



**ACE FURNACES PVT. LTD.**

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WORLD CLASS INDUSTRIAL FURNACES | WE UNDERSTAND CUSTOMERS



**ACEFPL/Q24/002-R-D - Commercial offer**

**28-05-2024**

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**JAILAXMI ALLOY STEELS PVT. LTD.**

**Gut No. 74/75, Village Pharola**

**Tq. Paithan, Dist. Aurangabad**

**Maharashtra – 431107**

**Kind Attn.: Mr. MANISH PATEL – General Manager (HOD) Rolling Mill**

**Dear Sir,**

**Sub. : 43 MT Holding Capacity Soaking Pit Furnace for heating of Ingots.**

**Ref. : Our revised technical offer ACEFPL/Q24/002/R-D dated 24-05-2024**

With respect to above mentioned subject and reference, we are pleased to submit our revised commercial proposal for your requirement of 43 MT Holding Capacity Soaking Pit Furnace for heating of Ingots.

The prices, terms & conditions & scope division matrix are covered in the following Annexure.

- SECTION I : PRICES, TERMS & CONDITIONS
- SECTION II : SCOPE DIVISION MATRIX

Hope you will find our offer clear and in line with your requirement.

In case you need any further clarification, please feel free to contact us.

Thanking you and assuring you of our best attention and co-operation at all times.

Yours faithfully,

For **ACE FURNACES PVT. LTD.,**

**Kailash V. Nasta**

**SECTION 1.0**  
**PRICES TERMS & CONDITIONS**

In the view to reduce your total cost of the project, we propose you our commercial offer in two scopes. i.e. 'A' & 'B', as offered under;

<b>A]</b>	<b><u>SCOPE 'A':</u></b>	
	<b>[ Includes complete supply &amp; services, except for supply steel raw material &amp; refractory insulation material]</b>	
	<b><u>Price for Supply &amp; Services:</u></b>	<b><u>Amount</u></b>
1.	<b><u>Design, manufacture &amp; supply of 43 MT Soaking Pit Furnace as per our technical specifications, list of exclusions, makes, scope mentioned in ACEFPL/Q24/002/R-D – Technical offer dated 24-05-2024.</u></b>  <b><u>Note: Above price is considering onsite fabrication and erection of fabricated steel and including refractory lining.</u></b>	<b>INR 4,50,00,000 = 00</b> :
	<b><u>Terms of Payment for SCOPE 'A':</u></b> <ul style="list-style-type: none"> <li>• 10% advance with order.</li> <li>• 10% against submission of G.A., Layout and Foundation Outline drawing with load data.</li> <li>• 10% against submission of Electrical Drawings and Instrumentation Specifications.</li> <li>• 60% payment along with full taxes and duties, pro – rata, against each dispatch.</li> <li>• 5% after cold trials.</li> <li>• 5% after successful commissioning.</li> </ul>	

<b>B]</b>	<b><u>SCOPE 'B':</u></b>  <b>[Includes Steel raw material &amp; refractory / insulation material supply from supplier / manufacturer for further processing]</b>	
	<b><u>Price for Supply:</u></b>	<b><u>Amount</u></b>
<b>i.</b>	Supply of mild steel raw material for fabricated steel comprising of Furnace casing (All Side panels), bottom panel, Trolley supports, Combustion air piping, Furnace oil piping, Dilution air piping, Flue duct, chimney, Platforms, and supports, on ex-works / ex-sub-supplier's basis.	<b>Approx. 240 MT</b> <b>[Approx. INR 1,35,00,000=00]</b>
<b>ii.</b>	Supply of Refractory & Insulation material for soaking pit walls, hearth, Cover with hangers, flue duct, chimney, burner blocks, hot air & fuel oil pipes, on ex-works / ex-sub-supplier's basis.	<b>INR 1,81,00,000 = 00</b> <b>[Approx. wt. 405 MT]</b>
	<p><b><u>Terms of Payment for SCOPE 'B':</u></b></p> <ul style="list-style-type: none"> <li>• 20% advance with order.</li> <li>• Balance with full taxes, against proforma invoice, upon readiness of material.</li> </ul> <p>Values mentioned under amount is our cost (without margins). You shall be placing this order on us on cost basis (without margins), and will be releasing payments towards advances and while collecting the material from our suppliers. You can opt to make direct payments to our supplier or to us, as they may prefer to. You will arrange transportation of these items upto the site. By doing so, you will be getting these items on cost basis, and will be actually saving on margins towards our financing cost and profit.</p>	
	<b>Alternatively,</b> you can keep the items under SCOPE 'B' with you, by placing orders on standard / regular suppliers of your choice. In such case, savings / additional costs will be to your account. You will also arrange transportation of these items upto the site. We will submit the detailed BOM / manufacturing drawing, you may arrange it directly.	

**Note:**

**Just in case, you opt to have one single scope [ SCOPE 'A & SCOPE 'B' together] and have common payment terms, we are open to it, in such case, margin of 20 % on SCOPE 'B' items shall be charged extra towards our overheads, internal transports, financing & profit.**

**TERMS & CONDITIONS:**

**PRICE BASIS:**

Prices are ex-works / ex-sub-supplier's works, unpacked. Packing, forwarding, taxes & duties (if applicable) will be extra to your account.

**FREIGHT & INSURANCE:**

Will be to your account.

**PACKING:**

Extra, @ 3-4%

**TERMS OF PAYMENT:**

As offered above for SCOPE 'A' & SCOPE 'B'

**DELIVERY PERIOD:**

8 -10 months from the date of receipt of technically and commercially clear order and advance payment, whichever is later. The delivery period is given in good faith and is subject to force majeure clause.

**GUARANTEE :**

We guarantee the materials against any design / material / manufacturing defects for a period of 12 months from the date of commissioning or 18 months from the last date of major dispatch, whichever is earlier. Our guarantee excludes normal wear and tear and excludes any damage due to bad usage or reasons beyond our control.

During the guarantee period, if performance of the Furnace is below par due to reasons available to the guarantee clause, we will rectify / repair / replace the defect / defective part.

**DESIGN STANDARDS :**

The equipment and materials will be in accordance with the relevant standards of the Bureau of Indian Standards. Wherever Indian Standards do not exist, components will be designed, assembled and tested in accordance with the modern practice prevailing in the field.

**VALIDITY :**

Our offer will remain valid for your acceptance for 30 days from the date of this offer and thereafter will be subject to our confirmation.

**SECTION 2.0**  
**SCOPE DIVISION MATRIX**

**ENCLOSED SEPARATELY**