

Reliance Signs Pact With Russian Arms Firm as Modi Visits Moscow

By [The Moscow Times](#)

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NEW DELHI - India's Reliance Defence said on Thursday it had signed a manufacturing and maintenance deal potentially worth \$6 billion with Russia's Almaz-Antey, the maker of an air defense system that sources said the Indian military was poised to buy.

The partnership between the Indian firm controlled by billionaire Anil Ambani and the Russian firm was announced as Indian Prime Minister Narendra Modi began a trip to Moscow aimed at strengthening defense ties.

Earlier this week, Indian defense ministry sources said the government had cleared the purchase of five S-400 air defense systems that are estimated to cost about \$4.5 billion in a bid to modernise the country's defenses against airborne attacks.

"The two sides identified the air defense missile systems.... radars and automated control systems as areas of partnership.... as well as offset policies of the Indian Ministry of Defense," Reliance said in a statement.

Under the offsets policy, global defense contractors are required to invest a percentage of the value of any deal in India to help it build a defense industrial base and reduce imports for a military that has emerged as the world's biggest buyer of arms in recent years.

India is forecast to spend \$250 billion over the next decade to upgrade its military and Modi's government wants a greater role for Indian state and defense firms.

Reliance is forging close ties with Russia to jumpstart its ambitions to develop a defense business from scratch. It said it had also discussed joint implementation of modernisation, repair and overhaul of Almaz-Antey systems already in service in India.

The company also plans to bid for contracts for local manufacture of helicopters, submarines and ships. Earlier this month, Ambani's Reliance Infrastructure took sole management control of Pipavav Defence and Offshore Engineering Co which has built patrol vessels for the Indian navy.

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