



SMC Ranking

★ ★ ☆ ☆ ☆ (2/5)

Issue Highlights

Industry	Other Consumer Services
Offer for sale (Shares)	26,284,500
Net Offer to the Public	26,284,500
Issue Size (Rs. Cr.)	678-712
Price Band (Rs.)	258-271
Offer Date	13-Oct-26
Close Date	15-Oct-26
Face Value	5
Lot Size	55

Issue Composition

	In shares
Total Issue for Sale	26,284,500
QIB	13,142,250
NIB	3,942,675
Retail	9,199,575

About the company

HD Fire Protect Limited is an Indian manufacturer and supplier of fire protection equipment and systems, with over three decades of experience. Its portfolio covers eight categories including sprinklers, alarm valves, deluge valves and pre-action systems, foam suppression systems, monitors, water spray nozzles, custom-engineered systems and gas suppression systems. The company serves industrial, oil & gas, petrochemical, power, aerospace, data-centre, warehousing, commercial and residential customers. It operates manufacturing facilities at Jalgaon and Thane spread across 8.50 acres, with vertically integrated capabilities covering casting, machining, assembly, testing and quality control. HD Fire Protect exported to more than 90 countries in FY26 and had 2,066 customers. Revenue from operations increased from Rs. 372.95 crore in FY24 to Rs. 489.28 crore in FY26, while FY26 PAT stood at Rs. 116.79 crore.

Strengths

Well-established global presence in a certification-driven, high-barrier industry: HD Fire Protect operates in an industry where international certifications, product testing, regulatory approvals and customer empanelment create meaningful entry barriers. The company has a business legacy of more than 36 years and exports to over 90 countries. It holds 21 UL Listed and 87 FM Approved certifications, the highest among the fire-protection-equipment-focused Indian peers. It is also certified under UL, FM, CE, VdS, ASME-U Stamp and Lloyd's Register across its product portfolio. Such certifications, along with lengthy testing and approval cycles, help protect established suppliers from new competition and support HD Fire Protect's position in regulated domestic and international markets.

Comprehensive portfolio across diverse end-use sectors: The company offers a broad portfolio covering eight product categories, giving it exposure to different fire-safety requirements rather than depending on a single product. Its portfolio includes sprinklers, alarm valves, deluge valves, pre-action systems, foam equipment, monitors, water spray nozzles, custom-engineered systems and gas suppression systems. These products serve oil & gas, petrochemicals, power, aerospace, heavy engineering, pharmaceuticals, data centres, warehouses, hospitality, healthcare, retail and other sectors. The diversified product and end-use mix reduces dependence on any one industry and allows the company to address both standard and highly customised requirements. HD Fire Protect has also

Shareholding Pattern (%)

Particulars	Pre-issue	Post-issue
Promoters & promoters group	100.00%	85.00%
QIB	0.00%	7.50%
NIB	0.00%	2.25%
Retail	0.00%	5.25%
Total	100.00%	100.00%

*calculated on the upper price band

Objects of the Issue

The HD Fire Protect Ltd. IPO is a 100% Offer for Sale (OFS), so the company will not receive any funding and the entire IPO proceeds will go to the selling shareholders.

Book Running Lead Manager

- Ambit Private Limited
- Anand Rathi Advisors Limited
- IIFL Capital Services Limited

Name of the registrar

- MUFG Intime India Private Limited

supplied products to major installations including Sriharikota, Jamnagar refinery, the new Parliament building and Saudi Aramco's Ras Tanura project.

FY26 Product Mix

Product Category	FY26 Revenue (Rs. crore)	Share
Sprinklers, alarm valves & accessories	164.80	33.95%
Deluge valves, skids & pre-action systems	106.08	21.85%
Foam equipment & suppression systems	90.83	18.71%
Water spray nozzles	33.11	6.82%
System valves & accessories	26.48	5.45%
Monitors & monitor nozzles	26.80	5.52%
Custom-engineered systems	3.52	0.73%
Others	33.80	6.96%
Total	485.41	100%

Revenue from operations excluding other operating revenue.

Strong and diversified customer base with long-standing relationships: HD Fire Protect had more than 905 customers as of June 30, 2026, spanning industrial, infrastructure, aerospace, oil & gas, refining, power, pharmaceuticals, data centres and warehousing. The company has maintained relationships with several customers for many years, with customers associated for more than five years contributing 54.40% of FY26 revenue. Repeat customers contributed 85.20% of FY26 revenue. Customer concentration is also relatively moderate, with the top 10 customers accounting for 23.69% of FY26 revenue. Its 22-distributor international network and domestic stockist presence further support market reach. This combination of repeat business, customer diversification and long-term relationships provides greater revenue visibility and reduces dependence on individual customers.

Advanced design and vertically integrated manufacturing capabilities: The company's manufacturing model provides significant control over product development and quality. Its Jalgaon facility integrates R&D, design, casting, machining, assembly, testing and quality control. HD Fire Protect has an ASME-certified fabrication shop, non-ferrous foundry, CNC and VMC machining facilities including 5-axis machines, 3D modelling capabilities and in-house testing infrastructure. Its testing facilities can handle water flow of up to 18,000 litres per minute. The company is also establishing a NABL-accredited calibration laboratory. This integrated approach helps reduce dependence on external vendors, improve quality control, shorten development cycles and support customised solutions for demanding industries such as oil & gas, power, aviation and data centres.

Experienced management and industry knowledge: HD Fire Protect is led by promoters with extensive experience in the fire-protection industry. Chairman and Managing Director Harish Narshi Dharamshi has more than 41 years of industry experience, while other key promoters have more than 15 years each. The broader management team includes professionals across engineering, product development, operations, finance, supply chain and regulatory compliance. This experience has helped the company build technical capabilities, develop international certifications and establish relationships across domestic and export markets. The company's

focus on internal expertise and continuous product development is particularly important in an industry where product reliability, technical compliance and customer empanelment play a major role in winning projects.

Strong profitability and consistent financial performance: HD Fire Protect has delivered consistent growth in both revenue and profitability. Revenue from operations increased from Rs. 372.95 crore in FY24 to Rs. 432.80 crore in FY25 and Rs. 489.28 crore in FY26, representing a 14.54% CAGR over FY24-FY26. Operating EBITDA increased to Rs. 150.46 crore in FY26, with a 30.75% margin, while PAT rose to Rs. 116.79 crore with a 23.12% margin. The company remained debt-free and reported FY26 ROE of 30.17% and ROCE of 40.33%. Its operating cash flow was Rs. 92.49 crore in FY26, providing internal funding for working capital and capacity expansion.

Strategy

Focus on product innovation, portfolio expansion and technology: HD Fire Protect intends to strengthen its position through continuous product development and next-generation fire-safety technologies. Its R&D focus includes pressure-reducing valves, fluorine-free foam suppression systems and high-performance foam pumps. Over the past three years, it has commercialised products such as upright foam sprinklers, AR-SFFF F3 foam concentrates and the Varun 643 foam monitor. The company is also developing fluorine-free products as the global industry moves away from PFAS-based solutions. Its in-house CAD, simulation, prototype testing and flow-validation capabilities are expected to shorten development cycles and reduce reliance on external validation. The company also holds patents and design registrations supporting its proprietary technologies.

Strategic capacity expansion at Jalgaon and Thane: The company is expanding its manufacturing infrastructure to increase capacity, improve efficiency and reduce delivery times. Its expanded Jalgaon facility includes a manufacturing unit, fire-testing laboratory, warehouse and R&D centre, while a new production facility and warehouse at Wagle Estate, Thane, is expected to be operational by November 2026. HD Fire Protect had invested Rs. 22.69 crore in these projects as of June 30, 2026 and planned another Rs. 5 crore through internal accruals. The expansion is aimed at improving throughput, automation, testing capabilities and the company's ability to handle both standard and customised products for large domestic and international projects.

Enhance product credibility through international approvals: The company plans to widen its portfolio of internationally certified products, particularly FM-approved offerings, to gain access to highly regulated markets. HD Fire Protect already has 21 UL Listed and 87 FM Approved certifications. It is pursuing UL Listing for an advanced deluge valve with integrated pressure-reducing mechanisms and for new fluorine-free foam equipment and suppression systems. Additional product development includes foam pumps and proportioners. Greater certification coverage

should improve its ability to participate in projects across North America, the Middle East, Europe and Asia, while strengthening relationships with EPC contractors, multinational companies, consultants and government agencies.

Expand international presence through strategic partnerships: International expansion is focused particularly on Saudi Arabia, Southeast Asia and other high-potential markets. HD Fire Protect has incorporated a Saudi Arabian subsidiary and is participating in Saudi Arabia's localisation initiatives. The company is also using white-labelling arrangements, particularly in the Middle East, where its certified products are sold under regional customer brands. It is expanding distributor relationships and has added distributors in markets such as Saudi Arabia, Kuwait, Malaysia, Colombia, Argentina and South Africa. The company also aims to increase wallet share from existing customers and tap emerging demand from data centres, warehouses and other infrastructure-intensive sectors.

Key Risk Factors

- Any malfunction of fire-protection equipment could result in property damage, legal or warranty claims and serious reputational damage.
- Overseas markets contributed 34.69% of FY26 revenue, exposing the company to geopolitical, regulatory, currency and economic risks in international markets.
- The top 10 suppliers accounted for 47.76% of FY26 total expenses and the company does not have long-term purchase commitments with them.
- Volatility or disruption in the availability and pricing of raw materials and contract-manufactured products could affect margins and operations.
- Failure to obtain, maintain or renew mandatory certifications and regulatory approvals could restrict the company's ability to sell products in important markets.

Peer comparison

Company	Total Sales	PAT	EPS	P/E	P/BV	BV	FV	Price	Mcaps
Azad Engineering	638.49	138.99	21.52	142.23	12.93	236.74	2	3060.70	19766.53
Elgi Equipments	4146.20	447.90	14.64	41.01	8.52	70.43	1	600.35	19025.63
KSB	2725.60	245.50	15.06	53.74	8.30	97.54	2	809.30	14084.99
Ingersoll-Rand	1456.51	267.51	86.99	47.63	21.24	195.04	10	4143.45	13080.04
Kirl.Pneumatic	1808.20	262.90	20.23	35.10	7.39	96.12	1	710.00	9224.77
HD Fire Protect Limited	489.28	116.79	6.66	40.66	11.84	22.89	5	271.00	4748.73

*Peer companies financials are TTM based

***HD Fire Protect Ltd. financials are based on FY26

Valuation

Considering the P/E valuation at the upper price band of Rs. 271, the stock is priced at a FY26 EPS and P/E are Rs. 6.66 and 40.66x, respectively, while at the lower price band of Rs. 258, the stock is priced at a P/E multiple is 38.71x. Looking at the P/B ratio, at the upper price band of Rs. 271, the stock is priced at a book value and P/B are Rs. 22.89 and 11.84x, respectively, while at the lower price band of Rs. 258, the stock is priced at a P/B multiple is 11.27x. There is no change in the pre-issue and post-issue EPS or book value, as the company is not making any fresh issue of capital.

Industry overview

India's fire protection equipment market was valued at about Rs. 10,900 crore in FY26 and grew at a 12% CAGR during FY20-FY26; it is projected to reach Rs. 17,500-19,500 crore by FY31, implying 10-12% CAGR. The market covers fire detection and fire suppression equipment, with suppression accounting for around 75% or Rs. 8,200 crore in FY26 and expected to grow at 11-13% through FY31. Demand is supported by urbanisation, commercial construction, industrial and infrastructure capex, data centres, warehouses, oil & gas projects, stricter safety norms and rising awareness. Commercial applications represented 42% of the market, industrial and infrastructure 37% and residential 21% in FY26. Key challenges include raw-material volatility, certification requirements, competition, capacity utilisation and pricing pressure.

Outlook

Supported by rising industrial and infrastructure spending, data-centre expansion and stricter safety norms, HD Fire Protect's outlook remains positive. Revenue grew at a 14.54% CAGR during FY24-FY26, while the ₹158.60 crore order book provides visibility. Strong certifications, diversified products, international presence and 30.75% EBITDA margin support growth. Capacity expansion in Jalgaon and Thane and the Saudi subsidiary offer further opportunities, though working capital, raw-material volatility and export risks remain key concerns.

An Indicative timetable in respect of the Issue is set out below:

EVENT	INDICATIVE DATE (On or about)
IPO Open Date	Tue, Oct 13, 2026
IPO Close Date	Thu, Oct 15, 2026
Tentative Allotment	Fri, Oct 16, 2026
Initiation of Refunds	Mon, Oct 19, 2026
Credit of Shares to Demat	Mon, Oct 19, 2026
Tentative Listing Date	Wed, Oct 21, 2026

Annexure

Consolidated Financials

Profit & Loss

Rs. in Cr.

Particulars	Period ended 30-Jun-26 (3 Months)	Period ended 31-Mar-26 (12 Months)	Period ended 31-Mar-25 (12 Months)
Revenue from operations	109.05	489.28	432.80
Total expenditure	79.33	338.82	294.79
Operating Profit	29.73	150.46	138.01
OPM%	27.26	30.75	31.89
Other Income	5.02	15.83	17.88
Total Net Income	34.74	166.29	155.88
Interest	0.02	0.17	0.03
PBDT	34.72	166.12	155.86
Depreciation	2.21	10.14	9.14
PBT	32.51	155.98	146.71
Tax	8.65	39.19	37.00
PAT	23.87	116.79	109.72

Balance sheet is on next page

Balance Sheet

Rs. in Cr.

Particulars	As on 30-Jun-26	As on 31-Mar-26	As on 31-Mar-25
Non-current assets			
Property, plant and equipment	78.73	80.91	86.82
Capital work-in-progress	22.69	17.64	4.07
Intangible Assets	0.02	0.03	0.07
Financial Assets			
Investments	126.74	78.88	127.37
Other financial assets	8.06	12.65	26.13
Other non-current assets	4.54	2.30	0.84
Total non-current assets	240.79	192.39	245.30
Current assets			
Inventories	105.41	87.36	69.88
Financial Assets			
Trade Receivables	55.28	93.71	57.78
Cash and cash equivalents	13.85	14.87	17.47
Bank Balances other than Cash and Cash Equivalents	16.61	4.57	6.08
Other financial assets	31.92	31.36	44.32
Current Tax Assets (Net)	0.00	0.13	1.87
Other Current Assets	13.75	7.63	7.39
Total current assets	236.81	239.64	204.79
Total Assets	477.60	432.03	450.08
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Provisions	2.34	1.94	0.98
Deferred Tax Liabilities (Net)	0.57	0.03	2.67
Total non-current liabilities	2.91	1.97	3.65
Current liabilities			
Financial liabilities			
Trade payables — MSME	19.86	19.18	11.26
Trade payables — others	22.35	10.60	13.52
Other Financial Liabilities	8.46	8.61	5.16
Other Current Liabilities	18.74	13.11	18.11
Provisions	1.59	1.41	1.15
Current Tax Liabilities (Net)	2.68	0.00	0.00
Total current liabilities	73.68	52.91	49.20
Total liabilities	76.58	54.88	52.85
Net worth represented by:			
Equity share capital	87.62	87.62	87.62
Other equity	313.41	289.53	309.62
Total Equity	401.02	377.15	397.23

RANKING METHODOLOGY

WEAK	★
NEUTRAL	★ ★
FAIR	★ ★ ★
GOOD	★ ★ ★ ★
EXCELLENT	★ ★ ★ ★ ★

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