

Rafale Deal: Supreme Court Ruling

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Why in news?

Supreme Court rejected the Public Interest Litigation pleas for Rafale deal probe.

What is the Rafale deal?

- In September 2016, India and France signed a €7.87 billion Intergovernmental Agreement (IGA) for 36 Rafale multi-role fighter jets in fly-away condition.
- Among other things, the deal also has a 50% offset clause to be executed by Dassault Aviation and its partners in partnership with Indian companies.
- The basic cost of the aircraft is about Rs.680 crore.
- There are also India-specific aircraft modifications.

What is the political controversy?

- The Congress claims that this deal is very expensive and without any technology transfer.
- The party implied that it would benefit the Anil Ambani group that was selected by Dassault to execute part of the offset contract.
- Former French President Mr. Hollande was reported to have said the French government had no option in the choice of an Indian Offset Partner (IOP).
- The Defence Minister has asserted that no procedure has been violated.
- It is a government-to-government deal approved by the Cabinet Committee on Security.
- The offset deal was one between two companies and the government had no role in it.
- In turn, the Congress has asked the government for the cost break-up in comparison with the earlier deal.
- The Minister has refused to share “classified information”, citing the 2008 France-India security agreement.
- In 2008, under the UPA government, India and France signed a general security agreement concerning “the protection of classified information and material in the field of defense.”

Clean chit

The Supreme Court has rejected petitions seeking a probe into the purchase of 36 Rafale fighter jets from France. A look at how the case played out in the court:

March 13, 2018: A PIL filed in the court seeks a probe into the Rafale purchase deal

September 5: The court agrees to hear a PIL seeking a stay on the deal

October 8: SC agrees to hear on October 10 a fresh PIL which asked the Centre to file in a "sealed cover" the details of the deal

October 10: SC asks Centre to provide details of the Rafale deal in a sealed cover

October 24: Yashwant Sinha, Arun Shourie and Prashant Bhushan move the Supreme Court, seeking the registration of an FIR

Nov. 12: Centre places price details of Rafale aircraft in a sealed cover before the SC

November 14: SC reserves order on the pleas seeking a court-monitored probe

December 14: SC dismisses all the petitions seeking direction to the CBI to file an FIR for "irregularities" in the deal



What were the observations made by the Supreme Court in this case?

- The Bench led by Justice Rajan Gogoi said there was no occasion to doubt the decision-making process in the multi-billion dollar deal.
- The Supreme Court refused to embark on a "fishing enquiry" into the deal to procure 36 Rafale fighter jets merely on the basis of PIL petitions spurred by a media interview of former French President Francois Hollande and reports of favoritism.
- The Bench said the court lacked the technical expertise to examine issues such as pricing and the choice of offset partners.
- Justice Gogoi cited national security concerns to say it could not step into issues such as defence contracts and procurements.
- The apex court said it is not the job of the court to deal with the comparative details of the pricing.

Petitioners' allegations	Court's view
Decision-making in the Rafale deal was flawed	No occasion to really doubt the process
There was difference in price compared to the original deal	Not the court's job to compare prices
Govt was biased for Indian offset partner	Not within court's experience to step into it

Source: The Hindu, Business Standard