

READY MIX CONCRETE BUSINESS: OPERATIONAL VS STRATEGIC CHOICES

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A firm, which operates in an emerging industry, faces a number of challenges. Such challenges may be multidimensional in nature encompassing pricing and demand, distribution and logistics, market structure, socio economic issues, capacity utilization and expansion etc. These challenges become more compelling in an uncertain environment caused by uncontrollable variables such as consumer behavior, competition strategies, legal environment, supply issues etc. A firm is very much likely to adopt reactive strategies in such uncertainties.

This case study examines how a firm faces pricing and logistics issues in an uncertain environment ridden by substitute products, raw materials shortage, legal and social adversities. In an article titled “Price as stimulus to think- a case for willful overpricing” by Luc Wathier & Marco Bertini (Feb 21, 2006) they state the following “ Accounting for the effect of price as a stimulus to think, a monopolistic firm should either overprice (transgressive pricing) or under price (regressive pricing) in comparison to consumer’s willingness to pay. Under certain circumstances the firm should also empower the consumers with means that reduce the effort of deliberation”.

The authors continue that when a firm introduces a new benefit the consumer is unsure whether he wants it or not. Accounting for this uncertainty the firm may offer an initial discount or focus on a small group of customers who are affluent or enthusiastic. The authors suggest an alternative approach that the firm may induce consumers to think more deliberately about the potential role of the offered benefit in their lives. In such a situation the overpricing approach- pricing above what the consumers initially want to pay but not too high can motivate them to deliberate over and make a polarized judgment about the personal value of the new benefit. This deliberation can motivate the consumers to pay a premium as per the quoted price. The decision of the consumer is also influenced by cost of thinking as argued by the authors.

Assume the benefits for which the price charged are intangibles, which cannot be either visibly felt and appreciated or experienced immediately. The issue becomes complex when the end consumer is constrained by not being completely empowered to make the choice decision for the product as intermediaries are involved. This case study looks at a Ready Mix unit namely Neptune Ready Mix Concrete Pvt Ltd located in Cochin Kerala which faces the this dilemma.

Prepared by Prof Ranjan Verghese and Mr Anil Kumar Pillai

The case abstract is prepared for submission to IIM, Kozhikode for their Conference on Global competition and Competitiveness of Indian Corporates proposed to be held during May 2007 only to illustrate the concepts in Management . The case is based on an existing Ready Mix Company in Kerala . This is not meant to illustrate effective or ineffective handling of the situation

NEPTUNE READY MIX CONCRETE PRIVATE LIMITED :

Mr Alex Thomas and Mr Prince Joseph set up Ready Mix Unit at Edayar , Cochin in April 2003. The unit was set up about 20 km away from Ernakulam city in a picturesque location. Traditionally it was Cement and Construction Companies which used to set up Ready Mix Units. Here , it was a deviation from the tradition .

Mr Alex Thomas had been cement stockist since 1986 and later became the C&F of L& T Cement now UltraTech Cement (an Aditya Birla Group Company) .More than a mere dealer or C&F agent he wished to be an Industrialist . Mr Alex was thinking of setting up a farm project ,to increase the yield per hectare of agriculture land . He engaged a consultant and conducted a study for the purpose. He went to Israel to gather ideas in this field.

There was an RMC unit just outside the hotel at Israel. Little did he realize at that moment that he would set an RMC unit . He consulted many experts and interacted with Bank personnel for loans . But at a later stage he found that the idea of farm project in India would not be lucrative. The project had to be shelved. But the experience of his interaction with Consultants and Bank personnel were not futile. He was of the firm opinion that the banks would extend loans to projects in a growing economy.

Later during one of the interactions with his friend from the Cement Industry an idea of setting up a Ready Mix Unit struck his mind. He along with Mr Prince Joseph , a registered contractor with PWD ,went ahead with the project . During 2003 there was no readymix unit in South Kerala . In the whole state of Kerala there was only one unit at Kozhikode . Many major Cement Companies who had ready mix units elsewhere in the country were hesitant to set up a unit in Kerala. Few Companies conducted a feasibility study and dropped the idea of setting up a plant at the last moment. The reasons attributed at that time were “ Individual house owners preferred to use site mixed concrete .Moreover when a RMC plant is set up, the traditional concrete workers and the headload workers lose their livelihood, concrete mixers will not be hired. A strong union would definitely take up such issues and would be an impediment in the functioning of the plant. Other problems in Kerala like *Nokucoolie* charges by the various unions were not a conducive factor ” . Under these circumstances it needs a lot of courage and conviction on the part of an entrepreneur to set up a Plant for the first time.

Before actually setting up the Plant Mr Alex visited many RMC units of major Companies and discussed the issues and problems with the concerned personnel. Mr Alex knew that if his venture was successful in Kochi , other Companies would set a Ready Mix unit in the city. But this did not deter him . Many of the personnel working in the Industry were of the view that Mr Alex would find it difficult once competitors put up RMC units in the State. But he was of the opinion that in that case the total industry pie would expand which would be beneficial for the industry . He expected widespread usage of Ready Mix Concrete in the coming years . For a person who does not come from a family of businessmen (his father was with the State Bank of India) this was a tough decision.

As a dealer /C& F agent , Mr Alex interacted with various customers buying cement. The customers used to expect a trouble free concrete through the usage of cement they were buying. But as a cement supplier he could only guarantee the quality of cement as other factors determining the quality of concrete were more within the control of the user than the seller. Therefore ,there was a demand for scientifically designed concrete mix by the customers. Also his interaction with site personnel led to the conclusion that it was difficult to monitor the quality of concrete at site.

ABOUT RMC :

RMC uses concrete - a blend of cement , sand , aggregates and water mixed in convenient proportions based on the required concrete strength . In our country it was launched first in Mumbai . Typical cost of an RMC plant with 30 cu. m per hour capacity ,3 transit mixers and a concrete pump would cost around Rs 2.5 to 3.0 crores excluding the cost of land. Land could either be purchased or leased . The decision to purchase or lease land for RMC plant will necessitate analysis of various factors like cost of land , future use etc. There are places where government allocates land at cheaper rates, even cheaper than lease rates of some other places. Ready Mix Concrete business in India is in its infancy . For example 70 % of the cement produced in a developed country like Japan is used for RMC business there. Even in countries like Sri Lanka RMC is mandatory in all multistoried buildings. In India RMC business uses around 8-10% of total cement production.

Government intervention could boost the growth in the RMC industry . Government specification for CPWD and PWD jobs should include RMC as a mandatory item. Tax breaks are required for the growth of RMC . Developers / Contractors are to be discouraged from piling up materials like aggregate , sand etc on roads/ footpaths.

Utilization of flyash in concrete mixing without affecting the qualities of concrete could reduce the cost . Even Blast furnace slag can also be used as an ingredient for making concrete . Flyash and slag are the byproducts from thermal power station and steel industries respectively. These byproducts are cheaper and enhances the durability and pump ability of concrete if scientific mix designs are followed. Bureau of Indian Standards (BIS) permits cement manufacturers to use flyash and slag upto 35% and 65 % respectively.

ReadyMix Concrete (RMC) vs Site Mixed Concrete (SMC)

- Easier , faster and better quality construction.
- Time saving and reduced wastage of raw material
- Elimination of storage space for basic materials like aggregates , sand etc at site
- Elimination of procurement /hiring of plant and machinery
- Labour associated with production of concrete is eliminated.
- Organisation at site is more streamlined.

Ready Mix Concrete is costlier than Site mixed Concrete more due to the inclusion of transportation cost and tax component in the RMC cost .

RMC INDUSTRY : KERALA :

During 2003 there was only one Ready Mix Unit in Kerala (at Kozhikode) and that too which started its operation in the late 2002. Engineers and Construction professionals were comfortable in using site mixed Concrete. House owners felt that mixing the ingredients at site would enable them to use their preferred cement brands and have more control on the concrete mixing operation. Although many were aware of Ready Mix Concrete they preferred usage of Site mixed Concrete. The shuttering /scaffolding arrangement for concreting were also not designed . This was mainly erected by the arpenters at site. Normally they used locally available wooden planks , plywood and ballies. Steel shuttering was not used except for major project sites. Usage of RMC requires extra precaution while erecting staging and shuttering. This is because of the rate of loading using RMC on the shuttering /staging is at a faster rate as compared to the site mixed concrete.

Presently the annual consumption of RMC in Kerala is estimated at Rs 85 crores (22000 cubic meter per month @ 3200/- per cubic meter) . In 2003 the annual production and consumption of RMC in Kerala was around 12000 cubic metee which increased to 264000 cubic metre in 2006.

Cement consumption in the state could be an indicator to estimate the potential for RMC . About 500000 lakh tonnes of cement are consumed every month in various construction activities in the state. Considering 40% of the cement is used for making concrete where RMC can be used, it translates to around 568000 cu.m of concrete every month . The annual business potential in Kerala for RMC is thus estimated at around Rs 2200 crores .

The Ernakulam market presently consumes around 90000 tonnes of cement every month , out of which 40% is used for making concrete which translates to around 1 lakh cubic metre of concrete .As on date there are six ready mix units supplying around 22000 m³ in Kerala , five of which are in Ernakulam District.. Ready Mix Concrete is in the introductory stage of the product Life cycle in Kerala.

RMC growth pattern in various metros like Bangalore, Chennai, Hyderabad etc gives a clue . Full fledged RMC operations started in the year 1996 in various Metros . Bangalore consumes one third of the total Readymix concrete produced in India every month. . Bangalore s huge demand for ReadyMix Concrete is also a reflection on of the need of the construction industry to complete a project quickly. It is estimated that in Bangalore and Chennai about 55% and 35% of the total concrete respectively are ReadyMix Concrete.In Kochi around 20% of concrete is only through RMC. With more and more reputed builders ,Cement Manufacturers ,major Construction Companies and entrepreneurs planning to start Ready Mix units in Kerala , this emerging sector would definitely grow in geometric proportions in the next few years.

In Kochi there is going to be a boom in the construction segment as tremendous pressure will start building on commercial and residential spaces. Therefore there is scope for huge potential growth .

RMC INDUSTRY : INDIA : HIGHLIGHTS

- Estimated Annual Concrete Consumption in the country : 165 million cubic metre (Hindu , June 4 2005)
- India spends 6% of its GDP on infrastructure compared to China which spends close to 30%
- Per capita consumption of cement in India in 2001 : 97 kg
- Global Average per capita consumption of cement : 263 kg (Source : Outlook Money 29 September 2005)
- Country is dotted with 140 to 150 commercial RMC units
- Employment to 30000-35000 people directly and around 50000-60000 people indirectly
- RMC industry pegged at 2000-2500 crore growing at around 25-35% over the last 5 years.
- RMC segment churns out an average 28000-30000 cubic metres of concrete every day.
- L& T , Grasim , ACC , RMC India are major players with pan India presence and market share of 75-80% .
- Schwing Stettar India (SSI) is a 100% subsidiary of Schwing Group of Companies manufacturing equipment for concrete preparation , transportation , placement and for recycling concrete.
- Cement consumed by RMC units is currently around 8-10% of the total cement produced in India while the same is around 60-65% in developed countries.

(Source : Economy & Business , March 26 , 2006)

COST COMPARISON SITE MIXED CONCRETE (SMC) VS READY MIX CONCRETE (RMC) : per cubic metre of concrete : AN ABSTRACT

S.No.	Particulars	Qty	Unit	Rate	Site Mixed Concrete (Average cost in Rs)	Ready Mix Concrete (RMC)
1	Cement	330	Kg	3.65	1204	1095 since 300 kg only need to be used
2.	Sand (River)	24	Cu. Ft.	22.50	540	
3.	Manufactured Sand	21	Cu.Ft.	19		399
4.	Coarse Aggregate	33	Cu.Ft.	15	495	472.50 since 31.5 cu.ft is needed
5.	Additives	2.5	kg	28	Nil	70
6.	Labor @ Rs 50/- per bag	1	Cu.m	250/- for Ground Floor	300	Nil
7.	Cost of production of RMC ,Pumping , Mktg and Overheads	1	Cu.M	-	-	425
8.	Transportation (12.5 km radius)	1	Cu.M	-	-	200
9	Mixing Machine operator, rent & Consumables , Vertical hoist Operator	1	Cu.M	-	100	-
10	Taxes	1	CuM			300
11	Wastage & Handling Charges					
TOTAL COST					Rs 2639	Rs 2961

Note: Cost per cubic metre of concrete will vary with grades of concrete. Cement consumption increases as concrete grade increases since cement content increases with grade.

COST OF MAJOR ASSETS AND REALTED COSTS(In Rs lacs)

PARTICULARS	COST
Schwing Stetter Batching Plant including installation charges	66
Cement feeding system + Cement Silo(2No.) + Front End Loader + Sand Seeving / Conveyor System	20
Transit Mixture	21
Concrete Pump	20
Civil Works , Office , Laboratory	30-80

PERFORMANCE :

During the first year of its operation in 2003-04 Neptune posted a loss of Rs 6.25 lacs . The Company made a profit of Rs 64 lacs during the second year of operation in 2004-05. In April 2005 L&T set up its ready mix plant in Kochi followed by CVC Readymix and Condour . The entry of these players resulted in a price war and this affected the margins. During second year of its operation Neptune set up its second plant exclusively for execution of a major project of Muthoot.

As on June 2006 Neptune had three ready mix units catering to the city of Ernakulam . The other two were at Marad and Infopark (Exclusively for Wipro Project after completion of Muthoot) Introduction of VAT further decreased the profits . The sales tax was calculated by considering RMC under 4% category (similar to the taxation of hollow block) . But subsequently the Sales tax department clarified that RMC is categorized under 12.5% . The difference in the percentage had to be paid to the Sales Tax Department which amounted to about 75 lakhs . Therefore financial year 2005-06 closed with a loss of Rs 1.16 crores.

LOOKING FORWARD ... In spite of the initial losses and challenges Neptune Ready Mix concentrated on improving its systems in line with the good practices of major corporates.

System Upgradation : Convinced by his experience with L&T as a C&F Agent , that IT could be used for integrating all departments of a firm , Neptune implemented ERP (Enterprise Resource Planning) in all its unit. Marketing , Operations and Accounts data could be updated in line with any changes occurring in any one of the department. All approvals could be online depending on ones authority and hierarchy. Any change in sales quantity would simultaneously necessitate change in debtors outstanding account. Implementation of ERP enabled easier scaling and replication of operation of his plant at Edayar to other two units. Availability of online information helped in the demarcation of customers on the basis of contribution , age of outstanding etc . Retrieval of documents relating to earlier supplies became easier especially in case of customer complaints.

Product : A concrete is labeled based on 28 day compressive strength tested in laboratory. A M20 concrete for instance indicates a concrete batch whose sample fulfills the criteria of minimum cube compressive strength of 20N/mm² or 200kg/sq.cm after 28 days of curing . Likewise concrete can be either M20, M25, M30 , M35 , M40 etc. There are projects in the country who have produced concrete grades of even M100.

Concretes of M20 to M45 grades were supplied from the plant . The orders were mostly for M20 to M30 grades of concrete. M45 was mostly used fro bridge works. Customers also used to specify concrete based on the minimum content of cement per cubic meter of concrete. For instance specification of concrete for piling required a minimum cement content of 400 kg per cubic metre.

Individual house owners normally takes RMC for roof casting. Its use in columns and other structural members are minimal.

During the first year of operations, Executives from Neptune used to visit the customers site to check the quality and stability of staging and shuttering. Its easier to retain a customer than get a new one. This was because once the customer starts using RMC he is convinced of the quality and time saving using RMC and will not think of using site mixed concrete. Customer feedback was taken regularly and necessary changes implemented. Subsequently when construction boomed Neptune could charge a premium on its concrete.

Sales: During its year of inception in 2003-04 Neptune Concrete Pvt Ltd were able to sell 15645 cubic metre of concrete. Concrete sales quantity rose to 37400 cu.m. in 2004-05 and 50000 cu.m. in 2005-06. The average price per m³ of concrete also went up from Rs 2500 per m³ to 3200 m³. Fluctuation in price of concrete depends on the fluctuation in prices of materials like cement, sand and aggregates. Sale of concrete in the financial year 2005-06 was 50000 m³. If we look at the sales performance of Neptune ReadyMix Concrete Private Limited the sales rose from Rs 2.96 crores in 2003-04 to Rs 6.85 crores in the year 2004-05. Sales rose to 12.50 crores in the year 2005-06.

Marketing : In Ready Mix Concrete, the supplier could concentrate on an area within 30 km of the plant. This enables him to save on transportation costs which could increase his contribution margin. The turnaround time of transit mixers would also be lesser when supplying to nearest areas and hence the proposed supply schedule to the other customers would not be affected. Neptune is trying to project an image of professionalism in the customers minds.

One of the ways they do this is by insisting the frontline personnel (like drivers of transit mixers, concrete pump operators etc) to wear uniform. This gives an image of a disciplined and committed team unlike the image of a concrete worker clad in traditional *lungies*. Neptune ensures excellent quality of concrete through a process of continuous testing of raw materials. They have well established laboratories to monitor the quality of input materials. All equipments for testing sand, aggregates and concrete are available. Samples of concrete are also tested at regular intervals.

Pricing Strategy: Neptune Concrete follows a strategy of premium pricing in all markets and segments except for captive plants (Plant catering to one single project/customer) The premium charged is normally in the range of Rs 50 to Rs 100 per cubic meter. The premium pricing is possible due to the services offered by Neptune apart from supplying RMC. Wherever cover blocks (block made of cement, sand and small sized aggregate used to protect reinforcement bars from rusting) are not used by the customer, Neptune supplies the same. Neptune supplies plastic sheets to the customers to cover the concrete surface to avoid sudden evaporation. This helps in preventing surface cracks. All these activities helps Neptune in projecting an image of quality service provider in the minds of the customer. There are differential prices for various categories of customers depending on the quantity of concrete. If the quantity is higher and orders assured, necessary adjustments are made in the price. When a plant is setup for exclusive use of a customer in or near his premises, there is a saving in transportation cost a part of which is shifted to the customer. For retail customers decision makers are contractors or the individual house owners. Based on payment terms and conditions the price of concrete is fixed. Advance payment or payment on delivery involves lesser risk and lower price.

It is very essential to maintain a strict vigil on the outstanding payment of various customers in this business. As most of the users are either contractors or large projects where the payment comes from a government department, the payment schedule cannot be predicted. There are instances of bad debts. Therefore maintaining a balance between collection of outstandings and sales quantity is a challenge to the marketer of RMC. Even if the sales materializes failure to realize the payment by the RMC supplier can wipe away the margins earned through other

customers. DOS (Days of Sales) outstanding is an important parameter in Ready Mix concrete supply. Neptune Ready Mix is able to achieve a DOS of 14 days which is considered very good in this kind of business.

One advantage in RMC business is that the plant can be dismantled and shifted to a new premises where there is a potential for increased concrete consumption.

Customer Segments Broadly customers were segmented into retail and institutional project customers. The price charged to a retail customer was high compared to an institutional project customer. To achieve profitability and retain customer the supplier will have to make a trade off between the retail customer offering higher price and a project customer offering assured orders for a period which could be as long as an year. Moreover sale is assured with an institutional project customer for a minimum duration of one year or completion of the project whichever is earlier. From the point of view of large projects, setting up of dedicated plant gives them a complete and peaceful solution as far as concrete sourcing is concerned. The customer gets a first hand experience on the whole process as the plant is located within his site. The customer is assured of timely supplies of concrete and hence the project progresses as per the schedule without any delay. Also dedicated plant has the advantage of giving more flexibility to the customer

Neptune's breakup of customer segments and their respective shares as a percentage of the total volume of concrete are as follows:

SEGMENTWISE BREAKUP (% OF TOTAL SALES)

Segment	Percentage of total volume
Residential	20
Commercial	25
Group Housing	40
Institutions	10
Infrastructure	5

Plant and Allied Equipments: The batching plant capacity at each of the three plants were 30 m³/hr. There are 12 transit Mixers of 6 m³ capacity each and 4 concrete pumps. Neptune Concrete presently deploys Model 350 D Schwing concrete pumps which can pump upto 300 m horizontally and 70 m vertically (i.e upto 20 floors), and @ of 35 Cum/hr of concrete.

The capacity of the batching plant is not the sole criteria to determine the ability of the supplier to supply the required quantity of concrete. It's the optimum capacity at which the batching plant, transit mixers and concrete pump (if required) can be operated so that all the operations including mixing, transporting and placing takes place. Its not sufficient that RMC produces concrete but to ensure that the quantity reaches the doorsteps of the customer.

ISSUES OF CONCERN :

- Which pricing strategy is recommended for this kind of business ?
- Radius of delivery of RMC is normally within 30 km. But there were instances of having supplied concrete to Kottayam and Trichur sites. When supplying to sites far away and which takes longer time for transportation the RMC supplier will have to ensure that concrete is supplied in plastic state before the onset of initial setting process. Use of additives therefore becomes necessary. Supplies to construction sites within the city by transit mixers are only allowed between 11am to 3 pm and at night. The turnaround time of the transit Mixer to continue supplies to other customer and the traffic congestion are the other factors affecting

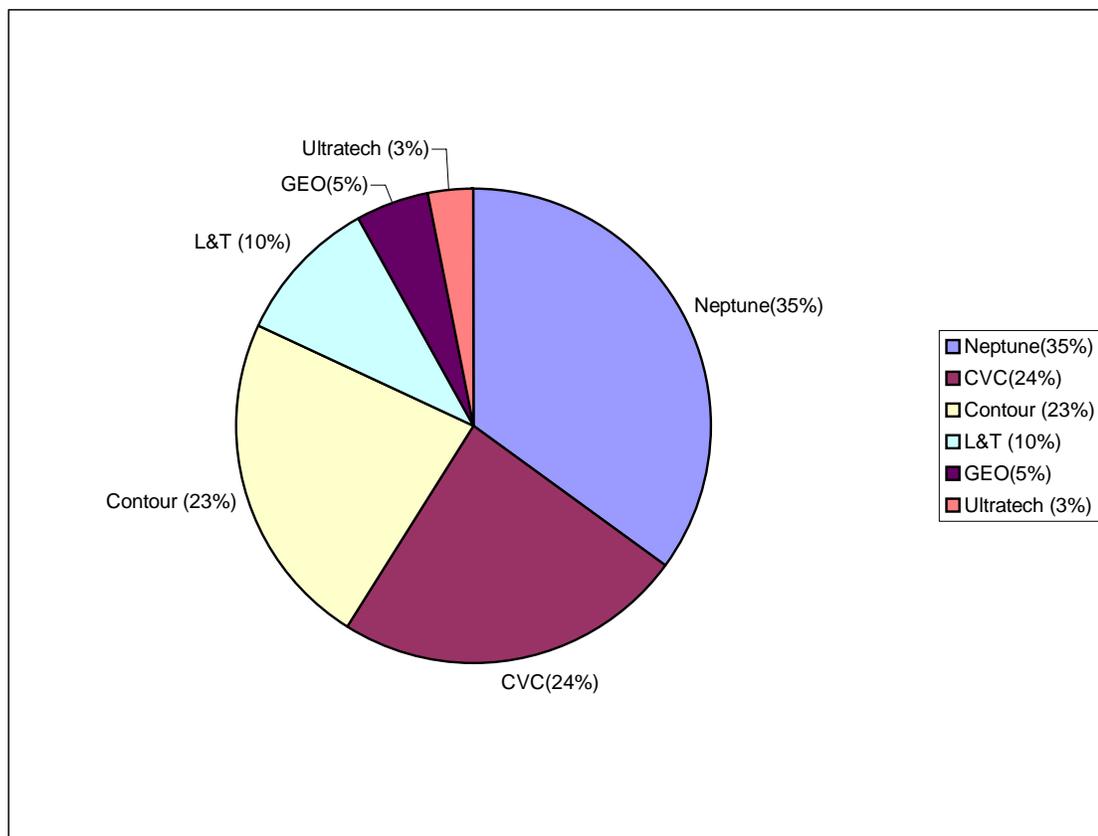
the time of transportation. The supply schedule is to be done keeping these in mind. How is supply chain management relevant to RMC?

- Since mobilization of pump and pipe line is required, for pumping, in case of orders below 15 cum it is not economical for the buyer. Each transit mixer has a capacity to transport 7 cum of concrete at a time. Where pumping is not required even orders for 6 cum can be supplied. Sometimes it is economical to put up a Plant at the customers premises if the order quantity is substantial. This is because as was mentioned earlier transportation cost is high as 30 % depending upon the distance of the plant from the customers premises. How can resources be used as a competitive advantage
 - **Raw Material Supply :** Cement is the only raw material for RMC that is coming from an organized industry. The other raw materials aggregates and sand both are to be sourced locally and are from unorganized sources. Moreover the supply of sand was/is erratic. This was due to a ban by the Kerala Government on sand mining. Therefore RMC units had little choice in control of sand / aggregates. Aggregates are obtained from crushing plant. Aggregates are available in various sizes depending on the mix proportions. Manufactured sand did help to tide over this problem. One advantage of using Manufactured sand over natural sand is the decreased silt content. Lower silt content further enhances the durability of concrete. Quality and quantity of water are also to be regulated to ensure a good quality concrete. The raw materials for the manufacture mostly come from various sources with lots of Variation but the manufacturer has to ensure that the output is having low Standard deviation. The supplier is responsible not just for manufacture but he has to ensure that it reaches the customers door steps in time and at the same time fulfilling the requirements laid down by the customer
 - Ready Mix concrete cannot be stored. If rejected by the customer it has to be disposed off. The manufacturer therefore will have to maintain production level close to sales..
 - The product supplied has its advantages and hence is premium priced. This is an emerging business.. In spite of the advantages of RMC there are areas within Kerala especially towards the north of the state where customers are not comfortable with its usage. The reason is that many of the small time contractors are looking at immediate short term profits. Even apartment builders also award piecemeal works which at time are cheaper than site mixed concrete. When they are working on tight margins quality is given the next priority after price.
- The end consumers do not get an opportunity to evaluate the benefit of RMC.
- Usage of RMC can save space which otherwise could have been used for storage of raw materials like sand /aggregates. In fact supplying RMC would mean plying of one transit mixers instead of three truck

READY MIX UNITS IN KERALA

S.No.	Company	Capacity of each Plant cu.m/hr	Average Monthly Sales cu.m
1	Neptune Ready Mix Concrete	30	8750
2	L& T Ready Mix	30	2500
3	CVC , Cherian Varkey	30	6000
4	Contour Ready Mix	30	5750
5	Ultratech ReadyMix	30	750

NOTE : Only capacity per plant is mentioned. There are Ready Mix Companies having more than one plants. The details have been collected directly from the local sources who are associated with Ready Mix Concrete industry. There is no recognized RMC manufacturers representing the RMC players.



Source : Local industry source , Kochi

HR Policy : Neptune Ready Mix has a total employee strength of 120 out of which 60 employees are on permanent rolls of Neptune Concrete and the other 60 are on contract. The promoters delegate tasks with authority and empower their employees. They encourage Employees to take calculated risks and in the process if mistakes occur , the Employees are not reprimanded but encouraged to learn from them. The Marketing Manager is given free hand to negotiate with customers.

The Managing director is assisted by a team of competent and well-qualified team. Under the General Manger there are Managers of departments like Marketing, Customer Service , Technical, Human Resource etc reporting to him. The industry faces talent shortage and hence retention of employees is a key issue.

Social Cause : The promoters believe in creating and sharing wealth . A lot of stress is placed on values . Contrary to normal practices the promoters do not believe in bribing officials of any Govt Department. The promoters feel obliged to the society and are supporting schools . They have established a good rapport with the local people. This is clearly evident as Neptune did not face any problem since its inception from the local people. They are major contributors for the “Nanma ” project promoted for a social cause. In association with the Motor Vehicles Department , they are also imparting training for bus drivers as part of promoting safe driving habits.

PLANS AHEAD : Mr Alex ‘s vision is to make Neptune an accepted brand of RMC in India . This is a capital intensive industry . To compete with major organizations in the RMC industry a national brand image along with infusion of capital plays a vital role. There are RMC units in Kochi which are owned by the major cement manufacturers .

RDC India Limited , one of the largest standalone ready mix concrete companies in India have acquired Neptune Ready Mix Concrete .RDC Concrete (India) which began its operation in

1993 is owned by India Value Fund (IVF) a premier private equity investment fund with a corpus of USD 200 million. . This was a win win situation for both the parties as RDC India would be using Neptune Brand (apart from acquiring a plant and the local reputation of the brand) and the promoters of Neptune are the members of the board of the combined entity.
