





E-AUCTION OF DE-COMMISSIONED POWER PLANT FOR BIRLA CORPORATION LIMITED

 INDUSTRY Jute	 GEOGRAPHY Birlapur, West Bengal	 CHALLENGE To sell the de-commissioned 2 x 4.5 MW captive power plant at the right market value, to a credible buyer, through transparent mechanism.	 BIDDING STRATEGY Forward Auction	 RESULTS The de-commissioned captive power plant fetched a H1 quote of INR 2.083 crores and this quote was approved by Birla Corporation Ltd..
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The Client:

Birla Corporation Limited is the flagship Company of the M.P. Birla Group. Incorporated as Birla Jute Manufacturing Company Limited in 1919, it was Late **Mr. Madhav Prasad Birla** who gave shape to it. As Chairman of the Company, he transformed it from a manufacturer of jute goods to a leading multi-product corporation with widespread activities.

The Business Challenge:

- a. Birla Corporation Ltd wanted to sell their old decommissioned captive power plants to conduct this auction.
- b. Birla Corporation Ltd wanted the best possible price for the assets through a transparent pricing mechanism.
- c. Birla Corporation Ltd did not have a repository of prospective buyers across India and they had no expertise in determining the market value for the de-commissioned thermal power plant.

The Solution and Strategy adopted by valuejunction (VJ):

- a. VJ had prior experience and expertise in dealing with sale of de-commissioned thermal power plants across India.
- b. VJ did a thorough inspection of the de-commissioned Captive power plant and provided a price estimation to Birla Corporation, based on which the reserve price was arrived at.
- c. Offline and Online marketing initiatives was adopted by VJ for reaching out to prospective buyers across India.
- d. 17 buyers from PAN India ensured their participation in the forward auction.
- e. An online sale event was held among the eligible buyers and the H1 price was arrived through forward auction.

Value Addition to Birla Corporation Limited:

