



**CASESTUDY #6**

# e-sale of Power Plant at Jamshedpur



**INDUSTRY**

Power Sector



**GEOGRAPHY**

Jamshedpur,  
Jharkhand, India



**CHALLENGE**

To achieve a price- point higher than already achieved by client.



**SOLUTION**

Selling the equipment as re-usable assets in a two-stage auction



**RESULTS**

The plant was sold at a price 10.85% higher than the market price

**THE CLIENT**

**Usha Martin Group** is a USD 1 billion conglomerate with a global presence and has set new standards in the manufacture of wire rods, bright bars, steel wires, specialty wires, wire ropes, strand, conveyor cord, wire drawing and cable machinery. Usha Martin is the only company globally having an integrated model on the upstream, beginning with iron ore and coal mining, power generation and going down to deep sea oil and gas exploration, providing anchoring and mooring solutions.

**THE IDLE ASSET UNDER SALE**

valuejunction received a mandate from Usha Martin Group in September 14 to sell their 3.25 MW Captive Power Plant at Jamshedpur.

**THE BUSINESS CHALLENGE**

Before approaching valuejunction with the mandate, Usha Martin had previously attempted to sell the power plant themselves using the traditional offline mode but was unable to achieve the desired expected price. Usha Martin wanted valuejunction to sell the power plant at a price higher than the previously achieved price.

Only bidders verified by valuejunction were allowed to take part in the auction which was held online on the valuejunction portal. A two-stage auction strategy - Seal Bid and Forward Auction was followed. To ensure competitive bidding and good price realization, the bidder with the lowest seal bid was eliminated.

**THE SOLUTION & STRATEGY**

valuejunction carried out a detailed inspection of the power plant and all its equipment and machinery. It decided to sell the plant as an asset and began a search for buyers who would re-use most of the equipment as re-usable and re-furbished equipment. This would fetch a better price in the market as compared to the price the equipment would get if sold as scrap.

**RESULTS & ACHIEVEMENTS**

By e-auctioning the power plant for Usha Martin, valuejunction was able to achieve a price of **Rs 66.51 Lakhs. This was 10.85% higher than the scrap price.** valuejunction was able to auction the captive power plant within 3 months thus monetizing the idle captive power plant for Usha Martin Group.