MANOHAR PARRIKAR
idsa
MANOHAR PARRIKAR INSTITUTE FOR DEFENCE STUDIES AND ANALYSES
मनोहर पर्रिकर रक्षा अध्ययन एवं विश्लेषण संस्थान

MP-IDSA
Issue Brief

Balancing Legacy and Innovation: Russia, US and India's Defence Procurement Policies

Rohith Narayan Stambamkadi

April 30, 2025

Summary

While Russia continues to play a role in sustaining India's operational readiness through MRO of legacy platforms, its declining reliability and closer alignment with China complicate the partnership. In contrast, India's defence cooperation with the US is growing.

Introduction

Given the expanding threats in various domains and challenges across different geographical fronts, the Indian armed forces need to maintain a delicate balance between upgrading legacy systems for operational readiness and progressively integrating high-tech capabilities. This requires India to navigate a complex defence landscape, balancing its legacy dependence on Russian equipment with a strategic pivot towards high-tech defence systems, primarily from the United States (US), all the while fostering self-reliance through 'Make in India'.

Russia's industrial limitations, exacerbated by its war in Ukraine and deepening ties with China, undermines its reliability as India's primary defence supplier. As India advances its 'Make in India' policy through technology transfers and co-production agreements, it must pivot towards the US for both strategic and commercial reasons. To ensure long-term security and build a resilient defence industrial base (DIB), India must leverage friendshoring with the US to access advanced technologies and sustain its defence modernisation by navigating existing challenges in the partnership.

India's Balancing Partnerships: Recent Dynamics

At the February 2025 India–US summit, President Donald Trump and Prime Minister Narendra Modi emphasised on several promising initiatives in Defence and Technology.[1] Both leaders announced new co-production projects, including Anduril-Mahindra's autonomous drone and anti-drone systems,[2] and L3 Harris-Bharat Electronics' towed array sonars,[3] advancing defence industrial cooperation and accelerating technology partnerships. Similarly, the visit of Defence Minister Rajnath Singh to Russia in December 2024 highlighted the prospect of signing a US$ 4 billion deal for the Voronezh radar system, with Russian reports claiming the deal includes a provision for at least 60 per cent of the radar system to be manufactured in India.[4] These developments reflect India's balancing partnerships and advancing co-production defence ties with both Russia and the US, despite strained US–Russia relations. Nevertheless, a closer look at India's defence partnerships with both the

[1] **"United States-India Joint Leaders' Statement"**, The White House, 13 February 2025.

[2] **"India's Big-Ticket Defence-Tech Move: Mahindra Group Partners with US-Based Anduril Industries"**, *The Economic Times*, 21 February 2025.

[3] Dinakar Peri, **"India, U.S. Identify Underwater Domain Awareness Technologies for Co-Production in India"**, *The Hindu*, 15 February 2025.

[4] **"India Plans to Buy This Massive $4 Billion Wall-Like Radar to Neutralise Chinese Threats from 6,000 km Away"**, *The Economic Times*, 11 December 2024.

countries in recent years reflect a changing paradigm. There is a strategic shift from dependence on Russia and a drift towards the US.[5]

India's Legacy Dependence on Russia

The Indian Armed Forces operate a wide range of Russian-origin weapon systems, including over 2,400 T-72 and 100 T-90 tanks, BMP-2 infantry vehicles, BM-21 and BM-30 rocket systems and various air defence systems.[6] The Navy uses MiG-29 fighters, Il-38 aircraft, Ka-28 helicopters and a Jyoti-class replenishment tanker, among several others.[7] Lastly, the Air Force operates MiG-21s, MiG-29s, 260 Su-30s, Il-78 aerial tankers, Il-76 and An-32 transports, Mi-24 attack helicopters and over 200 Mi-17s.[8]

These inventories also feature joint production ventures including BrahMos cruise missiles, Su-30MKI fighters, various ships for the Indian navy and the production of AK-203 assault rifles.[9] Nevertheless, the large number of Russian systems in India's inventory attests to a long-standing security co-operation between India and Russia prior to India's 'Make in India', and the war in Ukraine. Further, a major chunk of current partnership with Russia owes to Maintenance, Repair and Overhaul (MRO) of existing legacy systems.[10]

Through 'Make in India', Indian defence industry has seen several changes to boost defence sector growth.[11] This includes new acquisitions to be produced domestically whenever feasible, and creating import ban lists which require the forces to purchase certain systems from domestic suppliers.[12] As a result, India now sees more than 60 per cent of its defence equipment manufactured in India, with production hitting a record high of US$ 15.34 billion in FY24, up by 16.7 per cent last year.[13]

---

[5] Krishn Kaushik, **"India Pivots Away from Russian Arms, but Will Retain Strong Ties"**, *Reuters*, 28 January 2024.

[6] **"Chapter Six: Regional trends in 2022 208; Regional defence policy and economics 210; China: defence policy and economics 220; Arms procurements and deliveries 226; Armed forces data section 229"**, *The Military Balance*, Vol. 123, No. 1,2023, pp. 208–301.

[7] Manjeet Negi, **"Russia-Ukraine War Highlights Need for a Self-Reliant Military: Rajnath Singh,"** *India Today*, April 29, 2022, https://www.indiatoday.in/.

[8] **"Chapter Six: Regional trends in 2022 208; Regional defence policy and economics 210; China: defence policy and economics 220; Arms procurements and deliveries 226; Armed forces data section 229"**, no. 6.

[9] Ibid.

[10] Sudhi Ranjan Sen, **"India Pivots From Russia to US for Cutting-Edge Weapons"**, *Bloomberg*, 3 December 2024.

[11] Pawan Atri, **"Big Boost for 'Make in India' As Arms Manufacturing Hits New Heights"**, *Sputnik News*, 5 July 2024.

[12] **"Make in India Defence"**, Ministry of Defence, Government of India.

[13] Swapna Nair, **"Indian Defence Exports Reach All-Time High Since Independence"**, *Sputnik News*, 1 April 2024.

India has also seen a boost in defence exports to US$ 2.63 billion up by 32.5 per cent compared to last year in 2023.[14] These developments contributed to reduced reliance on foreign equipment and systems, including Russia. Although Russia remains the primary arms supplier to India accounting to 36 per cent of India's current defence imports, this is the first period since the 1960s when deliveries from Russia made up less than half of India's arms imports.[15] Russia's share of Indian arms imports has shrunk from 58 per cent in 2014–18 to 36 per cent in 2019–23.[16]

Further, Russia's invasion of Ukraine has contributed to declining imports with the Indian government cancelling several key agreements to acquire new or upgraded weapon systems due to Russia's inability to meet its contractual obligations. These include the Indian Air Force's cancellation of Su-30MKI upgrades due to logistical problems arising from the war,[17] and suspension of negotiations to acquire Ka-31 airborne early warning systems for the Navy.[18]

India has faced challenges in securing payments for these systems amid ongoing sanctions on Russia.[19] Similarly, the IAF's negotiations to acquire MiG-29's and SU-30s also did not see any fruition.[20] Further, Russia's United Shipbuilding Corporation has announced a six-month delay of two frigates currently being constructed for the Indian Navy due to difficulties in procuring components amid sanctions.[21] Russia's Rubin Design Bureau, a submarine production company, withdrew a proposal to construct submarines owing to several reasons including inability to meet time-frame required under the contract.[22] These developments attribute India's declining defence trade with Russia.

Further, Russia's closer strategic alignment with China—cemented by their 2022 "no limits" partnership—poses complications for India.[23] Potential use of Chinese-made components in Russian systems raises concerns over security risks and interoperability, adding another layer of uncertainty for India, as it weighs the

[14] Ibid.

[15] Mathew George, Katarina Djokic, Zain Hussain, Pieter D. Wezeman and Siemon T. Wezeman, **"Trends in International Arms Transfers, 2024"**,SIPRI, March 2025.

[16] Ibid.

[17] Manjeet Negi, **"To Boost Make in India, IAF Cancels Plans to Buy 48 Mi-17 Choppers from Russia"**, *India Today*, 16 April 2022.

[18] Anirban Bhaumik, **"Amid Ukraine War, India Halts KA-31 Helicopter Deal with Russia"**, *Deccan Herald*, 17 May 2022.

[19] Ibid.

[20] Pradip R. Sagar, **"Bye Bye MiG-21 Bison"**, *India Today*, 31 July 2022..

[21] Dinakar Peri, **"Six-Month Delay in Delivery of Two Stealth Frigates by Russia Due to War in Ukraine"**, *The Hindu*, 17 August 2022..

[22] Manu Pubby, **"Indian P 75I Submarine Plan Unrealistic, Timelines Cannot Be Met: Russian Designers"**, *Economic Times*, 15 August 2022..

[23] Antoni Slodkowski and Laurie Chen, **"China's Xi Affirms 'No Limits' Partnership with Putin in Call on Ukraine War Anniversary"**, *Reuters*, 24 February 2025..

reliability and strategic consequences of continued defence engagements with Moscow amid its deteriorating ties with Beijing.

As per SIPRI's 2024 report, Russia is India's major supplier.[24] India's existing Russian inventory requires ongoing cooperation for maintenance, spare parts and upgrades. Despite the decline in Russia's share in India's defence imports in the recent years, a complete transition will occur at a slow pace, requiring continued partnership between both the countries for operational readiness of the Indian Military.

India's Strategic Pivot to the US

India–US defence ties are part of one of the most transformational bilateral relationships of the 21st century. Strategic convergence marked by shared interests in the Indo-Pacific, India's 'Make in India' synergy through joint ventures, technology transfers and domestic manufacturing, a pivot from Russian dependence on arms, highlight some of the key factors of India's enduring defence ties with the US.[25] This promising relationship is also marked by India's growing relevance in the Indo-Pacific for the US, as it seeks to secure a reliant defence industrial partner in the region to advance its interests through allies and partners, amid evolving geopolitical challenges.[26]

The US recognition of India as a 'Major Defence Partner' in 2016 followed up by key agreements like Communications Compatibility and Security Agreement (COMCASA), Logistics Exchange Memorandum of Agreement (LEMOA) and Basic Exchange and Cooperation Agreement for Geospatial Intelligence (BECA) between 2016 and 2023 mark the increasing ties and synergy between both the players.[27] Despite lagging developments observed under previous initiatives like Defence Technology and Trade Initiative (DTTI), initiatives like industrial security annex and Strategic Trade Authorisation (STA) status authorised by the US to India gave increasing boost to the ties. Recent initiatives like iCET and India–US Defence Acceleration Ecosystem (INDUS-X), with involvement of private sector, academia and a range of organisations, mark a significant development that aim to cultivate a rich defence innovation ecosystem and opportunities for co-development and co-production.[28]

---

[24] Mathew George, Katarina Djokic, Zain Hussain, Pieter D. Wezeman and Siemon T. Wezeman, **"Trends in International Arms Transfers, 2024"**, no. 15.

[25] Sameer Lalwani and Vikram J. Singh, **"How to Get the Most Out of the U.S.-Indian Defence Partnership"**, *War on the Rocks*, 11 February 2025.

[26] Andrew Brown, John T. Watts and Markus Garlauskas, **"Production Diplomacy for Deterrence, Readiness, and Resilience in the Indo-Pacific"**, Issue Brief, Atlantic Council, 27 June 2024.

[27] Ajay Kumar and Tejas Bharadwaj, **"One Year of the INDUS-X: Defence Innovation Between India and the U.S."**, Carnegie Endowment for International Peace, 18 June 2024.

[28] Ibid.

Since its commencement in June 2023, INDUS-X has been swift to initiate meaningful progress in key areas of defence between both the countries, translating several initiatives into commercial defence linkages. Some immediate developments include General Atomics announcement of three partnerships—with 114ai for AI and ISR, with Bharat Forge for manufacture and assembling of MQ-9 components in India, and with 3rdiTech for semiconductors. Other partnerships include Boeing's Liquid Robotic with several key Indian defence players for manufacture of USVs, Skydio's partnership with Aeroarc, and much recent Ultra maritime partnership with Bharat dynamics.[29]

A projection of India's growing partnership with the US reflects several promises through various acceleration programmes, investor confidence and bi-partisan support from the US. For example, in 2021, the Biden administration notified Congress of potential arms sales to India totalling just over US$ 2.5 billion.[30] By 2023, security cooperation between the US and India had deepened, marked by high-profile visits from both nations' officials.

In 2024 alone, the US notified Congress of over US$ 5 billion in potential arms sales to India,[31] and the recent US–India summit in February 2025 has seen several breakthroughs in defence and technology including initiatives such as US–India COMPACT (Catalysing Opportunities for Military Partnership, Accelerated Commerce & Technology) for the 21st century and US–India TRUST (Transforming the Relationship Utilizing Strategic Technology).[32] Both the countries also announced the establishment of Autonomous Systems Industry Alliance (ASIA), emphasising on AI-enabled systems to scale private industry partnerships and production in the Indo-Pacific, and US sale of its fifth generation F-35 fighter aircraft to India.[33]

Table 1. India's Defence Imports from Russia and US

Category	**Russia**	**United States**
Share of India's Defence Imports	**36 per cent**	**13 per cent**
Major Imports **Platform/ Equipment**	T-72 & T-90 Main Battle Tanks BMP-2 IFVs (2,400 units) BM-21 & BM-30 Smerch MRL systems Multiple static/mobile Air Defence Systems - 7	C-130J Super Hercules C-17 Globemaster III (India is the largest operator outside the US) P-8I Poseidon patrol aircraft CH-47F Chinook helicopters

[29] Ibid.

[30] **"U.S. Arms Sales to India"**, Forum on Arms Trade.

[31] Ibid.

[32] **"United States-India Joint Leaders' Statement"**, The White House, 13 February 2025..

[33] Ibid.

	Sindhughosh-1 submarines - 6 Talwar-class frigates - Vikramaditya Aircraft Carrier (Kiev-class) - 3 Rajput-class destroyers Over 40 MiG-29 multirole fighters 260 Su-30 MKIs (joint production but Russian origin) S-400 Triumf Air Defence Systems IL-38, IL-78, IL-76 aircraft Mi-24 attack Mi-17 transport helicopters	AH-64E Apache attack helicopters MH-60R Seahawk naval helicopters M-777 howitzers (lightweight artillery) Harpoon anti-ship missiles AGM-114 Hellfire missiles MQ-9B SeaGuardian UAVs MK 54 lightweight torpedoes
Other notable systems	S-400 SAM systems - AK-203 Assault Rifles (joint production, complete deliveries pending) Spare parts and modernisation kits	INDUS-X initiative - 31 MQ-9B UAVs ($4B, approved in 2023) Advanced radio systems for MH-60Rs ($1.17B in 2024) F414 engine co-production deal (2023, GE proposal) Offer of F-15EX and F-21 fighter jets
Joint Production	Su-30MKI - Co-production with HAL (approx. 260 aircraft) - Local assembly and customisation BrahMos Cruise Missiles - JV with DRDO & NPO Mashinostroyeniya - Land, air and sea variants - Exports planned to Southeast Asia INS Vikramaditya (Refit & Modernisation) - Kiev-class aircraft carrier refurbished by Russia - Delivered in 2013, ongoing support	GE F414 Jet Engine - Joint production in India proposed by General Electric (2023) - For AMCA fighter programme INDUS-X Defence Acceleration Ecosystem - Collaborative tech development & innovation hubs launched in 2023 MQ-9B SeaGuardian UAVs (31 units) - Potential assembly/integration in India as part of the $4 billion deal MRO & Upgrades for MH-60R Seahawks - Future potential co-

	T-90S Assembly in India (Avadi Heavy Vehicles Factory) AK-203 Assault Rifles - JV at Korwa, Uttar Pradesh - Production of 750,000 rifles planned Smerch MRL Systems (Licensed Production)	production/maintenance facilities under discussion Proposed Co-production of Turbofans for indigenous Indian aircraft (details under discussion) Proposed Sonobuoy Co-development - Anti-submarine warfare (ASW) capabilities enhancement

Sources: *SIPRI, Congressional Research Papers, Ministry of Defence, Government of India, Department of Defence, Government of United States, Military Balance.*

Challenges in US–India Defence Partnership

Despite significant strides in the India–US defence partnership, potential collaboration remains mired in each country's procedural morass and challenges such as technology transfer restrictions and timely project execution. For instance, while the 2023 GE-HAL MoU to co-produce F414 jet engines marked progress, delays in predecessor F404 deliveries postponed India's MiG retirements, highlighting trust and compatibility issues.[34] Similarly, the US$ 3.8 billion MQ-9B drone deal took eight years to materialise, while earlier efforts, like the transfer of EMALS for Indian aircraft carriers, failed due to regulatory hurdles.[35] US export controls like ITAR complicate approvals, impaired by inter-departmental consultations and post-export compliance.[36]

Further, India's non-NATO status adds to these delays owing to several compliance and procedural requirements. On India's side, bureaucratic inefficiencies, regulatory bottlenecks and US concerns over India's intellectual property ecosystem deter US start-ups and limit technology transfer potential.[37] To address these issues, both nations must streamline export processes, align timelines with STA-1 principles and prioritise frequent trials for smoother execution. India should further revamp regulatory frameworks to foster private sector engagement, ensuring projects are executed efficiently, boosting trust and unlocking the partnership's full potential.

[34] Vivek Mishra and Shivani Pandey, **"U.S.-India Defence Relations under Trump"**, ORF America, 10 December 2024.

[35] Ibid.

[36] Ibid.

[37] Ibid.

These challenges were highlighted in the recent February 2025 summit where both the partners agreed to review their respective regulatory standards impairing or delaying defence and technology partnerships.[38] Nevertheless, addressing these challenges needs strategic urgency given rapidly evolving security threats and technological advancements from China. Beijing's debut of its sixth-generation fighter aircraft,[39] and the potential transfer of fifth-generation fighters to Pakistan significantly alter the regional balance of air power, detrimental to both India and US's interests.[40]

Simultaneously, India's own indigenous fifth-generation fighter programme—the Advanced Medium Combat Aircraft (AMCA)—continues to face delays, constraining India's ability to independently field next-generation air capabilities in the near term.[41] Lastly, as the evolving character of future battlefields are increasingly becoming high-tech infused and software defined with faster kill-chains, both the countries can leverage on their respective industrial capabilities particularly in autonomous weapons like Unmanned Aerial Vehicles (UAVs), anti-drone weapon systems, maritime surface and underground systems, quantum technologies, among others.

Conclusion

While Russia continues to play a role in sustaining India's operational readiness through MRO of legacy platforms, its declining reliability and closer alignment with China complicate the partnership. In contrast, India's growing defence cooperation with the US, underpinned by initiatives like iCET, INDUS-X, and recent deals like COMPACT and TRUST, offers a pathway to advanced technologies, defence innovation and enhanced self-reliance. However, navigating these partnerships requires overcoming procedural hurdles and expediency in revising existing structures and mechanisms given increasing threats and technological advancements from China and changing operational ecosystem for future warfare.

[38] **"United States-India Joint Leaders' Statement"**, no. 32.

[39] Hayley Wong, **"China's Sixth-Gen Fighter Jet Leaves US Air Force Officials with 'Choices to Make'"**, *South China Morning Post*, 6 March 2025..

[40] Aishwaria Sonavane, **"Cash-Strapped Pakistan Buying Chinese 5th-Gen Jets Will Only Enhance Insecurity in South Asia"**, *Firstpost*, 3 February 2025..

[41] Hrithik Kiran Bagade, **"AMCA, a 10-Year Project Is on Track, Says ADA Scientist"**, *The New Indian Express*, 10 February 2025..

About the Author

Mr. Rohith Narayan Stambamkadi is the founder of the Indian Forum for Public Diplomacy (IFPD), a non-profit advocating civilian-led strategic studies in India.

Manohar Parrikar Institute for Defence Studies and Analyses is a non-partisan, autonomous body dedicated to objective research and policy relevant studies on all aspects of defence and security. Its mission is to promote national and international security through the generation and dissemination of knowledge on defence and security-related issues.

Manohar Parrikar Institute for Defence Studies and Analyses
1, Development Enclave, Rao Tula Ram Marg
New Delhi 110 010 India
T +91-11-2671 7983 F +91-11-2615 4191
www.idsa.in
Twitter @IDSAIndia
www.facebook.com/ManoharParrikarInstituteforDefenceStudiesAnalyses