

MARKETING

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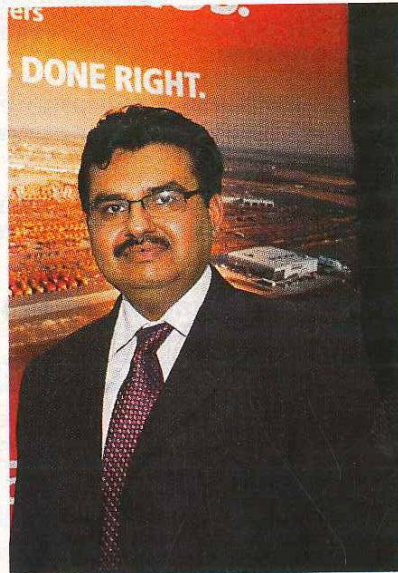
India is ready for unreserved auctions if the recent Hyderabad experience is a pointer

In the 30 years that Guylain Turgeon has been working at Ritchie Bros. Auctioneers, he says he has never experienced such an overwhelming response. Flushed with the 51-year-old auctioneers' success at its first Indian auction – held in Hyderabad on 25 September – the Canada-headquartered company's senior vice president and managing director says, "We were overwhelmed by how rapidly the bidders adapted to the auction process." Sameer Malhotra, the country manager, Asia subcontinent agrees, "It was a great auction! We welcomed hundreds of visitors to the auction site, of whom 250 registered to bid."

As Turgeon points out, the success of any auction is based on its ability to attract buyers. "Not only were we able to attract customers from across the country, but also globally – from Canada, the US, Mexico, Thailand, Singapore, Malaysia, Saudi Arabia, the UAE, Jordan, Lebanon, the UK, Italy, Japan and the Netherlands," he says. And with such a large number of bidders, the sellers were able to get 'global fair market value' for their assets. The 231 lots sold generated over Rs17 crore; the single highest sale was a crane which went for Rs90 lakh.

Ritchie Bros. conducts hundreds of unreserved auctions – where there is no minimum bid or reserve price, with every item being sold to the highest bidder – around the world every year. The world's largest industrial auctioneer, it has over 110 locations in more than 25 countries including 39 auction sites. Items sold include both used and unused industrial equipment for the construction, transportation, agricultural, material handling, mining, forestry, petroleum and marine industries.

**Hyderabad is the main centre for construction and mining equipment purchases**



Malhotra: a great auction!

"This auction proves that the Indian market is ready for our auctions," says Turgeon. "The bidders had no problem keeping up with the fast pace of the auctioneer and our bid catchers. It's pretty unique that so many new bidders participated so actively in a first-ever Ritchie auction in a country. We're looking forward to conducting another unreserved public auction in India soon."

Sandeep Garg, president, plant and equipment at Punj Lloyd – which is responsible for buying all the equipment for the company's operations globally – is a long-time customer. "The whole process is very fair and efficient," he says. "I know that the equipment will be sold, I can inspect it before the auction and, if I'm the successful bidder, the equipment is available right away. If they have the specific thing we need, I would certainly buy through them rather than from a dealer or through

another auction company." Narender Madan, managing director of Mumbai-based Eastman Logistics, is another bidder who has been attending Ritchie Bros. auctions for the past five years. "The auction was as well conducted as those I've been to in Dubai, Europe and the US," he says. However, Madan, who bought cranes, excavators and trailers worth Rs60 lakh in Hyderabad, has a grouse: that the venue was not air-conditioned, unlike the others. Also, unlike in any other centre including Dubai, the organisers had to take a one-hour break for *namaaz*.

"Yes, it was uncomfortable," agrees Hemant Aggarwal, director of Globe Eco Logistics in Ahmedabad. But he, too, had nothing to complain about the auction itself: he bought a 50-tonne hydraulic crane for Rs84 lakh plus tax. Globe specialises in carrying 'over-dimensional consignments' (ODC). K.P. Radhakrishnan, joint managing director of the Chennai-based Tech Sharp Engineers, also found the auction conducted very well. "It was very fast and everything was sold," says the co-founder of the 20-year-old mechanical engineering company who bought a 50-tonne crane in Hyderabad. Tech Sharp does contracting jobs in Muscat as well as India, setting up refineries, nuclear power facilities and cement plants. Both Aggarwal and Radhakrishnan were first-timers at a Ritchie auction, though the former's brother had gone for one in Dubai last year.

So why did Ritchie, which chalked up auction results of \$3.57 billion in 2008 through 37,000 consignments at 340 unreserved industrial and agricultural auctions, decide to come to India – that too, Hyderabad? "The construction industry here has been growing 30 per cent year-on-year till the current economic slowdown," Malhotra explains. "And Hyderabad is one of the main centres for construction and mining equipment purchases. It accounts for 20 per cent of the national business, though the buyers execute jobs all over the country. We want to expand in this area through Asia – Turkey and Japan are next." That's bidding on growth.

♦ SEKHAR SESHAN