

INDIA'S IRAN POLICY DURING THE MODI GOVERNMENT: THE CHALLENGES AHEAD

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Historical Background

The Indian subcontinent borders Iran, which shared “a *de facto* common frontier in pre-independence India with connections spans thousands of years” between the two ancient civilisations. The Persian influence particularly on “the languages like Urdu and Hindustani and the architecture from Lahore to Agra in Mughal period India are very strong, tangible remnants of those ties”. Even prior to that, in the 8th century, “the migration of the Zoroastrian people fleeing from persecution to western India”. They made India “the permanent home” to the world’s largest community known as the Parsis. The contemporary relationship between the two regional players marked by “continuous interactions in the fields of education, culture, commerce and energy, but also only periodic moments of cooperation that have not flourished to potential in long term thus far”. Shortly after Indian independence, India and Iran established formal foreign relations in 1950, but were not off to the best start.¹ During the early decades of the Cold War, a non-aligned India supported the Soviet Union while Iran, under Mohammad Reza Shah Pahlavi, aligned with the United States. Despite that, leaders and ministers from both countries did exchange visits, beginning with Shah Mohammed Reza Pahlavi’s tour of India in 1956. Prime Ministers Jawaharlal Nehru and Indira Gandhi also visited Iran and they received with honours. After the 1979 Islamic Revolution in Iran, “the relations remained strained as Iran backed Pakistan against India, while India supported Iraq” during the Iran–Iraq war in the 1980s. Following the end of the Cold War, however, bilateral relations between India and Iran improved in the 1990s. The US, which has considered the Shi’a Iran an adversary ever since 1979, has continued to be “an important factor in the development or diminishing of India-Iranian relations”. Following the September 11, 2001, the three countries “found themselves against the ruling Taliban” in Afghanistan.² In this connection, Iranian President Mohammad Khatami’s visit to India and signing of the “New Delhi Declaration” on January 25, 2003, which called upon the

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two states to “increase strategic collaboration in third countries” i.e. Afghanistan, was of special significance. Further, the US also grew closer to India, particularly in 2005, “following a breakthrough 2005 civilian nuclear energy deal under which it offered its cooperation to develop India’s civil nuclear facilities”. Meanwhile, the US led “an effort in the UN to impose international economic sanctions against Iran after it refused to suspend its uranium enrichment programme”. After that, India had pressured by the US “to curtail its purchases of Iranian crude oil, and to support the sanctions against Iran”. India’s votes at “the International Atomic Energy Agency (IAEA) against Iran in September 2005 and February 2006 immediately affected” India-Iran relations, with the latter cancelling “the agreement to supply India with Liquid Natural Gas and calling for a renegotiation of the deal”. In the backdrop of growing “US-India strategic partnership, closer security cooperation between US, Israel and India security in the regional” context and “deepening involvement of India with the occupation forces in Afghanistan, the relations of the two countries experienced a slide”. During his visit to Tehran in 2008, then External Affairs Minister Pranab Mukherjee overtly expressed “Indian realization of the changing regional context and emphasised” the need for both countries “to look at India-Iran relations afresh.”³

India and Iran: After the Nuclear Deal

After years of debates and discussions, the Islamic Republic of Iran freed from sanctions, which had imposed more than one decade ago, and therefore, the group P5+1 signed a nuclear deal with Tehran. On July 14, 2015, Iran and six world powers signed the agreement in exchange for limit its nuclear programme. The agreement allows Iran’s civil nuclear infrastructure to remain intact, sanctions against banks and exports to be lifted, and an arms embargo removed, to be replaced with five-year restrictions on arms buying. However, in return, it has been clearly stated, “under no circumstances will Iran ever seek, develop or acquire any nuclear weapons”.⁴ At the same time, Indian Foreign Ministry stated, “India has always maintained that the Iranian nuclear issue should be resolved peacefully through dialogue by respecting Iran’s right to peaceful uses of nuclear energy and the international community’s interest in the exclusively peaceful nature of Iran’s nuclear programme”. Nevertheless, India has given a clear signal to the Islamic Republic that it is planning to enter Tehran in a big way.⁵ For India, Iran’s nuclear deal brought some challenges and opportunities in its relations. Iran has prolonged hostility with the West and the subsequent sanctions on its economy had been inconvenient for India. While Iran was traditionally

India's second largest supplier of crude oil, economic sanctions on Iran since 2003 had forced India to look elsewhere primarily at Iraq, Kuwait, the UAE, and Saudi Arabia for its hydrocarbon requirements. The reopening of the Iranian market is set to increase competition among India, China and the West.⁶ Further, India welcomed the announcement of lifting of nuclear related sanctions against Iran on January 17, 2016. The Ministry of External Affairs statement went on to note that "India looked forward to further developing its longstanding, close and mutually beneficial economic cooperation with Iran, including in the spheres of energy and regional connectivity".⁷

Moreover, India is the world's fourth largest oil consumer and the second biggest buyer of Iranian oil after China. Nevertheless, India had to drastically cut down its imports from Tehran as a result of the sanctions in 2014-15, India bought just 10-11 million tons of crude oil from Iran. In 2009-10, crude imports from Iran stood at 21.2 million tons, which declined to 18.50 million tons in 2010-11, 18.11 million tons in 2011-12 and to 13.14 million tons in 2012-13. India settled some bills for crude oil purchases with Tehran in lieu of other exports such as basmati rice. India's basmati rice exports to Iran constitute around 25% of total value as well as volume of annual aromatic rice shipments.⁸ Furthermore, Iran's gas reserves, one of the world's largest, are important for India's gas starved power plants, which provide clean energy in a coal dependent country. Iran will offer Indian companies a slew of infrastructure projects, including developing a vital port that will allow access to central Asia and Afghanistan, bypassing hostile Pakistan; and a transport corridor into Russia. India's crude oil imports from Iran dropped to zero in March 2015 due to US pressure on New Delhi. However, it increased 65 per cent in May over the previous year. India's bilateral trade with Iran increased eight-fold between 2005-06 and 2011-12, from \$2 billion to \$16 billion, declining to \$13 billion in 2014-15.⁹ India's imports totaled US\$ 8.96 billion with exports totaling US\$ 4.17 billion in 2014-15. India gave its approval on April 6, 2016 for increasing the quantum of funds from US\$150 million to US\$ 450 million under the framework agreement between the EXIM Bank of India and a consortium of Iranian banks led by the Central Bank of Iran for financing the purchase of goods and services. The proposal provides for domiciling two contracts for export of steel rails for the Chabahar Port development.¹⁰ India and Iran had a bilateral trade of \$12.89 billion during the fiscal year 2016-17. India imported \$10.5 billion worth of goods, mainly crude oil, and exported to Iran commodities worth \$2.4 billion.¹¹

Further, the rapid advancements in under sea technology are opening up new fuel sources for India. There is new momentum for at least one major project that would link consumers in India to producers in the West Asia: the construction of an ultra-deepwater natural gas pipeline across the Arabian Sea, from Iran to India's west coast. This known as the SAGE pipeline (South Asia Gas Enterprises Ltd., the Indian company leading the project) or the trans-Arabian pipeline would be one of the longest and deepest oil or gas pipelines, running for 1400 kilo meters at depths of more than two miles underwater. Projected to cost \$ 4.5 billion, the new pipeline would bring 1.1 billion standard cubic feet of gas per day to India, roughly doubling the country's gas imports and bringing much needed energy to the country.¹² India, which today gets about 70 per cent of its electricity from coal, is desperately seeking cleaner sources of energy. Moreover, the undersea route would bypass the land route across Pakistan, which is India's antagonistic neighbor. The nuclear agreement definitely increases the chances of SAGE pipeline, which is being constructed on a fast track, for completion by 2018-19.¹³ Furthermore, India's Oil and Natural Gas Corporation Videsh (OVL) had discovered the Farzad-B gas field in the Arabian Gulf in 2008, which reserves of an estimated 12.8 trillion cubic feet. The 1,300 km-long pipeline will start from Chabahar in Iran and Ras Al-Jifan in Oman. After traversing the deep bed of the Arabian Sea and bypassing Pakistan, it will reach Porbandar in Gujarat. The project could also bring Turkmenistan gas to India through a swap arrangement with Iran from a gas field in the Arabian Sea. Iran's President Hassan Rouhani has offered India an opportunity to invest in infrastructure and connectivity projects worth \$8 billion.¹⁴ The visit by Iranian foreign Minister Mohammad Javad Zarif to India in August 2015 was the first by a high-ranking Iranian official after the nuclear deal indicating Iranian interests in renewing engagements with India. It also provides India an opportunity to sell Iran gasoline, as it continued to do till 2009. India was a source of 40 per cent of gasoline for Iran worth approximately US \$1 billion, a share that dropped significantly after additional sanctions imposed on Iran. The low oil prices after the nuclear deal along with the possible resumption in refined petroleum might thus boost India's energy market.¹⁵ In addition, India has signed an air services agreement with Iran enhancing the number of flights between the two nations and allowing each other's airlines to operate to additional destinations. The two sides have also inked a memorandum of understanding that aimed at increasing bilateral trade to \$30 billion from \$15 billion.¹⁶ Plans are afoot for greater maritime cooperation, and Iran has already joined the Indian Navy's annual initiative, the Indian Ocean Naval Symposium, which provides a forum for the navies

of the Indian Ocean littoral states to engage with each other. India has been trying to strike a balance between preserving its strategic interests and adhering to its global obligations and to push forth with a more purposeful engagement.¹⁷

Modi's Tehran Visit

During the PM Modi's visit to Tehran in May 2016, the Indians received rights to operate the Farzad B gas field. For Iran to give the Indians operating rights would enable a tight strategic partnership between one of the world's biggest energy exporters and one of the biggest energy importers. From Iran's perspective, making a country like India a stakeholder in its economy is equal to securing political insurance. However, Iran's agenda with India is much bigger than just one gas field. Back in May 2016, 12 agreements signed between Modi and Rouhani and the biggest deal was a \$500 million commitment by India to develop the Chabahar Port, Iran's only deep-water port on the Indian Ocean.¹⁸ Ali Akbar Velayati believes that Iran and India could use their capacities to develop bilateral ties to address regional crises; "with cultural affinities between Iran and India, bilateral ties would be developed more than the current levels and would help international and regional peace".¹⁹ During the visit, India, Afghanistan and Iran also signed a trilateral connectivity pact; PM Modi stated that, "It is a new foundation of convergence between our three nations. The corridor would spur unhindered flow of commerce throughout the region. Inflow of capital and technology could lead to new industrial infrastructure in Chabahar."²⁰ This would include gas-based fertilizer plants, petrochemicals, pharmaceuticals and IT". In this context, one of the key pacts signed was India's participation in the creation of a railway line linking Chabahar with Zaranj in Afghanistan. Through this line, India would get access to four key Afghan cities like Kandahar, Kabul, Mazar-e-Sharif and Herat. This would help India bypass Pakistan, which has refused to make India part of the Afghanistan Pakistan Transit Trade Agreement.²¹ On November 1, 2016 that after much delay, India has finally paid Iran \$6 billion in outstanding debt that was for oil imports, which Delhi could not pay due to global sanctions on Tehran. Meanwhile, it also emerged that an Indian bank, one of only three foreign banks (the others from Oman and South Korea), to open a branch in Iran. Further, Air India has announced that it will re-launch direct flights to Tehran from Delhi and the last direct flight service between the two countries had ended in 1994. Therefore, potential for closer ties between India and Iran runs much deeper in fact; both have long eyed each other

as befitting strategic partners that together can link up the subcontinent and West Asia in ways unseen before.²²

Rouhani's India Visit

Hassan Rouhani, President of the Islamic Republic of Iran, paid his first state visit to India at the invitation of PM Narendra Modi, from 15-17 February 2018. During the visit, President Rouhani had accompanied by “a high-level delegation comprising Cabinet Ministers, senior officials and business leaders. Wide-ranging and constructive discussions on bilateral, regional and multilateral issues were discussed in a cordial atmosphere”. The two sides expressed satisfaction at “the progress made in bilateral ties since PM Modi’s visit to Iran in May 2016 and reiterated their common resolve to further intensify and strengthen multifaceted bilateral cooperation”. They shared the common view that “strengthened bilateral relations also contribute to regional cooperation, peace, prosperity and stability”.²³ Moreover, PM Modi and President Rouhani exchanged the following documents in following fields:

- Agreement on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income,
- Exemption from Visa requirement for holders of Diplomatic Passports,
- Instrument of Ratification of Extradition Treaty,
- Cooperation in the field of Traditional Systems of Medicine,
- The establishment of an Expert Group on Trade Remedy Measures to promote cooperation in areas of mutual interest,
- Cooperation in the field of Agriculture and Allied Sectors,
- Cooperation in the field of Health and Medicine, Postal Cooperation,
- Lease Contract for Shahid Beheshti Port-Phase 1 of Chabahar during Interim Period between Port and Maritime Organization (PMO), Iran and India Ports Global Limited (IPGL).²⁴

Both the leaders also welcomed the growing interaction between their National Security Councils and agreed to enhance regular and institutionalized consultations between them. They have shared common concern on “terrorism, security and related issues such as organised crime, money-laundering, drug trafficking and cyber crime”. The two sides positively reached to “the implementation of the bilateral agreement on transfer of sentenced persons; the Extradition Treaty and understanding reached on Mutual Legal Assistance

Treaty on Civil and Commercial Matters". They also welcomed bilateral cooperation as per "mutual interest and agreement in a number of other areas, including higher education, science and technology, agriculture, labour and entrepreneurship, tourism, posts through regular interaction and institutional mechanisms, and directed relevant authorities to work out further details". Recognizing the "challenges of terrorism and ideologies of violent extremism, the two leaders reiterated their strong commitment to combat terrorism in all its forms and manifestations, and stressed that there can be no justification whatsoever for any act of terrorism".²⁵ They expressed their conviction that "the fight against terrorism should not only seek to disrupt and eliminate terrorists, or terrorist organizations and networks, but also identify and address conditions conducive to terrorism as well as extremist ideologies". They stressed that "terrorism cannot and should not be associated with any religion, nationality or ethnic group". They urged "an immediate end to all support and sanctuaries enjoyed by terrorist groups and individuals". They were of the view that "those states support terrorism directly or indirectly should be condemned". They called on the international community to "end selective or partial approaches to combating terrorism and stressed the need to make every effort to reach an agreement on and conclude a comprehensive convention on international terrorism" at the UNGA. Both sides endorsed "UNGA consensual resolution in 2013 derived from the idea" of Iran's President "World Against Violence and Extremism (WAVE) and called for combating terrorist elements and complete eradication of their supportive movements, financial support cut to terrorist groups in particular". India reaffirmed its support for "effective implementation of the Joint Comprehensive Plan of Action (JCPOA), which endorsed by the UN Security Council and it is crucial contribution to the non-proliferation framework and international peace, stability and security".²⁶

Therefore, President Rouhani's recent visit to India has strengthened the prospects of India-Iran relations. The two leaders also met in Ufa in 2015 on the sidelines of BRICS/SCO meeting. The development of Chabahar Port is the focus of Indo-Iranian cooperation. The Iranians have already made Chabahar Port functional. Unfortunately, due to bureaucratic laziness on both sides, the construction of a Chabahar Port terminal by India has not begun. Indian credit of \$150 million has still to be released. India is learning to "engage with the complex geopolitics of West Asia by focusing on geoeconomics". Rouhani's visit came after "the recent visit of PM Benjamin Netanyahu of Israel to India and PM Modi's successful visit

to Palestine, UAE and Oman”.²⁷ Iran has no issues with “the diversification of India’s linkages in West Asia, however, Iran would like to see India on its side, or at least to be neutral, in its confrontation with the US, Israel and Saudi Arabia”. Similarly, India would also like Iran to “appreciate its concerns on Pakistan supported cross-border terrorism and provide connectivity to Afghanistan, Central Asia, Caucasus and Russia”. Connectivity through Iran is critical for India. Iran is increasingly becoming “an important factor in India’s Afghan policy”. An example was the passage of one million tonnes of Indian wheat to Afghanistan through Iran’s Chabahar port, bypassing Pakistan. The operationalisation of “the Chabahar Port will give a boost to the trilateral cooperation between Iran, India and Afghanistan”. The joining of India with ‘the Ashgabat agreement between Oman, Iran, Turkmenistan, Kazakhstan and Uzbekistan will help India to connect with Central Asia’. India could begin by starting a shipping line to Chabahar. This will boost traffic through Chabahar to Afghanistan and Central Asia. Nevertheless, the progress of India-Iran relationship over the last 20 years has been slow and tortuous.²⁸ India and Iran are moving “slowly and steadily to overcome all hurdles to convert the International North-South Transport Corridor (INSTC) into a bigger economic corridor with better prospects and potential than the China Pakistan Economic Corridor (CPEC)”. During the Rouhani’s visit, among the agreements signed, the most important was “the lease contract for one berth, multipurpose and container terminal at Shahid Beheshti Port-Phase 1 of Chabahar for 18 months”, between Port and Maritime Organisation (PMO) of Iran and India Ports Global Limited (IPGL).²⁹ IPGL will now begin full operations immediately, using “one existing spare berth after installing additional equipment at terminal one, four more berths will be also constructed at terminal 1 and 2 in phases with an investment of US \$150 million after taking them on lease for ten years”. Scholars in New Delhi want Chabahar Port to become “the major point for an economic corridor from India-Arabian sea-Iran-Afghanistan-Central Asia to Europe and become a better alternative to Gwadar Port just 75 km away in Pakistan at the starting point of US \$62 billion CPEC China Pakistan Economic corridor from the Arabian sea”.³⁰ The Chabahar Port shares India-Iran common objectives, including ending Afghanistan’s dependence on Karachi Port and integrating Afghanistan with their economies. Chabahar, lying outside the Persian Gulf and thus relatively safe from a hostile blockade, is Iran’s gateway to the Gulf of Oman and the Indian Ocean. Developing Chabahar allows Iran not only to receive larger ships but also to boost its energy and other exports. It was only after the US-Iran nuclear deal eased decade-long international sanctions on Tehran that Chabahar’s

expansion could begin in earnest. In 2016, India signed a \$500-million agreement to develop two terminals — a multipurpose cargo terminal and a container terminal — in Chabahar, as part of a trilateral pact with Afghanistan and Iran. Since then, work has progressed considerably. The initial expansion of Chabahar inaugurated this year, with Iran leasing operational control of the port has first completed phase to India for 18 months. Chellaney³¹

India, Iran and Afghanistan

India well knows regarding the strategic location of the Islamic Republic of Iran and its geopolitical importance for its future interests in the region, and Iran could be another alternate option of Pakistan to secure its interests in Afghanistan. India and Iran, both nations have cordial relations with Afghanistan and are counted as reliable allies. Afghanistan has also started considering the option of long-term cooperation with India and Iran. Afghanistan considers India as it has “most trusted ally and an all-weather friend” and Iran is a part of its political and cultural history. Both countries enjoy cordial bilateral relations and share similar interests and concerns about Afghanistan.³² In this context, Iran has an opportunity to open a way toward Afghanistan, exploiting its past historical linkages and build a new partnership of mutual growth and prosperity. In addition, Afghanistan’s border management with Iran has always been better as compared to with Pakistan. While Afghanistan’s border with Pakistan has been notoriously porous and has facilitated easy infiltration of terrorists, its Iranian border has been stable and peaceful for most part.³³ Iran is also in the process of linking Afghanistan to the Iranian Port of Chabahar, which will provide access to maritime routes and reduce Kabul’s dependence on Pakistan. Iran and India share good relations and are likely to see greater bilateral engagements in the coming years. Both countries acknowledge that their national interests will serve with a politically stable and secure Afghanistan. These common concerns and interests could be a major source motivation for Iran’s outreach towards Afghanistan in coordination with India.³⁴

Chabahar Port of Iran

Chabahar Port is located almost 75 kilometers from Pakistan’s Gwadar Port. It holds immense strategic and economic significance for India and it has already spent about US\$ 100 million to construct a 218 km long road from Delaram in western Afghanistan to Zaranj in the Iran-Afghan border to link up with Chabahar Port. India wants to build the port, as it would significantly reduce transport costs and freight time to Central Asia and the Arabian

Gulf. The port is also central to India's efforts to circumvent Pakistan and open up a route to land-locked Afghanistan with which it has developed close political and economic ties.³⁵ The Chabahar Port is in the interest of everyone, especially Afghanistan, whose only access now is through Pakistan hence subject to the variations of Afghan-Pakistan relations. Fully developed Chabahar Port would lower land-locked Afghanistan's dependence on Pakistani ports for assured access to the sea. As Pakistan does not allow transit facility from India to Afghanistan, access to the port and its surrounding free trade zone is more crucial for the land-locked country.³⁶ Moreover, China is taking over Pakistan's Gwadar Port; therefore, India is worried and imparted urgency to opening alternative route to Afghanistan. The strategic location of Gwadar, 180 km from the mouth of the Straits of Hormuz, offers Pakistan a chance to take control over the world energy jugular and interdiction of Indian tankers but Chabahar Port, being closer to Straits of Hormuz by another 76 km, neutralizes that advantage of Pakistan. It provides a window of opportunity for India to bolster its trade with all Central Asia neighbors, Europe and Russia.³⁷ Therefore, New Delhi and Tehran value the Chabahar Port as a means to improve their geopolitical leverage *vis a vis* Pakistan and pursue their common interest in providing Afghanistan and Central Asia alternative routes to the Indian Ocean.³⁸ Tehran regards the Gwadar project as undermines Iran's position as the gateway to Central Asia and decided to develop Chabahar, which is located not too far to the West from Gwadar. New Delhi, which long bothered at Pakistan's refusal to provide overland access to Afghanistan, viewed the Chabahar Port as a credible alternative to gaining physical access to Afghanistan. Land-locked Kabul also welcomed the project as a way to ease its strategic dependence on Islamabad. The hopes for normalization of trade relations between Afghanistan and Pakistan have begun to evaporate. There is little prospect that Islamabad will agree to trilateral economic integration with India and Afghanistan.³⁹ Nitin Gadkari, the Minister for Shipping and Road Transport & Highways, visited Teheran on May 6, 2015 to sign a MoU worth US\$ 195 million for the development of Chabahar Port. Indian efforts aimed at "significantly enhancing Afghanistan's overall connectivity to regional and global markets, and providing a boost to the ongoing reconstruction and humanitarian efforts in the country".⁴⁰ Apart from India and Iran, the Afghan leadership regards the Chabahar route as a more reliable alternative that would reduce dependence on Pakistan. Ghani and Modi pledged to work closely with Iran to make the Chabahar Port a reality, and develop it as a viable gateway to Afghanistan and Central Asia. They have agreed to provide a major impetus to Afghanistan's economic reconstruction efforts.⁴¹ However, India has much

progressed on the Chabahar front as part of its overall policy to bypass Pakistan and access Afghanistan. It did build the Zaranj-Delaram highway in 2009 to connect with the 2,200-kilometer two-lane road network, known as the Garland road, circulating inside Afghanistan, connecting major cities in the country. India spent about US\$ 6 billion to build this connecting highway.⁴² Moreover, PM Modi has intended to re-enter the scene with a fresh determination to pursue its strategic interest, and look forward to regenerating warmth in its relationship with Iran. Given the unpredictability of Pakistani behavior and the latter's continued romance with radical elements, the transit route through Pakistan to Afghanistan is likely to remain as vulnerable as it is today. Therefore, the strategic importance of Chabahar route, India has to play a critical role in developing and thereby realizing the full potential of Chabahar Port, which will significantly boost its image as a proactive regional power that is building such critical infrastructure not only to maximize its financial and strategic gains but also to propel regional growth and prosperity.⁴³

The Challenges Ahead

Moreover, India has maintained relations with every country in the West Asia region. Its direct interests and connections with the Gulf Cooperation Council (GCC) countries and Israel, in many ways, are broader and deeper than those with Iran. India will continue to try to balance these relationships, hoping that the deal will create more diplomatic space for New Delhi.⁴⁴ However, it will not be easy for India to make inroads into Iran. First, over the years India's closeness with two archrivals of Iran, Saudi Arabia and Israel, has created many problems between the two old friends. It would require some kind of Herculean efforts to simultaneously balance two complex triangles with New Delhi and Tehran at two ends, Tel Aviv, and Riyadh at other two ends. Second and even more important is China factor. Undoubtedly, China is much a bigger player than India. It has already pushed a high-speed rail project from Tehran to Isfahan that India will find very difficult to match.⁴⁵

The signing of the Chabahar agreement drew a lot of criticism some scholars argue that India has not been successful in implementing foreign projects and does not have serious interests to make the Chabahar port operational. They add that India is mostly trying to create balance against Pakistan and China due to what is going on in Pakistan's Gwadar port, and is trying to boost its influence in the face of regional rivals. On the contrary, Iran has not given full rights of this project to India, and it has invited other regional and even trans-regional countries to invest in this project. Iran's president Rouhani declared the fact that this project is open to

other countries.⁴⁶ Moreover, Iran is extremely shrewd and works tactically and often brutally to diminish compromises in diplomacy against not what it needs, but what it wants. Another aspect of diplomacy, which cannot be discounted in the context of Chabahar, is China. Tehran has said that both Islamabad and Beijing are welcome to take part in the development of Chabahar. More than China, for Iran, maintaining good relations with Pakistan is also proving to be of the utmost importance and will be factored into the India dynamic as well, albeit not very overtly. Nevertheless, it will come into play in how India sees the Chabahar project. New Delhi should be prepared to play this game just like the Iranians do. In fact, this will be to the benefit of both countries.⁴⁷ US President Donald Trump scrapped the Iran-US nuclear deal on 8 May 2018 signed by his predecessor Barack Obama. Now, the US re-imposing sanctions on Iran, but, New Delhi is in a tricky position vis-à-vis Tehran. US sanctions on Iran will lead to oil prices skyrocketing, which will hit India.⁴⁸ India's External Affairs Minister Sushma Swaraj stated that her country will not accept sanctions imposed by the US. "Our foreign policy is not made under pressure from other countries. We recognise UN sanctions and not country-specific sanctions. We didn't follow US sanctions on previous occasions either". Trump's withdrawal from the nuclear deal is a major setback for India's Prime Minister, Narendra Modi. Iran has been a major source of oil for Delhi, which requires uninterrupted supply of energy to meet its goal of bringing electricity to 300 million Indians living in rural parts of the country.⁴⁹

Conclusion

In the 21st century, Asia will be the focal point of the global power politics and India will be one of the significant players in the regional affairs. Since, India is trying hard to become a global power, and therefore, India's foreign policy has taken significant changes at regional as well as international levels. From Indian point of view, Iran's geo-political location and its proximity with Afghanistan and Central Asia provides ample opportunities for Indian national interests. Therefore, India cannot ignore the geo-political interests and the abundant hydrocarbon resources of Central Asia. For India, Iran's Chabahar Port brings an ideal counter to Pakistan's Gwadar Port and China-Pakistan Economic Corridor (CPEC) to make comprehensive communication with the Central Asian states. Recently, Iranian President Hassan Rouhani visited India that showed some warmth in India-Iran relations, still, the future of both looks not so durable in the coming years. Due to rising tensions between Iran and US, therefore, India and Iran will certainly face critical challenges at the regional as well

as global levels. Because, India and Iran both have different ideological inclinations, they will have to choose their global partners accordingly, and where India will go with the United States and Iran will choose Russia and China against America. Scholars have argued that, the new-Cold War has started between China, Russia and USA at the global level. The allies of these global powers have also started visible in the global political equation at the regional level. In future, there is quite possibility that Iran, Syria, Russia, China and Pakistan will make a strong nexus in the West Asia region. To counter, the US, Israel, Turkey, Saudi Arabia and the like will join. Therefore, at that time, it would be very difficult for India to make a balanced foreign policy towards the regional states of West Asia. Moreover, at the regional level, Iran-Pakistan relations are also a serious concern for India especially when Iran sees China's economic opportunities in Pakistan. Iran has also invited China and Pakistan to connect with the Chahbahar Port. Further, on the Kashmir issue, Iran has also categorically supported Pakistan against India's position. Today the entire West Asia region are being divided between the two hostile camps where, on the one side, all Sunni States including America and Israel, and on the other, Shi'a countries including Russia and China. In this scenario, India will have to take very conscious move to safeguard its national interests in the region. Almost 8 million Indian people are working in this region, their safety and security is a prime concern for the government of India. The GCC countries also provide our energy requirements, and rising India will have to ensure its continuous supply from the region. For India, it would be very difficult to make relations with Iran at the cost of the GCC countries. India will have to maintain its relations with the Arab countries rather than Iran. Moreover, Tehran must also understand India's growing constraints in the coming future. Besides that, India has geo-political interests in the region, for instance, to secure maritime interests, India must develop its broad security structure in the region.

End Notes:

¹ See the Indian Express, “Indo-Iran relations down the ages: Blow hot, blow cold”, 15 February 2018, <http://indianexpress.com/article/research/indo-iran-relations-down-the-ages-blow-hot-blow-cold-5065427/>

² Ibid.,

³ Ibid.,

⁴ Joardar, Ranu (2015), “Implications of Iran’s nuclear deal”, *The Pioneer*, 26 July 2015

⁵ Alam, Monavvar (2015), “India-Iran ties at a crossroad of history after nuclear deal”, *World bulletin News*, <http://www.worldbulletin.net/news-analysis/163124/india-iran-ties-at-a-crossroad-of-history-after-nuclear-deal>

⁶ Joardar, Ranu (2015), “Implications of Iran’s nuclear deal”, *The Pioneer*, 26 July 2015

⁷ Ganapathi, M. (2016), “Think West in India's Foreign Policy”, <http://www.mea.gov.in/distinguished-lectures-detail.htm?492>

⁸ Saikia, Siddhartha P (2015), “Iran nuclear deal: India looks to clear \$6.5-bn crude oil bills”, <http://www.financialexpress.com/article/economy/iran-nuclear-deal-india-looks-to-clear-6-5-bn-crude-oil-bills/104583/>

⁹ Mallapur, Chaitanya (2015), “How Iran's nuclear deal could benefit India”, *The Economic Times*, http://articles.economictimes.indiatimes.com/2015-08-14/news/65525065_1_india-and-iran-iranian-oil-foreign-minister-javad-zarif

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¹³ Mallapur, Chaitanya (2015), “How Iran's nuclear deal could benefit India”, *The Economic Times*, http://articles.economictimes.indiatimes.com/2015-08-14/news/65525065_1_india-and-iran-iranian-oil-foreign-minister-javad-zarif

¹⁴ Ibid.,

¹⁵Mallya, Sameer (2015), "Iran Nuclear Deal: A Mixed Blessing for India", *Centre for Land Warfare Studies*, <http://www.claws.in/1424/iran-nuclear-deal-a-mixed-blessing-for-india-sameer-mallya.html>

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