



ESALE OF DE-COMMISSIONED PLANT



INDUSTRY

Metal



GEOGRAPHY

Korba, India



CHALLENGE

Sell the de-commissioned assets of the client at right price



SOLUTIONS

Multi Variable Bidding



RESULTS

The Assets were sold for INR 613.65 Mn, a premium of 16,35% over the reserve price

THE CLIENT

Bharat Aluminium Company Ltd (BALCO) was incorporated in the year 1965 as a Public Sector Enterprise by the Government of India and in the year 2001, 51% stake was divested to Sterlite Industries Ltd by the Government of India. Major operations of BALCO are in the town of Korba (Chhattisgarh), whereas its mines supplying high grade Bauxite are situated at Kawardha.

THE IDLE ASSET UNDER SALE

valuejunction received a mandate from "Bharat Aluminium Company Limited" for selling their de-commissioned plant at Korba, in the state of Chattisgarh.

THE BUSINESS CHALLENGE

BALCO had difficulty in developing a streamlined process to dispose their de-commissioned plant at Korba in the state of Chattisgarh.

Valuejunction was not only required to sell the asset to the right buyer to ensure good price realization, but was also expected to sell the same at the shortest possible time ensuring transparency and efficiency.

THE SOLUTION & STRATEGY

valuejunction began the task by carrying out a thorough inspection and compiling a detailed list of all inventory items in the plant.

Post this exercise, a detailed study on valuing the assets of the de-commissioned plant was completed to ascertain the present market value.

valuejunction embarked an extensive pan-India market making campaign and reached out to all potential buyers who could bid for the asset.

Eligible buyers were shortlisted and they were allowed to inspect the de-commissioned plant.

RESULTS AND ACHIEVEMENTS

An online auction to sell the de-commissioned plant was conducted on 17-December-2014 where all shortlisted eligible buyers actively participated. The best price of INR 613.65 Mn was arrived at through Multi Variable Bidding (MVB).