Assessing Online E-Marketing and Disposal in Neyveli Lignite Corporation Limited (India)

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Abstract – **Marketing function per se is undergoing a shift in managing transaction in a transparent e-marketing way (Kauffman *et al,* 2004) especially in Indian Public Sector Undertakings (PSU) – see Reynolds *et al* (2007). The effectiveness of e-marketing and disposal system of scrap and purchases in PSUs, namely NLC Ltd and ICF, have been studied. Factors such as e-auction offers, time of auction, experience, security deposit (EMD), basic rate per unit, allotment of bid, acceptance of bid; payment and delivery of successful bids on select items in two PSUs over a period of three to five years have been dealt with. The study adds strength to the concept of e-marketing as well as to the theory of marketing.**

Keywords – *E-auction, e-marketing, lignite, bid, reserve price, open price.*

1. Introduction

E-marketing and disposal system of sale has its own advantages. First and foremost, it is a convenient method of selling any product through internet based on online system, in which transparency and secrecy are ensured, apart from wider participation. Marketing function *per se* is undergoing a shift in managing transaction in a transparent way especially in the public sector.

In the traditional working auction system the buyer and seller have the power to negotiate the price in a sale. However, the ***e-auction system*** *of sale is a convenient method of selling any product through a net based online system, in which transparency and secrecy are ensured, apart from wider participation.*

There are three different types of e-auctions in Neyveli Lignite Corporation Limited (NLC Ltd):

- e-auction for the disposal of scrap,
- e-booking for the sale of coal/lignite and
- e-auction for the sale of raw lignite.

The materials sold through e-auction by NLC Ltd are:

1. Scrap materials;
2. Raw lignite;
3. Ball clay;
4. Dry fly ash.

Decisions regarding sales activities have been predetermined on the following parameters:

1. Setting sale target;
2. Setting financial target;
3. Analyzing the sales opportunities and threats;
4. Selecting the target buyers with their capacity to consume the products regularly and their financial stability;
5. Determining the lot size of the product for each e-Auction;

6. Finalizing the periodicity of sale;
7. Fixing of right reserve/floor price;
8. Decision on Payment terms (cash/credit);
9. Decision on delivery period.

1.1 E-Auction Registration and Participation

In this system, the auction is conducted online through Internet by the Auctioneer M/s. MSTC Ltd through the company's e-commerce portal (www.mstcecommerce.com). Both NLC and the bidders have to register on-line for participating in the e-auction, subject to accepting auctioneer's general terms and conditions.

1.2 E-auction Procedure

Initially, e-auction terms and conditions are prepared and are sent to MSTC (the auctioneer). Then, the material list is prepared by the Disposal Wing indicating the lot number, location, description of materials, quantity, unit of sale, applicable taxes, etc.. This list is sent to M/s. MSTC. They, then, host the details in the website's auction catalogue. M/s. MSTC issues Press Advertisement in all leading newspapers covering the entire country (India) as well as in their e-auction website, duly indicating the materials offered for disposal, inspection date, e-auction date, etc. The Guide Price Committee consisting of Disposal and the Accounts officials inspects the lot and fixes the Guide Price for each lot and enters it in the Guide Price Book. The approval of the competent authority is obtained for the above fixed Guide Price, before the commencement of the e-auction. The approved Guide Price is entered in the system on Confirmed or on Subject to Approval (STA) basis, before commencing the e-auction. This Guide Price page can be opened only by Disposal Wing Unit Head using secret password and this Guide Price page cannot be viewed either by M/s. MSTC or by the bidders. After entering the Guide Price, if any change is to be made, it can be made prior to the commencement of the e-auction. Once the e-auction starts, no change can be made anymore. Similarly, any change in the lot number, locations, description of material, quantity, unit of sale, tax rates, etc. can be done before the commencement of the e-auction. Suitably, Pre-Bid EMD[1] Clause/Caution Money Deposit can be stipulated in the e-auction terms and conditions. In such a case, the bidders have to send the Pre-Bid EMD to MSTC directly through DD[2], NEFT/RTGS[3] one day prior to the commencement of the e-Auction. On receipt of the above Pre-Bid EMD/Caution Money Deposit, MSTC will activate those bidders for participation in the e-auction. Other bidders, who do not remit the Pre-Bid EMD/Caution Money Deposit, cannot enter the e-auction floor. They cannot also view the e-auction process.

The Special Terms and Conditions of the e-auction normally contain the following conditions, among others:

1. Balance payment clause;
2. Penalty for belated payments;
3. Group insurance;
4. Delivery period;
5. Ground rent for belated delivery;
6. Force majeure conditions;
7. Termination of order;
8. Statutory variation clause;
9. Delivery procedure.

Normally, an inspection time of 7 days is given to the bidders. The inspection of the lots can be carried out by the bidders registered with M/s. MSTC alone or their duly authorized person on showing their photo identity card issued by M/s. MSTC. The e-auction process commences from 12.30 hrs and opens for bidding up to 18.30 hrs. This time can be altered. The actual bidding by the scrap materials buyers commences with on and above start price, i.e. Re.1= per M.T.[4]/Lot. If there is any increase in the bid, five minutes before the end of the e-auction time of 18.30 hrs, the closure time is extended further by 5 minutes automatically to give equal opportunity to the other bidders to remise their rates. For example, if there is an increase in the bid amount at 18.28 hrs, then the auction closing time is automatically extended up to 18.33 hrs. This process will conclude only when there is no further bidding within the extended time. Hence, there is absolute transparency in this e-auction. As the bid rates are the most

[1] EMD (Earnest Money Deposit)

[2] DD: Demand Draft

[3] National Electronic Fund Transfer (NEFT) and Real Time Gross Settlement (RTGS)

[4] MT: Metric Tonne

competitive, there is no scope for any negotiation with the H1[5] bidders. If the final rate remains static for the last 5 minutes after the scheduled closure time of the e-auction, then the auction closure status will appear on the screen. Bid sheet is generated showing lot wise details of the auction. Sale intimation letter will be sent to the successful bidders with a copy to the seller automatically by the system.

1.3 Post e-auction Steps

H1 bid is compared with the Reserve/Guide Price by the system and if the H1 bid is more than the Guide price it is automatically approved by the system and the Bid Sheet to be downloaded (in case of scrap, ball clay, etc.). If the H1 bid is less than the Guide price, then the option of accepting it lies with the seller. Automatic receipt of sale intimation letter by email to the bidder to submit the requisite payment within fixed time indicating bank details for RTGS/NEFT transfer will be generated. Sale order will be issued by MSTC after the receipt of EMD amount from the successful bidder indicating the last date for remittance of balance amount, penalty clause for belated balance payment remittance, last date of delivery of materials without ground rent and last date of delivery with ground rent. After the receipt of balance payment, delivery order will be issued against the production of photo ID card issued by MSTC, the Letter of Authority (in case of lifting by people other than the person to whom the photo ID is issued), the Insurance. The buyers arrange their own transport and lift the material by producing the delivery challan (DC) and invoices issued by NLC. In case of failure to lift the materials within the delivery period, even after the remittance of ground rent, the left over materials belong to the NLC and they can dispose them at their discretion.

2 Review of Literature

The study of e-marketing and disposal calls for various formats of research conducted across the world. It is essential to understand the contributions made over the years in the field of new format of marketing known as e-marketing that involves predominantly e-auction as the key tool for processing marketing transactions.

Kauffman and Wood (2005) studied online e-bay auction using reserve price shilling bid and its effect on premium bid occurrence. About 10260 e-bay auctions during April 2001 involving 322 sellers, 1583 bidders in to 919 auction using valuation signal were studied. 23% of auction has been categorized as premium bidding to prove that that item is working more. A weighted least square regression model was used to study winners curve and online selling through reserve price shilling bid. A ratio between selling price and average has also been reported in the study.

Reynolds, Gilkeson and Niedrich (2009) studied seller strategy on winning price in online sales, seller minimum opening price and auction length. A hidden reserve price, number of bidders and moderators were analyzed to test an e-bay auction as opening price and reserve price for the product. An analyzes data of four customer products through two batches studied revealed strong evidence of effect of minimum opening price and showed that the potential buyer rely more on signal as opening and reserve price.

Chu-Fen Li (2010) studied the effect of the factor on internet auction variant and stressed the bidder's need to stay about reliability. Seller's characteristics could affect evaluation. Employees collect e-bay data set to analyze the effect of bidder and seller characteristics of seller items for sale (SIFS) and bidders lifetime positive feedback (BLPF). Seller's lifetime positive feedback (SLPF) plays a major role in affecting the final price (51.2%) and both SLFS and BLPF play critical roles--20.1% and 28.1%, respectively. BLPF and SLPF also are important to affect the final price (4.5%). The duration of auction of the SLPF explains a variation of 62.8% seller performance on the duration of 1 auction or final price.

Ku, Malhotra and Murnishan (2005) studied public art exhibit of 300 life size fibre class cows. The participants were 140 internet and live persons who auctioned the cows almost seven times beyond their initial estimate. The final price provided impetus for model of decision-making competitive arousal. The internet bidding for survey data 21 auctions throughout North America were tested. Analyses provided considerable support for the competitive arousal. The labour market experiment investigated similar and difference b/w escalation & compressive arousal. The implication of these findings were visible on the broader use of competitive arousal and escalation and the impact on decision-making.

Fuchs, Eybl and Hopken (2011) studied low entry costs and low exit barriers that emerged as a valuable distribution channel. It effectively augmented the distribution potential of the whole

[5] H1: Highest 1.

business. It positively affected the final price level obtained in online auction. E-bay comprising of 53,406 auctions have been studied using linear structural equation modelling (SEM) considering the relationship between auction characteristics and the obtained final price.

Varolo kayhan, James A McCart. Anof bhattache (2010) studied cross bidding in online auction and the action of bidder simultaneously in order to monitor the advantage of price, outcomes of cross bidding, behavior and contingent. It was reported that there was significant price discount compared to non cross bidders.

2.1 Need for the study

It is evident that there are several factors emerging in the process of e-marketing and very specifically in the process of e-auction in order to encourage participation as well as price bids. The reserve price and open price, seller's characteristics and final bid price are various determinants to understand the effect of e-auction system. It is also understood that the input in the form of information to the sellers and buyers and products called for auction have been considered to be essential aspects of e-marketing to make it more competitive in a transparent manner. Hence, researchers are attempting to study the role of known and unknown determinants of e-marketing and disposal system in a public sector undertaking that deals with combinations of raw materials, components, consumable, etc. The research problem is to know about different known and unknown components of e-marketing and disposal system.

2.2 Objectives of the study

The objectives of the study are to evaluate the effect of e-marketing and disposal system in a public sector organization and are as follows:

1. To study the extent of the transparency of the process; the bidder's identity is kept highly confidential.
2. To measure the factors responsible for encouraging wider participation; there is a limited scope for Cartel formation.
3. To identify the possibility of bidder's to improve their bid prices online in a competitive way.
4. To assess the knowledge of bidder's clearly and to know whether bidder's win/lose in the e-marketing and disposal.
5. To determine time saving for both buyers and sellers.

3 Research Methodology

It is understood that the process is in vogue and therefore it is imperative to use descriptive method of study. There are three ways of e-auction conducted in the organization to enhance the performance of e-marketing and disposal system. The study is aimed at covering all the three methods of e-auction to assess effectiveness in all the five different objectives set for the purpose of study. It is proposed to use proportionate method of stratified random sample to identify the bidders in the process of marketing through e-auction. Initially, in the preliminary stage, desired number of sample bids will be selected to understand the intricacies of the process. Based on the outcome of the preliminary study, and the reported statistics, a reasonable size of sample will be chosen. The essence of e-auction performance is given for the purpose of confirming the scope for conducting research to measure its effectiveness in a public sector undertaking.

3.1 Components of e-marketing and disposal system

1. E-auction Offer [7 items]

a. Number of times e-auctions held
b. Time to participate
c. Requirement of experience
d. Secret code
e. EMD [Security Deposit]
f. Value of EMD
g. Documents

2. Promotion [2 items]

a. Information through advertising
b. Time of advertising

3. Pricing [5 items]

a. Pricing rate fixation
b. Basic rate per unit
c. Allotment of e-auction successful bid
d. Intimation to bidder
e. Formalities to accept the bid

4. Payment and Delivery [3 items]

a. Full payment
b. Conditions for delivery
c. Losing bidder's right

3.2 Key information required to fulfill the objectives

There are five key variables of e-marketing and disposal introduced for the purpose of study, namely transparency, participation, bid price, knowledge and time. The variable "transparency" is identified with e-marketing process in order to increase the extent of up biased approach in the public or specific process of marketing (see Table 1).

The variable "participation" is identified with the e-marketing process as a measure of the number of participants, participant details, approach in participation, process of the equality treatment among the bidders, etc. The variable "bid price" is identified in the e-marketing process as a measure of the opportunities, supplementary information, additional information related to number of bidders, time, initial price, etc. The variable "bidder knowledge" is identified in the e-marketing process as a measure of the knowledge about complete information and feedback analysis. The final variable "time saving" is yet to be identified in the e-marketing process of bid details, distance of bidders place from the place of auction and duration of participation in auction of e-marketing.

4 Results and Discussion

4.1 Performance of e-auction System: An Overview

E-auction system increases the 'Bid Prices': The sale price of ball clay got increased from RS.150/= per M.T. (conventional price) to Rs.1000/= per M.T. (e-auction price) within a short span of 1 year, due to wider participation (see table 1). The floor price of raw lignite increased from RS.1315/= per M.T. (conventional price) to Rs.2000/= per M.T. (e-auction price) within a short span of 2 years (see table 2). The iron scrap prices are obtained on par with the actual.

Advantages accrued to NLC Ltd. due to e-auction method:

1. The sale quantity increased;
2. Number of products were introduced for sale;
3. Higher bid prices were achieved;
4. Wider participation from all over India;
5. True market value of the products was obtained;
6. Sale revenue increased year by year;
7. During the current year (2010-11), NLC had crossed the sale revenue crossed Rs.100 Crore mark (non-power) Market Rate (see Fig 1).

Sales revenue of scrap material during /between 1995-1996 to 1996-1997 raised to Rs.276.25 lacs[6] (31%) in sales and then from 1997-1998 to 1998-1999 raised to Rs.119 lacs (12%) of sales. After one year, sales revenue raised 15% of sale. However, from 1999 to 2000 sales differed and decreased to 15%, and after 2000 continuously 15% to 20% decrease was seen in the sales amount up to 2003 (see table 2 and 3). After conventional price was introduced through e-auction sales method for scrap material 2002-2003 to 2003-2004 e-auction price has increased by 15% of scrap material. The e-auction sales rate continually rose from 83 lacs to 1517 lacs year by year up to 2011. Due to the introduction of the e-auction system, the price of raw lignite which was at Rs.1315/M.T increased to the current basic price of Rs.2000/M.T. (exclusive of Earnest Deposit, Educational Cess, Royalty, Clean Energy Cess, Value Added Tax, etc.) - see tables 2 and 3.

4.2 Effectiveness of e-marketing and Disposal: a Status Report 2005-2012

Three products viz, fly ash, raw lignite and scrap material have been introduced in the e-marketing and disposal system since 2005 till 2012. The current status of all the three items has been reported.

Fly ash: In the case of fly ash, e-auctions were held only in the last two years from 2010 to 2012. In total there were nine e-auctions of which only one auction was held during 2010-2011 and the remaining eight e-auctions were held during 2011-2012. The measure of central tendency average was five e-auctions per year.

Raw lignite: In case of raw lignite, e-auctions were held in the last three years from 2009 to 2012. In total, there were seventy e-auctions conducted, in which eleven e-auctions were held during the period 2009-2010, twenty three e-auctions were held during the period 2010-2011, and the remaining thirty six e-auctions were held during 2011-2012. The measure of central tendency as median was thirty five e-auctions per year during the last three years that were reported.

[6] 1 Lac =1420.64 Euro.

Scrap: In the case of scrap, e-auctions have been held since 2005-2006. A total of 249 e-auctions have been conducted in the last seven years. In the initial stage, thirty one e-auction were held during 2005-2006, in the second period also thirty one e-auctions were held during 2006-2007, in the third period (2007-2008) twenty nine e-auctions were held. In the following period (2008-2009) thirty five e-auctions were held. During 2009-2010 also thirty five e-auctions were held (in addition, eleven e-auctions for lignite were also held). Forty eight e-auctions were held during 2010-2011 (in addition, twenty three e-auctions for lignite and one e-auction for fly ash) and finally during the last period 2011-2012, fifty e-auctions (in addition, thirty six e-auctions for lignite and eight e-auctions for fly ash were held). In total, three hundred and twenty eight e-auctions were held in the proportion of 0.75, 0.21, 0.02 scrap, lignite, fly ash respectively (see table 4 and fig 2).

4.3 Advertisement for E-auction

The advertisement is being given for each e-auction for raw lignite in newspapers by NLC and in NLC/MSTC website. In respect of e-auction of scrap, ball clay and fly ash, the advertisement in the newspapers is given by M/S MSTC and NKC /MSTC website (see table).

4.4 Floor Price Determination

Scrap: The basic value will be determined based on the quality of the material, market conditioned. It varies from one e-auction to another. In case of raw lignite, fly ash, etc, the floor price that is adopted is based on the market condition.

The present floor price of raw lignite: Rs 2000/per MT, fly ash 655/MT (see Table 6)**.**

4.5 Advance Deposit for E-auction Participation [EMD]

Normally, no advance deposit is collected for the scraps e-auction. However, depending on the circumstances a pre – BID EMD clause is stipulated for certain items. In case of dry fly ash, raw lignite e-auctions the buyers have to remit the EMD for the required quantity at the rates stipulated in the e-auction document prior to the commencement of e-auction. The amount to be deposited is indicated in the respective e-auction document (see table 7).

4.6 Payment and Delivery of E-auction Process

The successful bidder shall remit the balance payment and furnish the photo ID issued by the MSTC and other documents indicated in the e-auction catalogue (see table 8).

5 Implications of the Study

This study focuses on transparent process of marketing and disposal in every public sector. The e-marketing system facilitates more number of competitive bidders that enhances healthy and business process. The open bid system online brings out competitive price by which the level of profit grows naturally. The improvement in the conceptual and application of the e-marketing is strengthened by the study.

6 Conclusion

E-marketing and disposal system is a modern technique that uses e-auction system for the purpose of making buyers and sellers in a competitive market process transparent and approach in public sector organizations. NLC Ltd is not an exception; it has acclaimed the status of the best performing public sector in Indian business context. The study describes various factors that are responsible for the success of the e-marketing system in this organization in three different formats for scrap material, coal/lignite and raw coal. It is true that the organization has raised its sales revenue and shown remarkable achievement. The study is aimed at adding value to the concept of e-marketing and disposal system using e-auction as a key tool. The study adds strength to the concept of e-marketing as well as to the theory of marketing.

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Annexure- I MAILED QUESTIONNAIRE WITH RESPONSES FROM NLC LIMITED

1. How many times did you offer e-auction tender during the period from 2004 to 2011? Please serve all the related aspects in relation to
   1. FLY ASH 2. RAW LIGNITE 3.SCRAPS

   Ans.: Fly ash (No. of e-auction):2010-11 -1, 2011-12 -8 Raw lignite: 2009-10 -11, 2010-11 -23, 2011-12 -36,

   Scrap: 2005-06 -31, 2006-07 -31, 2007-08 -29, 2008-09 -35, 2009-10 -35, 2010-11 -48, 2011-12 -50
2. Do you advertise for e-auction every year? If so, provide the details for the period from 2004 to 2011?
   Ans.: The advertisement is being given for each e-auction for raw lignite in newspapers by NLC and in NLC /MSTC website. In respect of e-auction of scrap, ball clay and fly ash, the advertisement in the news paper is given by M/S MSTC and NLC /MSTC website.
3. When do you advertise for the commencement of the e-auction?
   Ans.: One week before the date of e-auction
4. How many days do you allow to apply for e-auction in the website between the announcement date to auction date?
   Ans.: Registered buyer of M/s. MSTC can participate in the e-auction directly. New buyer has to register with M/s. MSTC prior to the e-auction.
5. How do you fix the rate per quantity for every item?
   Ans.: Based on the marketing condition and scrap quality.
6. Is any experience required for the participation in the e-auction? **Ans.:** Not required
7. How do you give the secret code to applicant? **Ans.:** NLC does not given the secret code to applicant.
8. How much money needs to be deposited as advance for the e-auction participation? **Ans.:** Normally, no advance deposit is collected for the scraps e-auction. However, depending on the circumstances a pre–BID EMD clause is stipulated for certain items. In case of dry fly ash, raw lignite e-auction the buyers have to remit the EMD for the required quantity at the rates stipulated in the e-auction document prior to the commencement of e-auction. The amount to be deposited is indicated in the respective e-auction document.
9. What are the documents to be enclosed by applicant for the e-auction? **Ans.:** No document need to be enclosed by the applicant for the e-auction.
10. How many times was e-auction done from 2004 to 2011? Please serve all the related aspects in relation to
    a. FLY ASH b. RAW LIGNITE c. SCRAPS

    Ans.: Fly ash (no. of e-auction): 2010-11 -1, 2011-12 -8 Raw lignite: 2009-10 -11, 2010-11 -23, 2011-12 -36,

    Scrap: 2005-06 -31, 2006-07 -31, 2007-08 -29, 2008-09 -35, 2009-10 -35, 2010-11 -48, 2011-12 -50
11. Please list out the basic value per ton of the above mentioned substances/ materials
    Ans.: Scrap: The basic value will be determined based on the quality of the material, market condition, etc. It varies from e-auction to e-auction. In case of raw lignite, fly ash etc, the floor price is adopted based on the market conditions. The present floor price of raw Lignite: Rs.2000/per MT, flashes 655/MT.
12. Please provide the list of those who had succeeded in the auction and what is the amount they have paid in relation to the basic rate that NLC has fixed? **Ans.:** The reply could not be provided in the absence of a request for any particular e-auction.
13. When will be the intimation about the successful bidding notified to the successful bidder?
    Ans.: As and when the e-auction closes, the m/s MSTC e-auction system generate.
14. After getting successful bidding what do you expect from those concerns?
    Ans.: The concerned successful buyer shall take auction as per the sale intimation letter in line with the e-auction terms and conditions.
15. How much is the bidder expected to pay as the EMD or caution deposit? **Ans.:** As per the indication in the e-auction catalog and according to the intimation letter send by MSTC.
16. When should the full amount be paid--before delivery or after delivery of the auctioned goods?
    Ans.: The full amount should be paid before taking the delivery as per the sale order and e-auction terms and conditions.
17. On what basis is the delivery right given to the bidder? **Ans.:** The delivery is effected as per the basis indicated in the respective e-auction documents.
18. Before the process of the delivery what should the auction bidder do?
    Ans.: The successful bidder shall remit the balance payment and furnish the photo ID issued by the MSTC and the other document indicated in the e-auction catalog.

19. When and how does an organization lose its right to enter e-auction? **Ans.:** If the organization fails to adhere to the e-auction terms and conditions stipulated by the M/s.MSTC it loses its right.
20. What detail is intimated to that concern? **Ans.:** NLC does not intimate anything to that concern as the e-auction is conducted by M/s.MSTC.

Annexure II Tables & Figure

Table 1 Key information required to fulfil the objective

Sl. No.	Objective	Information Required
1	Extent of transparent process	Is information provision biased/unbiased public/ specific
2	Factor influencing wider participation	Entrance for participation equality/inequality treatment among bidder
3	Possibility of improving bid price	What are different opportunities, what are supplementary inform additional information provided about number of bidder time to time, initial bid price quantity etc
4	Knowledge of win / lose bidders	Ensuring whether bidders are aware of the complete information about bid details and Feedback analysis
5	Time saving	Distance of bidder place from Neyveli Duration of participation in auction

Table 2 SALE OF BALI CLAY

YEAR	QTY. IN M.TS.	SALE REVENUE (RS.)
2009-10 (Conv. Method)	21249	31.87 Lakhs
2010-11 (From July'10) (E-Auction)	11650	111.27 Lakhs

Conventional Method: The price was at Rs.150/M.T / E-Auction Method: The current price is Rs.1000/M.T.

Table 3 SALE OF RAW LIGNITE (E-Auction)

YEAR	QTY. IN M.TS.	SALE REVENUE (RS.)
2009-10 (Sep To March-10)	1,43,990	22.13 Crores
2010-11	2,99,320	50.05 Crores

Table 4 Number of E-Auction Offers 2005-2012

Sl. No.	Period [in Years]	Number of e-auctions		
		Scrap	Raw Lignite	Fly ash
1	2005-2006	31	-	-
2	2006-2007	31	-	-
3	2007-2008	29	-	-
4	2008-2009	35	-	-

5	2009-2010	35	11	-
6	2010-2011	48	23	1
7	2011-2012	50	36	8
Total		249	70	9
Average		39	23	5

Table 5 Advertisement for E-auction

Sl No	**Product name**	**Advertisement 1**	**Advertisement2**
1	Raw lignite	By NLC	News paper and NLC MSTC website
2	Fly ash	By MSTC	News paper and MSTC and NLC website
3	Scrap	By MSTC	News paper and MSTC and NLC website

Table 6 Basic E-auction Value per Unit Floor Price on Market Condition

Sl No	**Product /Item**	**Basic rate in NLC**
1	Raw lignite	Rs 2000/per MT
2	Fly ash	Rs 655/MT
3	Scrap	Based on quality and market condition

Table 7 Advance Deposit for E-auction Participation

Sl No	Product/Item	EMD
1	Fly ash	Remit the rate as stipulated the e-auction document
2	Raw lignite	Remit the rate as stipulated the e-auction document
3	Scrap	No advance deposit

Table 8 Full Payment and Delivery of E-auction

SL NO	Product/Item	Payment details	Others
1	Fly ash	Remit the balance amount	Photo ID issued by MSTC
2	Raw lignite	Remit the balance amount	Photo ID issued by MSTC
3	Scrap	Remit the balance amount	Photo ID issued by MSTC

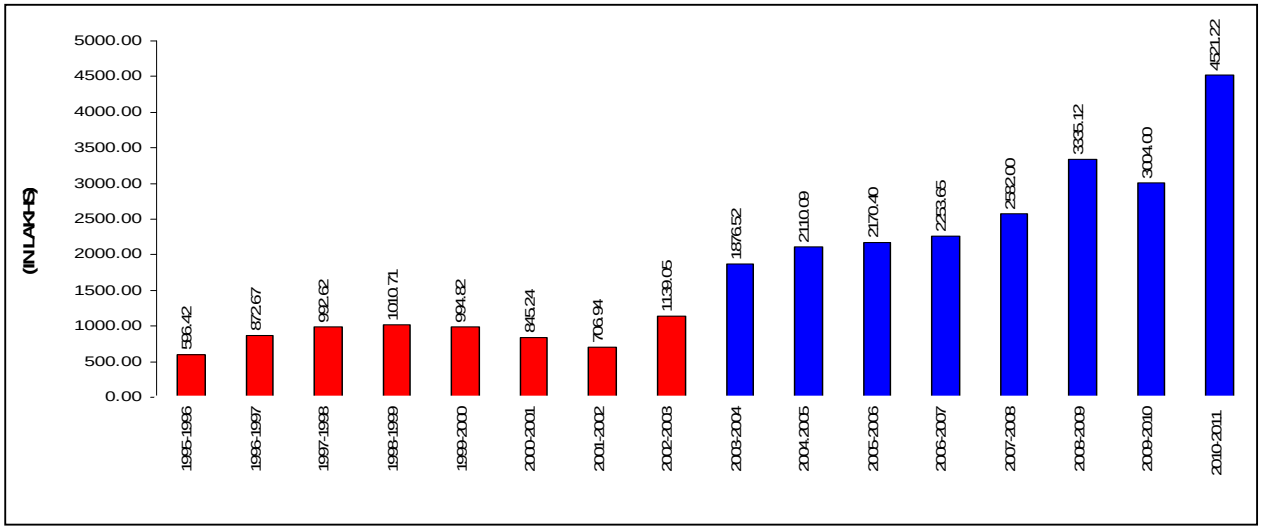

Figure 1 - E-AUCTION – SALE REVENUE OF SCRAP MATERIALS CONVENTIONAL PERIOD (1995-96 TO 2002-03) E-AUCTION PERIOD (2003-04 TO 2010-11)

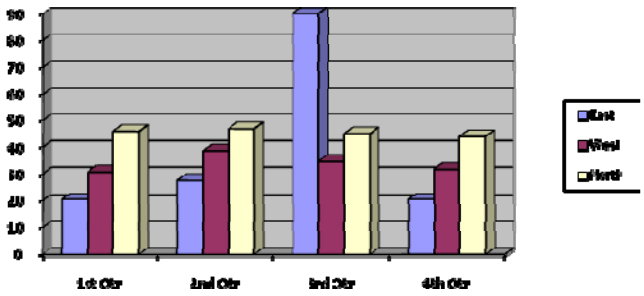

Figure 2 - Number of E-Auction Offers 2005-2012