

# **NIRMA LIMITED**

## **OVERVIEW**

Nirma Limited (“Company”) was incorporated on February 25, 1980 as a private limited company. Pursuant to the provisions of Section 43A of the Companies Act, 1956, the Company became a deemed public company with effect from July 1, 1989 and the same was changed to Nirma Limited. Subsequently, the Company has been a full-fledged public company effective from November 8, 1993.

Nirma is one of the few names - which is instantly recognized as a true Indian brand, which took on mighty multinationals and rewrote the marketing rules to win the heart of princess, i.e. the consumer.

## **BUSINESS OVERVIEW**

The Company has production facilities in Bhavnagar for soda ash, caustic soda, purified phosphoric acid, bromine, salt and toilet soap, Porbandar for soda ash, Alindra for LAB and Mandali & Moraiya for detergent and soaps. It has business operations in USA too, thru its Wholly Owned Subsidiary, Karnavati Holdings Inc.

The Company continues to enjoy leadership position with diversified product portfolio, in FMCG sector toilet soaps, detergents, edible salt and industrial products like soda ash, caustic soda, phosphoric acid, linear alkyl benzene and bromine, having vast distribution network. The Company is also one of the largest manufacturers of soda ash in the world, second largest manufacture of edible salt in the county, besides having considerable market presence in caustic soda, detergents, toilet soaps and LAB.

### **Soaps & Surfactants**

Soaps and detergents is the one of the largest growing sector in Indian economy having double digit growth rate. Even though the outlook for the FMCG sector remains positive in the long term, the high inflation is a cause of concern for increase in the raw material prices. Also the competition remains a challenge.

The Company has maintained its existing position as one of the prominent S&D players in the Indian market because of its strong brand. Its distributor network is one of the biggest strengths, to service the growing demand especially from rural consumers.

Backward and forward integration is the major strategic strength. The Company manufactures key raw materials, including soda ash and linear alkyl benzene (LAB), which are used to make detergents. Manufacturing of Purified Phosphoric Acid will consume significant part of chlorine produced by the Company. Captive production of raw materials ensures timely and adequate supply and facilitates, greater control over quality and raw material cost. The Company has also strengthened and established market position in Alkali Chemicals coupled with various cost initiatives that helped the Company in earning better profit margins.

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The Company has a strong and established market position in the domestic soda ash business too. The forward and backward integration, coupled with various cost initiatives, helps the Company in commanding better profit margin.

The Company's product, Soda ash, is extensively used in the manufacture of glass. Furthermore, soda ash acts as an organic builder in soaps & detergents formulations. Additionally, increasing demand for soda ash in the construction & building materials industry coupled with rising number of water treatment projects is anticipated to fuel the demand for soda ash during the coming years.

The Company has also expanded its caustic soda and soda ash capacities in March 2017, along with an addition to the captive power plant capacity and is expecting healthy demand for the consumer segment, along with continued buoyance in demand and prices for industrial products such as soda ash and caustic soda.

**Salt:** The Company is the second largest player in the edible salt business in the country. The Company has large and entirely automated salt plant in Gujarat, which provide a steady supply of salt for soda ash production.

**Other Chemicals:** The Company's operations are further backward integrated to manufacture n-paraffins and other chemicals too. It also manufactures various other chemicals and fertilizer products like single super phosphate, bromine etc. and has set up a food grade purified phosphoric acid plant. These products helped to strengthen the operations of the Company.

**Processed Minerals:** This business segment constitutes the Company's operations in USA through its subsidiary, which manufactures a range of processed minerals such as Boron, Natural Soda Ash and others.

**Utilities:** Power and Fuel are one of the key inputs for the various products manufactured by the Company. The Company has the flexibility to utilize a variety of fuels from 4000 GCV to 8500 GCV and is optimizing the fuel mix strategy to its full advantage. The Company has power generation facilities with present installed capacity of more than 237 MW.

### Units/plants of the Company

1. Mandali, District: Mehsana, Gujarat,
2. Chhatral, District:Gandhinagar, Gujarat,
3. Kalatalav, District: Bhavnagar, Gujarat
4. Moraiya, District:Ahmedabad, Gujarat
5. Saurashtra Chemicals situated at Porbandar, Gujarat alongwith Salt work and limestone mines at different sites in Gujarat
6. Alindra Unit including Bhadarva both situated at District:Vadodara, Gujarat
7. Trikampura, District:Ahmedabad, Gujarat

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## SUBSIDIARY COMPANIES

- Wholly Owned Subsidiaries
  - i) Karnavati Holding Inc. USA
  
- Step Down Subsidiaries
  - i) Searles Valley Minerals Inc. USA
  - ii) Searles Domestic Water Company LLC. USA
  - ii) Trona Railway Company LLC, USA
  - iii) Searles Valley Minerals Europe, France

## MEN BEHIND SUCCESS OF NIRMA PHENOMENON

**Dr. Karsanbhai K. Patel**, a marketing legend and philanthropist, is the founder and promoter and Chairman of Nirma group. He is the recipient of various awards and accolades. The Government of India honoured him with one of the highest civilian awards, the Padma Shri in 2010. He has also received the Udyog Rattan award from the Institute of Economic Studies, New Delhi in 1987. Further, he has been conferred an honorary Doctor of Humane Letters by Florida Atlantic University, USA in 2001, and an honorary Doctor of Letters by Devi Ahilya Vishwavidyalaya, Indore (University of Indore) in 2007. He has undertaken various education initiatives by setting up Nirma University and Nirma Vidyavihar.

**Shri Hiren K. Patel**, Managing Director of the Company plays a key role in the top leadership of the Company. He has been associated with the Company since the year 1997. He has very rich experience in the varied fields including consumer goods and chemicals. Under his guidance and leadership, Company has significantly achieved growth particularly in business development and brand leverage.

**Shri Rakesh K. Patel**, a Vice Chairman of the Company looking after portfolios such as procurement, logistics and HR functions of Nirma Group. He is also associated with various management and industrial chapters.