



Forward auction of Coal - Fast Moving Rail Sources for MCL



INDUSTRY

Coal



GEOGRAPHY

Sambalpur,
Odisha



CHALLENGE

To sell 120 rakes of coal with better price realisation



BIDDING STRATEGY

Forward Auction



RESULTS

Total TV of 70 Crores and 50% Price gain overall

The Client

Mahanadi Coalfields Limited (MCL) is one of the major coal producing company of India. It is one of the eight subsidiaries of Coal India Limited. Mahanadi Coalfields Limited was carved out of South Eastern Coalfields Limited in 1992 with its headquarters at Sambalpur. It has its coal mines spread across Odisha. It has total seven open cast mines and three underground mines under its fold.

The Business Challenge

mjunction received a mandate of selling 120 rakes of coal through Forward Auction and ensuring better price realisation

The solution and strategy

mjunction worked hard to secure the mandate from MCL. For best results the market making was taken up at war footing.

For forward auctions, only high end coal consumers like NTPC , NALCO , Vedanta etc. are allowed to participate. For best results, the entire buyer base who participates in the forward auctions were informed about this particular auction.

As a result of the aggressive market making the team was able to attract consumers who participate in the auctions of other subsidiaries. The result was that, the team could get 13 participants with an unprecedented 418 bids in a forward auction. The higher participation also resulted in better prices for MCL. mjunction was also able to add 3 new buyers , one of them being a GMR group company to the auction.

Value Addition to MCL

- ✓ mjunction was able to sell all 120 rakes to 5 buyers.
- ✓ Total transaction value of the auction was 70 Crores
- ✓ 50% Price gain overall in the auction.