



A new life for Fly Ash, relief for Power House

Case Study


Client


Established in 1975, the Maharatna company NTPC is India's largest power utility with an installed capacity of 62,110 MW (including JVs). It has established itself as the dominant power major with presence in the entire value chain of the power generation business.


Thermal Power Industry & Ash As By-product


The disposal of ash, a by-product of power generation from coal-fired power plants, has been of paramount importance for the thermal power industry. The Indian coal is of low grade having high ash content. According to the latest CEA data, 85 MT of fly ash, an extremely fine substance was generated by 144 TPPs in 2016-17. The efficient handling and fast evacuation of fly ash is serious concern because of its large area requirement and its potential of causing air, water pollution.


Challenges

 Huge quantity Fly Ash to be disposed of with a yearly contract by ensuring the minimum cash outflow from NTPC

 Limited potential buyer base due to remote geographical location

 No buyer available in the market to pay for buying the Fly Ash

 Material to be disposed-off at a fair incentive rate and thus only end-users to be involved

 The process to be completed within strict timelines and as per the government guidelines



Solutions

 Incentive Booking

 Market Making

 Online Platform

 Thorough Training



Strategy

- ✓ Developed a new auction strategy called “Incentive Booking” based on the requirement of NTPC to dispose-off the huge quantity of Fly Ash as per the Government guidelines
- ✓ The methodology developed ensures the minimum cash outflow for NTPC and maximum off-take of Fly Ash
- ✓ A range of cement manufacturing companies were selected for the market making as they are the most potential end-users for this item
- ✓ Auction conducted in 2 stages, **(i)** technical stage to identify only the end-users and eliminate the traders, **(ii)** online auction for bidding to discover the competitive lowest incentive rate
- ✓ Provided an online platform for the customers to upload documents and for the NTPC to validate the same as a part of technical stage. This process smoothly facilitated the technical stage during lock-down period by eliminating the need for physical dispatch of documents.
- ✓ DSC was made mandatory for the authentication.
- ✓ Identified the best auction strategy from the different methodologies proposed from each plant and established uniformity of the methodology that can be adopted by all the plants to create maximum value addition for NTPC
- ✓ All the eligible customers were made accustomed with the new auction rule and other processes by providing thorough training for smooth transition from age-old traditional methods to e-auction.

Results

675 Thousand tons of Fly Ash allocated among the end-users

\$466 Thousand savings in cash outflow as the discovered incentive rate was 15% lower than the ceiling price.

3 of the country's top end-users accepted the material allocation

mjunction specializes in selling and evacuation of non-production materials and scrap, Idle and Obsolete assets at the best possible market price within the shortest time period. A team of expert consultants in its assets and scrap selling unit can help you in inspection and valuation, identifying right buyer and market analysis, best price discovery on an advanced eAuction platform and post sales services. mjunction has experience of selling USD 867 millions worth of assets & scrap on its cutting edge online platform.

Detailed Inspection



Sales Strategy



Catalog Preparation



Price Discovery



Unlock the true value through sale of your non-performing assets/ hazardous scrap and reduce large cash outflows for things no longer in use.



contactus@mjunction.in | www.mjunction.in

Kolkata HQ, India

mjunction services limited

Godrej Waterside, Tower 1,

Plot V Block DP, Sector V, Salt Lake, Kolkata – 700091, WB, India

Ph +91 33 6610 6100