

eAuction Of De-commissioned Power Plant For MPPGCL



INDUSTRY

Power Sector



GEOGRAPHY

Amarkantak, Madhya Pradesh



CHALLENGE

To sell the de-commissioned thermal power plant at the right market value



BIDDING STRATEGY

Forward Auction



RESULTS

Fetches a H1 quote of INR 77 Crs and 26 buyers participated

The Client:

Madhya Pradesh Power Generating Company Limited (MPPGCL) was incorporated in the year 2001 as a public company fully owned by the Government of Madhya Pradesh and operates all activities pertaining to generation of power for Madhya Pradesh State Electricity Board. MPPGCL has a total installed capacity of 5,235 MW through nine thermal power plants, with an installed capacity of 4,320 MW and ten hydro power stations with an installed capacity of 915 MW in the state of Madhya Pradesh.

The Business Challenge:

- MPPGCL wanted the best possible price for the assets through a transparent process.
- The client wanted to sell the full material to a single buyer to avoid post auction hassles.
- The client wanted to receive the full payment in a very short span of time.
- The location of the plant was a hindrance for most credible buyers as there was a logistics problem.

The Solution and Strategy adopted

- mjunction had prior experience and expertise in dealing with sale of de-commissioned thermal power plants across India.
- Offline and Online marketing initiatives were undertaken by mjunction for reaching out to prospective buyers across India and abroad.
- Eligible buyers were shortlisted basis the criteria set by MPPGCL and they were allowed to inspect the de-commissioned plant.
- Customized auction terms were devised to execute quick disposal of the decommissioned machineries.
- An online sale event was held among the eligible buyers and the H1 price was arrived through forward auction.

Result and Achievements

- A price of 77 Crs was achieved in the auction with participation of 26 buyers