



Memorandum of Understanding

This **Memorandum of Understanding ("MOU")** is entered into 8th day of January 2023.

BY & BETWEEN

(I) **INDIAN COAST GUARD, NEW DELHI**, an Armed Force of the Union, under the Ministry of Defence, Government of India with its address at Coast Guard Headquarters, National Stadium Complex, New Delhi - 110001, India ("**ICG**")

and

(II) **STEEL AUTHORITY OF INDIA LIMITED**, a Company duly incorporated and existing under the laws of India with its registered office located at IspatBhawan, Lodi Road, New Delhi - 110003, India ("**SAIL**");

PREAMBLE

ICG and SAIL may be referred to hereinafter collectively, as the "**parties**" and, individually as a "**Party.**"

WHEREAS, ICG is an Armed Force of the Union for ensuring the security of the maritime zones of India with a view to the protection of maritime and other national interests in such zones. It is administered by the Ministry of Defence, Government of India. The duties and function of ICG include following:-

- (a) ensuring the safety and protection of artificial islands, offshore terminals, installations and other structures and devices in any maritime zone;
- (b) providing protection to fishermen including assistance to them at sea while in distress;
- (c) taking such measures as are necessary to preserve and protect the maritime environment and to prevent and control marine pollution;
- (d) assisting the customs and other authorities in antismuggling operations;

(e) enforcing the provisions of such enactments as are for the time being in force in the maritime zones; and

(f) such other matters, including measures for the safety of life and property at sea and collection of scientific data, as may be prescribed.

AND WHEREAS SAIL is the leading steel-making company in India. It is a fully integrated iron and steel maker, producing both basic and special steels with leading position in India in the market segments of construction, engineering, power, railway, automotive and defense industries. SAIL is one of the Maharatnas of the country's Central Public Sector Enterprises.

PURPOSE

NOW THEREFORE, the Parties agree to the following:

1. Requirement of Steel Sheets / Plates / any other product in SAIL's manufacturing range [including through SAIL processing units using SAIL raw materials] to be procured for construction of ICG ships by Indian Shipyards (DPSU/PSU/CPSE/Private): SAIL assures ICG to meet the requirements. SAIL intends to supply them from its existing plants to the Shipyards in line with "Make in India" initiative of the Government of India. SAIL also intends to seek /renew Certifications, wherever required, to cater to the requirements to be procured by ICG's vendor Shipyards. The requirement to be covered is mentioned in **Annexure - I**.
2. SAIL & ICG may also explore joint development of new grades of steel to meet the current and future requirements.
3. SAIL shall strive to service the requirement of ICG which may currently be imported. For the material which is not within SAIL's current capability, SAIL shall explore possibility of up-gradation of production line considering the product demand.
4. SAIL shall strive to meet the requirement of ICG's vendor Shipyards as per the mutually agreed delivery schedule.
5. SAIL also offers the Shipyards involved in construction of ICG Ships the facility to enter into a separate Memorandum of Understanding [MOU] with SAIL for the Steel Plates and Sheets requirements [as per the provisions of Order Booking Policy for Projects / Construction Companies / Government Departments]. Under it, the Shipyards shall be able to avail firm price with price validity period, priority in supplies, interest-free credit facility, and Turnover Discount [TOD], among other

benefits. The MOU terms and conditions are reviewed annually, and may vary from time to time.

SCOPE

1. **This Memorandum of Understanding (MOU) is based on mutual intent, non-binding in nature and not legally enforceable.**
2. Any additions, amendments, modifications and variations to this MOU may be effected if it is agreed in writing and signed by the duly authorized representatives of the Parties.
3. **Effective Duration.** This understanding is for a period of **two [2] years** with effect from the date of entering the MoU.
4. Fresh MOU on mutually agreed terms can be signed with effect from the date after the aforementioned period of two [2] years get over.
5. The Annexure - I shall be updated periodically based on any changes in the contents thereof / capabilities of the Plant[s].

The Parties have signed this MOU on the date first above written.

Annexure 'A'

Certification [available / capable]	Thickness [mm]	Width[s] [mm]	Lengths [mm]	Preferred Width [mm]	Preferred Length [mm]	Plants	Mill
IRS Grade A IRS Grade AH-36	3.15, 4	1250	2500, 3600, 4000	1250	2500	Bokaro	HSM
IRS Grade A IRS Grade AH-36	5 - 10	1250, 1500	5000 - 10000	To be indicated later	To be indicated later	Bokaro	HSM
IRS Grade A IRS Grade AH-36	12 - 32	2500	12000	To be indicated later	To be indicated later	Bhilai	PM
IRS Grade A IRS Grade AH-36	36 - 40	2500	10000	To be indicated later	To be indicated later	Bhilai	PM
IRS Grade A IRS Grade AH-36	45 - 50	2500	8000	To be indicated later	To be indicated later	Bhilai	PM
IRS Grade A IRS Grade AH-36	5 - 7	1250, 1500	6000 - 12500	To be indicated later	To be indicated later	Rourkela	HSM
IRS Grade A IRS Grade AH-36	8 - 9	1250, 1500, 1800	6000 - 12500	To be indicated later	To be indicated later	Rourkela	HSM
IRS Grade A IRS Grade AH-36	10 -16	1250, 1500, 1800, 2000	6000 - 12500	To be indicated later	To be indicated later	Rourkela	HSM
IRS Grade A IRS Grade AH-36	12 - 14	2500	8000 - 12000	To be indicated later	To be indicated later	Rourkela	NPM
IRS Grade A IRS Grade AH-36	16 - 18	2000 - 3000	8000 - 12000	To be indicated later	To be indicated later	Rourkela	NPM
IRS Grade A IRS Grade AH-36	20 - 50	2000 - 3000	6000 - 12000	To be indicated later	To be indicated later	Rourkela	NPM

Note:

- a. SAIL shall provide any of the equivalent classification[s]: IRS / ABS / LRS / DNV.
- b. S275JR grade is also feasible at our Plant[s]. However, as it is European Specification, for indigenous [inside country] sales / use, this can be supplied in dual certified grade along with IS2062 E275BR / E250BR etc.

Indicative Minimum Order Quantities [MOQ] / Multiples

In one Thickness x Width x Length	25 - 30 mt
In one grade	100 - 250 mt

Indicative Lead Time for Supply Two - Four months from the date of order

Other Requirement[s]

- a. Marking
 - For HSM [Hot Strip Mill] route materials, the top sheet of the packet shall have Heat No., Coil / Plate No., Grade, etc. marked.
 - For PM / NPM [Plate Mill / New Plate Mill] route, each Plate shall have Heat No., Plate No., Grade, etc. marked by cold stamping / stenciling.
- b. Thickness Tolerance
 - Shall be maintained as per the norms of the relevant Specification of the Classification Society.

Note:

The feasibility of supplies, dimensions, MOQ, Lead Time, marking, thickness tolerance, etc. shall need to be confirmed at the time of specific project-based enquiry.