

# India-Russia Ties Take a Quantum Leap in the Fog of Ukraine War

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*The lodestar of Prime Minister Narendra Modi's talks with Russian President Vladimir Putin in Moscow on July 8-9, it must be the [disclosure](#) by the Deputy Head of the Presidential Administration in the Kremlin Maxim Oreshkin that the two leaders discussed the topic of cash payments with the use of cards of national payment systems as an important element of trade support infrastructure and interaction in general.*

Oreshkin added that the two countries are also putting in place an arrangement on interaction between their central banks on the issue of accepting national payment card.

At one stroke, Modi electrified the forthcoming BRICS Summit in Kazan in October. Modi also informed Putin that he will be attending the summit meeting. It is no secret that the BRICS member states are seeking to improve the international monetary and financial system and are prioritising the creation of a platform that will enable them to conduct transactions in national currencies in mutual trade.

The Russian Foreign Minister Sergey Lavrov had [announced](#) after a meeting of the economic bloc's foreign ministers in Nizhny Novgorod, Russia, last month that "Our agenda is extensive. It includes issues that will directly affect the future world order based on fair grounds." Indeed, more and more countries are having doubts about SWIFT, after many Russian banks were cut off from the Belgium-based financial messaging system following the start of the Ukraine conflict in 2022.

From the American perspective, the terrible beauty about Modi's Russia trip is that behind his anti-war rhetoric, PM created an ambience of high moral standing for Delhi that he promptly exploited to bring about a paradigm shift in the India-Russia relations.

Make no mistake, SWIFT translates as US hegemony; it is about isolating Russia from the international financial system; and here we see India teaming up with Russia to create a payment system using local currencies. Notionally, this is not an anti-American move, because the bulk of trade continues to be in the US currency. Cynics may say India is running with the hounds and hunting the hares. But who cares? Americans must be going nuts. Oil, fertiliser, nuclear power plants, ABM system, joint development and production of weaponry — and now, an ecosystem that ignores SWIFT.

Coincidence or not, Modi arrived in Moscow on the same day that NATO's 75th anniversary summit meeting began in Washington with an agenda loaded against Russia while Modi chose to spend that evening closeted with the Russian leader at his country residence in the Moscow suburbs for a private meal, a walk in the woods and several hours of intense conversation to choreograph a quantum leap in the Russian-Indian relations. And all this while the NATO summit made a renewed pledge to defeat Russia in the Ukraine war.

A Russian pundit at the Academy of Sciences and concurrently a professor at the Diplomatic Academy of the Russian foreign ministry, Andrey Volodin [summed up](#) Modi's visit as signifying a "breakthrough" in Russian-Indian relations characterised by a "new climate of trust, which existed in relations between the Soviet Union and India during the times of Indira Gandhi and Rajiv Gandhi."

Volodin listed the increase in the bilateral trade turnover and the transition of the economic relations to national currencies as the second important outcome of the visit. He flagged that cooperation in the military-industrial sphere "received a certain boost" as indeed the development of the International North-South Corridor, which "opens up unprecedented opportunities."

Indeed, disregarding the US state department spokesman's repeated expressions of concern this week over the consolidation of the Indian-Russian relations, the Putin-Modi [joint statement](#) defiantly asserted that the Intergovernmental Commission on Military and Military Technical Cooperation will hold its session in Moscow in the second half of this year. The joint statement added,

"Responding to India's quest for self-sufficiency, the partnership is reorienting presently to joint research and development, co-development and joint production of advanced defence technology and systems. The Sides confirmed commitment to maintain the momentum of joint military cooperation activities and expand military delegation exchanges."

From a geopolitical perspective, Volodin [highlighted two points](#): first,

"India has declared itself as a developing world power that does not succumb to external pressures," and, second, "an impetus has been given (this trend will continue in the future) to the development of the security system in Eurasia. Some countries hoped that India would avoid this dialogue, but it did not avoid this dialogue."

This is the crux of the matter. At the grand ceremony in St Andrew's Hall of the Grand Kremlin Palace where Putin presented the Order of St Andrew the Apostle to Modi on Tuesday, the prime minister made a highly revealing statement. Modi [said](#):

"Our relationship is extremely important not only for our two countries, but is also

of great significance for the entire world. In the current global context, India and Russia, as well as their partnership, have taken on a new importance. We are both convinced that further efforts are needed to ensure global stability and peace. In the future, we will continue to work together to achieve these goals.”

The big picture is that India has taken a leap of faith. It is one thing not to give in to US bullying but it is another thing altogether that Delhi is co-relating the Indian experience with that of Russia — and even China. Interestingly, Modi left Moscow Tuesday and headed for Austria whose neutrality is anchored in Joseph Stalin’s statesmanship.

Today, India-Russia relations “are blossoming and getting stronger as time goes by” and their cooperation “represents a guarantee for the future of our people” — to borrow Modi’s words. Make no mistake, this thought process goes way beyond strategic autonomy. No country on earth can dictate the trajectory of the India-Russia relationship.

To be sure, the walk in the woods by Putin and Modi in the presidential estate at Novo-Ogaryovo was much more than a photo-op. Putin had done his ‘homework’ alright.

Actually, we got a preview of it in Lavrov’s hugely significant remarks at the 10th Primakov Readings international forum in Moscow on June 26 pinned on the ‘media leak’ that Modi was due to travel to Russia in a fortnight’s time. That was [one of the most important speeches by Lavrov in recent times](#).

Lavrov disclosed that [Russia has plans](#) to convene meetings with India and China again in the RIC format. Lavrov underscored that Russia, India and China will only benefit from the revival of RIC format.

“It is also obvious that the United States is trying to drag India into its anti-China project... Both China and India are much more deeply involved in the Western system of globalisation in terms of the volume of financial, investment, and trade agreements and many other things. But the fact is that just like us [Russia], China and India are fully aware of the discriminatory nature of what the West is doing,” Lavrov said.

It is a seductive thought that a long journey into the Asian Century may be beginning. If the RIC format revives on the sidelines of the BRICS Summit in Kazan, the journey will accelerate. China probably senses it.

Global Times featured two commentaries on successive days commending Modi’s foreign policies. ([here](#) and [here](#)) The second commentary cites Chinese expert opinion that “The deepening of relations between Russia and India is an important step toward global strategic balance.” ([here](#))

While Modi was still in Moscow, China’s special representative on border talks with India, Foreign Minister Wang Yi [messed](#) National Security Advisor Ajit Doval to express his willingness to collaborate with Delhi to “properly handle” border-related issues amid the ongoing dispute in eastern Ladakh.

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*Featured image: President Vladimir Putin (R) and Prime Minister Narendra Modi (L) took a walk in the woods at the presidential estate in Novo-Ogaryovo, Moscow Region, July 8, 2024 (From Indian Punchline)*

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