

# “Black Money” and India’s President Modi’s Rotten Deal for France’s Rafale Jets Might be His Downfall

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*The Indian leader who established a reputation for himself as a fearsome fighter against so-called “black money” might see his political downfall brought about by a fast-moving corruption scandal that reportedly implicates him in the illegal transfer of billions of dollars of foreign funds to one of his cronies.*

Indian Prime Minister Modi has been implicated in a multibillion-dollar “black money” scandal after none other than former French President Hollande recently [told](#) reporters that one of his country’s leading defense firms had no choice but to conclude an over \$8 billion warplane deal with a preassigned Indian partner who just so happens to be one of Modi’s chief sycophants. The two countries reached an agreement in 2015 for France to provide 36 Rafale jets to India, but questions almost immediately began to swirl after it was discovered that Dassault decided to partner with Ambani instead of Hindustan Aeronautics Limited (HAL) like practically everyone expected it to. In order to understand why this is so scandalous, a bit of background information needs to be explained.

France24 published an excellent report about this last month titled “[French Rafale jets deal sparks political storm in India](#)” and from which the following summary is based. Basically, the deal was suspicious from the get-go because it didn’t follow Modi’s famous “Make In India” policy of demanding domestic production as part of all major foreign deals, with France instead agreeing to “offset” (in Indian political-legal parlance) its commitment by reinvesting half of the price of the deal into the Indian defense industry afterwards. **Anil Ambani**, the owner of the Reliance group and one of India’s richest men who never shied away from displaying his almost over-the-top public affection for Modi, ‘coincidentally’ created his company’s first-ever defense subsidiary less than two weeks before the Rafale deal was signed.

None of Ambani’s companies had any previous experience in building warplanes, unlike HAL, yet “Reliance Defence” was ‘[selected](#)’ by Dassault as the recipient of the funds (half of the over \$8 billion contract) that it agreed to reinvest into the Indian defence industry. It’s since been revealed by former President Hollande that

“We did not have a say in this. It was the Indian government that proposed this service group, and Dassault negotiated with Ambani. We did not have a choice. We took the interlocutor that was given to us.”

The opposition Congress party [jumped](#) on this new information to demand that an investigation be commenced on national security ground, arguing that Modi jeopardized his country’s security by forcing France to reinvest billions of dollars into an inexperienced

company owned by one of his cronies.

The hypocritical stench of “black money” corruption is everywhere, made all the more repugnant by the fact that Modi railed for years against “crony capitalism” and the illegal procurement of money yet supposedly had no problem rewarding one of his chief sycophants’ newly created companies with billions of dollars of foreign funds that should have instead been reinvested in a much more experienced company better suited to advancing India’s national security interests. This scandal has the chance of toppling his premiership if it’s proven in the court of law that he passively knew what was happening or even played some degree of an active role in knowingly facilitating it. Even barring a criminal conviction, this embarrassing episode runs the risk of ruining Modi’s domestic reputation as an “anti-corruption reformer” and hurting the BJP’s future electoral prospects.

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