






## e-auction of world's largest 2-stroke land based de-commissioned Diesel Power Plant for GMR Power

 <b>INDUSTRY</b> Power	 <b>GEOGRAPHY</b> Chennai, Tamil Nadu	 <b>CHALLENGE</b> To shortlist, potential buyers and discover the best market price through competition.	 <b>SOLUTION</b> 2 Stage Buyer due diligence followed by forward auction	 <b>RESULTS</b> The auction fetched a price of INR 57 Cr, which was 35% higher than the expectation
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**The Client**

GMR Group is one of the fastest growing infrastructure enterprises in the country with a rich and diverse experience spanning three decades. Using the Public Private Partnership model, the Group has successfully leveraged its core strengths to implement several iconic infrastructure projects in India.

**Business Requirement**

mjunction provides sale of idle assets as a service. mjunction received a mandate from GMR Power Corporation Limited to sell their decommissioned power plant located in Chennai, Tamil Nadu. mjunction provides sale of idle assets as a service. mjunction received a mandate from Birla Corporation Limited to sell their decommissioned power plant located in Birlapur, West Bengal.

- The Business Challenge**
- As renewable energy sources are being preferred over conventional sources, end users were not keen to purchase the plant.
  - Due to the constant rise in price of Heavy Fuel Oil, the buyers perceived the plant as un-economical to operate.
  - The best alternative left with mjunction was to sell to large capital equipment traders, but the buyers credibility and expertise needed to be ascertained before.
  - mjunction rigid parameters based on which we would ultimately shortlist buyers to compete against each other in an online auction.m

- The Solution and Strategy adopted**
- The mjunction team conducted a valuation of the plant and submitted the report providing the current saleable value of the property.
  - mjunction conducted both offline and online marketing activities to reach out to buyers across India.
  - Inspection of the plant was facilitated for the buyers
  - mjunction while partnering with GMR also assisted them during qualification of buyers. Due to this out of the 11 buyers who were allowed for inspection of the plant, 9 buyers were made eligible for participation in the auction who satisfied financial as well as technical requirements of GMR.
  - A forward auction was conducted to encourage competitive bidding among 9 buyers with the objective of achieving the best price realization

- Result and Achievements**
- The plant was sold at a value of INR 57 Cr
  - The final value realised in the e-auction was 35 % more than the expected price