

## 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	<b>No occasion to really doubt the process</b>
There was difference in price compared to the original deal	<b>Not the court's job to compare prices</b>
Govt was biased for Indian offset partner	<b>Not within court's experience to step into it</b>

**Source: The Hindu, Business Standard**

