

### Company Overview

HD Fire Protect Limited is a Maharashtra-based manufacturer of fire protection equipment and systems for industrial, commercial, and residential applications. With over three decades of experience in the fire protection industry, the company has established capabilities in manufacturing a wide range of fire suppression products and customised solutions to meet diverse safety requirements. Its product portfolio includes sprinklers, valves, deluge systems, foam-based suppression equipment, fire monitors, water spray nozzles and gas suppression systems. The company serves diverse industries, including oil and gas, refining and petrochemicals, power and energy, heavy engineering, aerospace, pharmaceuticals, data centres, and warehousing. Its solutions are also deployed across hospitals, hotels, retail spaces, educational institutions and other infrastructure facilities. HD Fire Protect emphasises in-house product development and customised solutions for safety-critical applications. Its business model also includes contract manufacturing and white labelling, enabling it to address varied customer requirements. The company operates manufacturing facilities in Jalgaon and Thane, Maharashtra, supported by product testing and R&D capabilities. It serves domestic markets through a stockist network and international markets through distributors, with its products reaching multiple countries. Notably, HD Fire Protect is the only company among its peers to hold all six of the following certifications and approvals: UL Solutions, FM Approvals, CE, VdS, ASME U and Lloyd's Register, strengthening its credentials in the fire protection industry. Its revenue is primarily concentrated in three product segments: sprinklers, alarm valves and accessories, contributing 31.0%; deluge valves, deluge skids and pre-action systems, accounting for 21.9%; and foam equipment and suppression systems, contributing 18.1%. As we advance, rising industrialisation, infrastructure development, stricter workplace safety requirements, and growing awareness of fire protection systems could support demand across industrial and commercial markets.

### Objects of the issue

The IPO of HD Fire Protect Limited comprises an Offer for Sale (OFS) of up to 26,284,500 equity shares by the promoter selling shareholders worth Rs. 712 crores. There is no fresh issue, and therefore, the company will not receive any proceeds from the offer. The net proceeds from the OFS will be received by the respective selling shareholders.

### Investment Rationale

#### Strong certification-led competitive advantage and established global presence

HD Fire Protect has built a strong track record of over 36 years in the fire protection equipment and systems industry, with products exported to more than 90 countries. The company operates in a certification-driven industry characterised by high entry barriers, arising from stringent regulatory requirements, specialised product testing, long certification cycles and rigorous vendor empanelment processes. Its product portfolio is supported by internationally recognised certifications, including UL Listed, FM Approved, CE, VdS, ASME U Stamp and Lloyd's Register, across key categories such as sprinklers, valves, deluge systems, foam-based suppression equipment, monitors, nozzles and gas suppression systems. As of September 2026, the company held 21 UL Listed and 87 FM Approved product certifications, the highest among fire protection equipment-focused peers in India, according to the CRISIL Report. It also holds BIS certification for stand post-type water and foam monitors and is among the few Indian companies in the sector with certification from China's National Quality Testing Center for Fire Fighting Products. These credentials, supported by established manufacturing capabilities and a systematic approach to customer approvals, strengthen its ability to serve regulated domestic and international markets. The company's empanelment with international customers involves detailed technical evaluations, documentation reviews and on-site audits, with approval processes often extending over several months or longer. Its fire protection systems have also been supplied to key industrial projects, including Saudi Aramco's Ras Tanura Sea Island project. Once approved, suppliers may benefit from long-standing customer relationships and repeat sourcing, making it difficult for new entrants to secure comparable contracts. The combination of extensive certifications, technical expertise, global reach and established customer empanelment strengthens HD Fire Protect's competitive positioning and provides a meaningful entry barrier in the fire protection equipment industry.

#### Vertically integrated manufacturing capabilities supported by continuous R&D and product innovation

HD Fire Protect has established vertically integrated manufacturing capabilities spanning research and development, product design, casting, machining, assembly, testing, painting and quality control. Its manufacturing infrastructure across Jalgaon and Thane, Maharashtra, enables greater control

### Issue Details

|                                   |                             |
|-----------------------------------|-----------------------------|
| Offer Period                      | 13th Oct 2026-15th Oct 2026 |
| Price Band                        | Rs. 258 to Rs. 271          |
| Bid Lot                           | 55                          |
| Listing                           | BSE & NSE                   |
| Issue Size (no. of shares in Cr.) | 2.6                         |
| Issue Size (Rs. in Cr.)           | 712                         |
| Face Value (Rs.)                  | 5                           |

### Issue Structure

|        |     |
|--------|-----|
| QIB    | 50% |
| NIB    | 15% |
| Retail | 35% |

|           |                                                                                       |
|-----------|---------------------------------------------------------------------------------------|
| BRLM      | Ambit Private Ltd.,<br>Anand Rathi<br>Advisors Ltd.,<br>IIFL Capital<br>Services Ltd. |
| Registrar | MUFG Intime India<br>Private Ltd.                                                     |

| Particulars               | Pre Issue %   | Post Issue %  |
|---------------------------|---------------|---------------|
| Promoter & Promoter Group | 100.0%        | 85.0%         |
| Public                    | -             | 15.0%         |
| <b>Total</b>              | <b>100.0%</b> | <b>100.0%</b> |

(Assuming issue subscribed at higher band)

Research Team - 022-61596138

# HD Fire Protect Ltd.

over product quality, production lead times and compliance with international standards. The company offers a comprehensive portfolio of fire protection equipment and systems, including sprinklers, alarm valves, deluge systems, foam-based suppression equipment, monitors, nozzles, custom-engineered systems and gas suppression solutions. Its technical capabilities include an ASME-certified fabrication shop for U-stamp pressure vessels, a non-ferrous foundry, advanced CNC and VMC machining facilities, including 5-axis machining centres, and in-house 3D modelling supported by design-to-performance validation. With flow-testing infrastructure capable of handling up to 18,000 litres of water per minute, the company is equipped to develop and validate solutions for demanding applications across oil and gas, power, aviation, logistics, data centres and other critical industrial sectors. Its R&D initiatives focus on advanced deluge valves with integrated pressure-reducing mechanisms and foam suppression systems compatible with fluorine-free concentrates, reflecting the industry's evolving environmental and performance requirements. Over the past three years, the company has launched multiple new products. It holds a portfolio of eight patents filed and/or granted across India, the USA and other jurisdictions, covering innovations in valve mechanisms, foam proportioning and fluid control assemblies. A dedicated fire test laboratory and R&D centre at its expanded Jalgaon facility are expected to support further product development and manufacturing capabilities. The company is also constructing an additional production facility and warehouse at Wagle Estate, Thane, expected to become operational by November 2026. Integrated manufacturing, specialised engineering capabilities, in-house testing infrastructure, and continuous product innovation strengthen its ability to deliver customised, high-performance fire protection solutions and support growth across complex industrial and infrastructure applications.

## Valuation

HD Fire Protect Limited is an established manufacturer and supplier of fire protection equipment and systems, serving industrial, commercial, and infrastructure applications in India and international markets. The company operates in a growing industry, supported by rising fire safety awareness, stricter safety regulations, infrastructure development, and increasing demand for fire suppression and detection systems. Its established market presence, specialised product portfolio, strong certification credentials and export capabilities provide a foundation for long-term growth. On the financial front, the company reported revenue from operations/Operating EBITDA/PAT of Rs. 489 Cr/Rs. 155 Cr/Rs. 117 Cr in FY26. Operating EBITDA margin stood at 31.7%, while PAT margin was 23.1%. The company also reported healthy return ratios, with ROE and ROCE at 30.2% and 40.2%, respectively, reflecting strong profitability and capital efficiency. Revenue, operating EBITDA and PAT registered CAGRs of 15.5%, 23.3% and 24.7%, respectively, between FY23 and FY25, indicating healthy growth in both scale and profitability. However, the business remains exposed to working capital requirements, raw material price fluctuations and competitive pressures. At the upper price band of Rs. 271 and FY26 diluted EPS of Rs. 6.66, the company trades at a P/E multiple of approximately 40.7x. **Given its established market position, operating performance, and growth potential from improved capacity utilisation, we recommend investors "SUBSCRIBE" to the issue with a medium- to long-term investment horizon.**

## Key Risks:

- ⇒ The company's top 10 suppliers contributed 59.3% of total expenses in FY26, with no long-term purchase agreements. Any loss of key suppliers or supply disruptions could adversely affect production, operating costs and profitability.
- ⇒ The company is exposed to raw material price volatility, particularly in iron, steel and copper. Any increase in input costs or inability to pass on higher costs to customers could adversely impact margins and profitability.
- ⇒ Contract-manufactured goods accounted for 27.0% of revenue in FY26. Dependence on third-party manufacturers exposes the company to supply disruptions, quality issues and delivery delays, potentially affecting customer relationships and financial performance.

# HD Fire Protect Ltd.

## Income Statement (Rs. in Crores)

| Particulars                                                                      | FY24       | FY25       | FY26       |
|----------------------------------------------------------------------------------|------------|------------|------------|
| <b>Revenue:</b>                                                                  |            |            |            |
| Revenue from operations                                                          | 373        | 433        | 489        |
| <b>Total revenue</b>                                                             | <b>373</b> | <b>433</b> | <b>489</b> |
| <b>Expenses:</b>                                                                 |            |            |            |
| Cost of materials consumed                                                       | 112        | 119        | 123        |
| Purchases of stock-in-trade                                                      | 81         | 100        | 132        |
| Changes in inventories of Finished Goods and Stock-in Trade and Work In Progress | 4          | -9         | -5         |
| Employee benefit expenses                                                        | 35         | 42         | 46         |
| Other expenses                                                                   | 34         | 42         | 43         |
| <b>Total expenses</b>                                                            | <b>266</b> | <b>295</b> | <b>339</b> |
| <b>EBITDA</b>                                                                    | <b>107</b> | <b>138</b> | <b>150</b> |
| Depreciation & amortization                                                      | 9          | 9          | 10         |
| <b>EBIT</b>                                                                      | <b>97</b>  | <b>129</b> | <b>140</b> |
| Finance costs                                                                    | 0          | 0          | 0          |
| Other Income                                                                     | 19         | 18         | 16         |
| <b>Restated profit before exceptional items and tax</b>                          | <b>116</b> | <b>147</b> | <b>156</b> |
| Exceptional items                                                                | 0          | 0          | 0          |
| <b>PBT</b>                                                                       | <b>116</b> | <b>147</b> | <b>156</b> |
| Current Tax                                                                      | 28         | 36         | 41         |
| Deferred Tax                                                                     | 0          | 1          | -2         |
| <b>Total tax</b>                                                                 | <b>28</b>  | <b>37</b>  | <b>39</b>  |
| <b>Net profit</b>                                                                | <b>88</b>  | <b>110</b> | <b>117</b> |
| <b>Diluted EPS</b>                                                               | <b>5.0</b> | <b>6.3</b> | <b>6.7</b> |

Source: RHP, BP Equities Research

## Cash Flow Statement (Rs. in Crores)

| Particulars                                                 | FY24      | FY25      | FY26      |
|-------------------------------------------------------------|-----------|-----------|-----------|
| Cash Flow from operating activities                         | 64        | 98        | 92        |
| Cash flow from investing activities                         | -33       | -53       | 41        |
| Cash flow from financing activities                         | -23       | -49       | -136      |
| <b>Net increase/(decrease) in cash and cash equivalents</b> | <b>8</b>  | <b>-3</b> | <b>-3</b> |
| Cash and cash equivalents at the beginning of the period    | 13        | 21        | 17        |
| <b>Cash and cash equivalents at the end of the period</b>   | <b>21</b> | <b>17</b> | <b>15</b> |

Source: RHP, BP Equities Research

# HD Fire Protect Ltd.

## Balance Sheet (Rs. in Crores)

| Particulars                                             | FY24       | FY25       | FY26       |
|---------------------------------------------------------|------------|------------|------------|
| <b>Assets</b>                                           |            |            |            |
| <b>Non-Current Assets</b>                               |            |            |            |
| Property, plant and equipment                           | 75         | 87         | 81         |
| Capital Work-in-Progress                                | 1          | 4          | 18         |
| Intangible Assets                                       | 0          | 0          | 0          |
| Financial Assets                                        | 0          | 0          | 0          |
| i) Investments                                          | 91         | 127        | 79         |
| ii) Other Financial Asset                               | 14         | 26         | 13         |
| Other Non-Current Assets                                | 1          | 1          | 2          |
| <b>Total Non Current assets</b>                         | <b>181</b> | <b>245</b> | <b>192</b> |
| <b>Current Assets</b>                                   |            |            |            |
| Inventories                                             | 55         | 70         | 87         |
| Financial Assets                                        | 0          | 0          | 0          |
| i) Trade receivables                                    | 48         | 58         | 94         |
| ii) Cash and cash equivalents                           | 21         | 17         | 15         |
| iii) Bank Balances other than Cash and Cash Equivalents | 12         | 6          | 5          |
| iv) Other financial assets                              | 70         | 44         | 31         |
| Current Tax Assets (Net)                                | 0          | 2          | 0          |
| Other current assets                                    | 5          | 7          | 8          |
| <b>Total current assets</b>                             | <b>211</b> | <b>205</b> | <b>240</b> |
| <b>Total Assets</b>                                     | <b>393</b> | <b>450</b> | <b>432</b> |
| <b>Equity and Liabilities</b>                           |            |            |            |
| Equity Share Capital                                    | 3          | 88         | 88         |
| Other equity                                            | 341        | 310        | 290        |
| <b>Total Equity</b>                                     | <b>343</b> | <b>397</b> | <b>377</b> |
| <b>Non-Current Liabilities</b>                          |            |            |            |
| Financial Liabilities                                   |            |            |            |
| i) Other Financial Liabilities                          | 0          | 0          | 0          |
| Provisions                                              | 1          | 1          | 2          |
| Deferred Tax Liabilities (Net)                          | 2          | 3          | 0          |
| <b>Total Non-Current Liabilities</b>                    | <b>3</b>   | <b>4</b>   | <b>2</b>   |
| <b>Current Liabilities</b>                              |            |            |            |
| Financial Liabilities                                   |            |            |            |
| i) Trade Payables                                       | 21         | 25         | 30         |
| ii) Other financial liabilities                         | 5          | 5          | 9          |
| Other current liabilities                               | 18         | 18         | 13         |
| Provisions                                              | 1          | 1          | 1          |
| Current tax liabilities (net)                           | 0          | 0          | 0          |
| <b>Total Current Liabilities</b>                        | <b>46</b>  | <b>49</b>  | <b>53</b>  |
| <b>Total Liabilities</b>                                | <b>49</b>  | <b>53</b>  | <b>55</b>  |
| <b>Total Equity and Liabilities</b>                     | <b>393</b> | <b>450</b> | <b>432</b> |

Source: RHP, BP Equities Research

## Disclaimer Appendix

**Analyst (s) holding in the Stock : Nil****Analyst (s) Certification:**

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