

DAC NOD FOR BUILDING 6 CONVENTIONAL SUBMARINES

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Fire power: A file photo of INS Khanderi undergoing trials. As per the Navy's requirements, the submarines should be able to fire land attack cruise missiles. **Special Arrangement**

The Defence Acquisition Council (DAC), headed by Defence Minister Rajnath Singh, on Friday approved the issuance of a Request For Proposal (RFP) for the construction of six conventional submarines under Project-75I at an estimated cost of Rs. 43,000 crore.

At a meeting, it also approved the procurement of air defence guns and ammunition for the Army at an approximate cost of Rs. 6,000 crore.

"This is a landmark approval, being the first case processed under the Strategic Partnership (SP) model. This would be one of the largest 'Make in India' projects and it will create a tiered industrial ecosystem for submarine construction in India," Mr. Singh said on Twitter on the submarine deal.

With this approval, India would be enabled to achieve its 30-year submarine construction programme envisioned by the government to acquire national competence in their building and for Indian industry to independently design and construct them, he noted.

The SP model of the Defence Procurement Procedure (DPP) aims to promote the role of Indian industry in manufacturing and build a domestic defence industrial ecosystem.

MDL, L&T shortlisted

The RFP is expected to be issued in the next couple of months, a defence official said. It would take at least two to three years for the deal to be concluded, and given the high technology and the long timelines, the cost would be spread over many years, a defence official added.

Last January, the DAC shortlisted Mazagon Docks Limited (MDL) and Larsen & Toubro (L&T) as the Indian partners for the deal. The Navy will now issue the RFP to them, who would respond to it in partnership with a foreign Original Equipment Manufacturer (OEM).

As per the Navy's requirements, the submarines, all of which will be built in India, should be equipped with Air Independent propulsion (AIP) modules and be able to fire land attack cruise missiles.

Five foreign OEMs- Daewoo Shipbuilding & Marine Engineering (DSME) (South Korea), Naval Group (France), Navantia (Spain), Rosoboronexport (Russia) and TKMS (Germany), have been selected.

The delay in the deal was the extra caution at each step of the process as this was being done for the first time, officials had said.

The modernisation of the Army's air defence guns has been a long pending proposal and the DAC accorded approval for the procurement of the guns and ammunition under the Buy & Make (Indian) category of the procurement procedure.

The Defence Ministry said that responses from about a dozen Indian companies had been received and “all of them have expressed their willingness and commitment to manufacture this complex gun system and associated equipment by ensuring technology assimilation in India.”

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