



E-SALE OF MD520N MODEL HELICOPTER FOR TATA STEEL



INDUSTRY

Steel



GEOGRAPHY

Jamshedpur, India



CHALLENGE

Sell the helicopter to a credible buyer at the best market price



BIDDING STRATEGY

Sealed bid followed by Forward Auction



RESULTS

The helicopter was sold for \$ 290,000, full payment received and evacuated from airport

THE CLIENT

Established in 1907 as Asia's first integrated private sector steel company, Tata Steel Group is among the top-ten global steel companies with an annual crude steel capacity of nearly 30 million tonnes per annum. Tata Steel is now the world's second-most geographically-diversified steel producers and has operations spread over 26 countries and a commercial presence in over 50 countries. Tata Steel employs over 80,000 employees across five continents.

THE IDLE ASSET UNDER SALE

valuejunction received a mandate from "Tata Steel" for selling their MD520N model helicopter which was acquired in the 1995 and put to use till end of 2013.

THE BUSINESS CHALLENGE

Tata Steel wanted to sell the helicopter, which was operated from Jamshedpur airport.

Tata Steel received off line bids for the asset; but was unaware if it was the right price for the asset.

The helicopter was initially planned to be sold in the Indian market. Since it was unsuccessful, Tata Steel wanted participation from international players.

THE SOLUTION & STRATEGY

valuejunction had prior experience in dealing with sale of aircrafts.

A detailed study of the avionic market was done to ascertain the right market price for the asset.

Customized terms and conditions were framed by valuejunction keeping in mind the Indian & International regulatory requirements.

Prospective buyers from North American markets were shortlisted as this model of helicopter was widely used in that geography.

To enable active participation from overseas buyers, it was decided to accept dollar quotes for the bidding process.

There was also active support from the client for this event at every step, since it was an off-beat sale for them.

RESULTS AND ACHIEVEMENTS

A sealed bid followed by an online forward auction to sell the helicopter was conducted in the month of November 2014.

There was active participation from bidders and the helicopter was sold for \$290,000.

Entire payment was received from the successful bidder and the helicopter was evacuated from the airport within the stipulated time frame.