Rafale Deal: Supreme Court Ruling

Click here to know about the deal and the controversy around the deal

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.”

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.

Source: The Hindu, Business Standard

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