yevtushenkov, said as he accompanied Putin on the visit.

India's Supreme Court on Feb. 2 revoked 122 wireless-services licenses issued in 2008, including those of Sistema Shyam Teleservices, for which the carrier had paid about $600 million.

The ruling followed an investigation begun in the second half of 2010 into violations in the distribution of frequencies.

In May, Sistema Shyam Teleservices asked the Supreme Court to reconsider the decision to revoke the licenses.

Sistema owns 56.7 percent of the company, and the Russian State Property Agency owns 17 percent. The rest belongs to India's Shyam Group.

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