



# Firing on all cylinders

Starting from a friend's garage with less than the ₹20 of his own, Nitin Shah has built a fire protection company with multiple interests and revenues of more than ₹1,000 crore.

## Nitin Shah

57 years

### Company

Nitin Fire Protection Industries

### Headquarters

Mumbai

### Seed capital

₹500 (1984)

### Age at starting business

27 years

### Source of funds

Loan from friends

### Turnover in the first year

₹30 lakh (1984-85)

### Present turnover

₹1,000 crore (2013-14)



## I built useful

contacts while working at my father's company. One of these helped me bag my first contract – a fire extinguisher repair and maintenance deal.

## Innovative

methods helped us make a start. For instance, we used part of an old car to build a rolling machine. The actual machine would have cost us ₹45,000.

## We started

offering complete, end-to-end, fire fighting solutions that included designing, manufacturing and maintenance of firefighting equipment in 1998.

**M**y father had a small firefighting equipment manufacturing firm Zenith Fire services. Since the age of eight, I started accompanying him to the firm's manufacturing unit in Mumbai. As I grew, I began managing shifts at the unit during my school and college vacations. But, I was the youngest in the family and my eldest brother inherited the business.

I thought about starting my own venture without any help from my family. But I did not have even ₹20 to start out with. I took a loan of ₹500 from some of my friends and started working at a friend's auto garage. This was in January 1984. By then I had completed a diploma in mechanical engineering.

While working with my father, I built useful contacts. One of them was a senior advisor to the Department of Atomic Energy (DAE). He told me about a maintenance contract for fire extinguishers at the department. His recommendation helped me win the contract. This was in April 1984. The contract required re-

pair and maintenance of firefighting cylinders. DAE would transport the cylinders to the garage where I was working, I would repair the cylinders and they would be transported back. I employed three people to help me with the work.

When we started off, I did not have the money to buy trolleys, pulleys or conveyer belts. I improvised with whatever equipment were available. For the rolling machine, we used a part of an old car. It cost me about ₹1,000. A new rolling machine would have cost around ₹45,000.

Within 6-7 months, we had saved enough to buy a 1,200 sq. ft space at Ghatkopar for around ₹20 lakh. The company was named Nitin Fire Protection Industry. When we were not repairing power cylinders, we were busy manufacturing extinguishers.

Based on our work for the DEA, we got a maintenance contract for ONGC in 1986. It required complete maintenance of hose grills, engines and tanks at their plant.

By end-1986, our turnover had crossed ₹7

crore. In 1987, we decided to increase our manufacturing capacity and bought a 50,000 sq. ft space at Umargaon in Gujarat for ₹1 crore. We employed some 25 people for manufacturing firefighting equipment at the facility. The headcount at Mumbai was still five. They were responsible for the DAE and ONGC maintenance contracts.

We started offering end-to-end firefighting solutions like designing, manufacturing and maintenance of equipment for firefighting units including Goa fire force and Mumbai fire brigade in 1988.

At that time, no company was offering fire detection equipment. We planned on getting into that segment but lacked the expertise. In 1989, we decided to join hands with someone who had the skill and know-how. We teamed-up with UK-based Apollo Fire Detectors, one of the largest manufacturers of smoke detectors, modules and notification devices. It was an exclusive tie-up and we continue to be the sole distributors of their devices in the country.

We expanded from manufacturing to marketing and distribution of firefighting equipment. On June 5, 2007 we went public to fund our expansion plans. The size of our initial public offering (IPO) was ₹65 crore. We got a huge response.

We used the proceeds from the IPO to set up a manufacturing unit for CNG cylinders at Visakhapatnam. We set up a separate company Nitin Cylinders to operate the unit. But soon we realised that the infrastructure needed to operate the unit wasn't available. We were not getting a ready supply of CNG for the cylinders. We decided to partner with a global expert. We sold 60% of Nitin Cylinders to US-based Worthington Industries for \$21 million in December 2010. The company was renamed Worthington Nitin Cylinders.

Since 2008, we also started acquiring stake in a UAE-based firm New Age Company through Nitin Ventures. It is a 30-year-old company with mandates from local civic bodies, airport development authorities, port authority, telecommunication sites, cement plants, Emirate Ministry of Education and Civil Defence. In 2010, we acquired the company. The buyout cost us ₹40 crore. New Age Company has offices at Abu Dhabi, Dubai and Sharjah and has installed fire protection systems in all seven emirates. We also launched another company Firetec Systems, through Nitin Ventures, for the European market.

We are now the world's only company to offer all types of fire protection products including inert gases, chemical gases and water. Last year, our consolidated revenues were over ₹1,000 crore. We are aiming to be a \$1-billion firm in the next five years.



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