

Coaljunction Case Study: Spot eAuction for TATA Chemicals

Mandate:

Tata Chemicals gave mandate to coaljunction to conduct spot eAuction of Anthracite Coal from their plant in Mithapur, Gujrat. This was the first time that coaljunction was given the task of eSelling such a by-product of coal. The main challenge was the fact that the auction was to be done for a first time client and for a product that coaljunction had not auctioned before.

Objective:

- To clear the entire stock
- Ensure maximum price discovery

Strategy adopted:

Since this was the first time that coaljunction had taken up eAuction of such a product, team coaljunction called up a few of their existing clients to understand the product, its uses and its expected market price. A brainstorming session was held to understand the industrial usability of the product. Armed with a new understanding of the product, team coaljunction tapped its existing database to identify potential buyers. After identifying the potential buyers, team coaljunction decided to conduct a spot eAuction for effective and efficient disposal of the commodity.

Achievement:

The reserve price set by Tata Chemicals was Rs 4500 per Mt. Team coaljunction conducted Spot eAuction of the commodity and managed to attain a price of Rs 6190 per Mt, which was a 37.3% increase over the reserve price. Additional revenue over the reserve price to the tune of Rs. 84.5 lakhs was achieved for the client, which far beyond Tata Chemical's initial expectation.