

Retail Research	IPO Note
Sector: Capital Goods	Price Band (Rs): 258 - 271
8 th October 2026	Recommendation: SUBSCRIBE

HD Fire Protect Ltd.

Company Overview:

HD Fire Protect Ltd. (HDFP) is the largest Indian exporter of fire-protection equipment by value. The company designs, manufactures and supplies fire-protection equipment and systems for its B2B customers in the domestic and international markets. Its portfolio spans eight product categories, including sprinklers and alarm valves, deluge and pre-action systems, etc. The company caters to sectors such as oil and gas, petrochemicals, power and energy, heavy engineering, aerospace, pharmaceuticals, data centres, warehousing, and commercial and residential infrastructure. HDFP operates manufacturing facilities at Jalgaon and Thane in Maharashtra, spread across 8.5 acres, with integrated capabilities covering foundry operations, machining, fabrication, assembly, R&D and product testing. Its products hold global certifications and approvals, including UL Listing, FM Approval, CE, VdS, ASME U-Stamp and Lloyd's Register. The company exported to more than 90 countries as of FY26, with international markets contributing 34.7% of revenue from operations. As of 1QFY27, HDFP has served 905 customers and has an order book of Rs 157 cr.

Key Highlights:

1. Established Customer Relationships: HD Fire Protect has served 905 customers and has developed relationships across domestic and international markets. Customers associated with the company for over five years contributed 54.4% of FY26 revenue, while repeat customers accounted for 85.2%. Its export presence is supported by long-term distributors and white-labelling arrangements, particularly in West Asia, which provide access to established regional distribution networks.

2. Integrated Manufacturing Capabilities: The company has vertically integrated capabilities covering R&D, product design, foundry operations, machining, fabrication, assembly, painting, testing and quality control. Its infrastructure includes an ASME-certified fabrication facility, non-ferrous foundry, CNC, VMC and five-axis machining facilities, and hydraulic and flow-testing equipment. These capabilities enable the company to develop customised and certified products while maintaining control over quality and production timelines.

3. Global Certified Presence: HD Fire Protect has a business legacy of over 36 years and supplies fire-protection equipment and systems to more than 90 countries. It is the only fire-protection-focused Indian company to hold UL, FM, CE, VdS, ASME-U and Lloyd's Register certifications across its product portfolio. With 21 UL Listed and 87 FM Approved certifications as of Sep'26, the company had the highest number of such product certifications among focused Indian peers. Long certification and customer-empanelment cycles create high entry barriers and support customer retention.

View & Valuation: HD Fire Protect Limited is a specialised fire-protection equipment manufacturer with a diversified product portfolio, established global presence and extensive product certifications. The company delivered Revenue/EBITDA/PAT CAGR of 14.5%/18.8%/15.3%, respectively, during the FY24-FY26 period, supported by healthy margins and strong return ratios. Its established customer relationships, presence across more than 90 countries and available capacity headroom provide scope to increase production and deliver growth without significant capital expenditure. Cost-competitive products and global certifications are the key strengths of the business. Going forward, 75%-owned Saudi Arabian JV will act as one of the growth drivers. At the upper price band, HDFP is valued at a post-issue FY26 P/E multiple of 40.7x, which is backed by robust margins, debt-free balance sheet, superior return ratios and healthy cashflows. Considering its established market position and operating performance, along with growth potential from better capacity utilisation, we recommend investors SUBSCRIBE to this issue.

Issue Details	
Date of Opening	13 th October 2026
Date of Closing	15 th October 2026
Price Band (Rs)	258 – 271
Issue Size (Rs cr)	712 @ upper price band
Offer for Sale (Rs cr)	712 @ upper price band
Issue Size (No. of shares)	2,62,84,500
Face Value (Rs)	5
Post Issue Market Cap (Rs cr)	4,749 @ upper price band
BRLMs	Ambit Pvt. Ltd., Anand Rathii Advisors Ltd., IIFL Capital Services Ltd.
Registrar	MUFG Intime India Pvt. Ltd.
Bid Lot	55 shares and in multiple thereof
QIB	50%
Retail	35%
NII	15%
Employee Reservation (Rs cr)	1.75
Employee Discount (Rs)	25.0

Shareholding Pattern		
Pre-Issue	No. of Shares	%
Promoter & Promoter Group	17,52,30,000	100.0
Public & Others	-	-
Total	17,52,30,000	100.0

Post Issue	No. of Shares	%
Promoter & Promoter Group	14,89,45,500	85.0
Public & Others	2,62,84,500	15.0
Total	17,52,30,000	100.0

Shareholders Selling through OFS	Category	Number of shares
Harish Narshi Dharamshi	Promoter	89,83,700
Kusum Harish Dharamshi	Promoter	1,73,00,800
Total		2,62,84,500

Source: RHP, SBICAP Securities Research

Key Financials

Particulars (Rs cr)	FY24	FY25	FY26	1QFY27
Revenue from operations	373	433	489	109
EBITDA	107	138	150	30
EBITDA Margin (%)	28.6	31.9	30.8	27.3
PAT	88	110	117	24
PAT Margin (%)	23.6	25.4	23.9	21.9
EPS	5.0	6.3	6.7	1.4
RoE (%)	25.6	27.6	31.0	7.9
RoCE (%)	33.9	36.9	41.4	10.8
P/E (x)*	54.0	43.3	40.7	-

*Note: Pre-issue P/E is based on upper price band

Source: RHP, SBICAP Securities Research

Risk Factors

- **Product Failure Liability:** Any malfunction of the company's fire-protection equipment could result in warranty claims, product replacement and reputational damage. However, the company's contractual liability is generally limited to the value of the equipment sold and excludes indirect or consequential losses arising from loss of life or property damage. Nevertheless, a systemic product defect or repeated failure could affect customer confidence and the company's reputation.
- **Repeat Order Dependence:** Repeat customers contributed 85.2% of FY26 revenue, but the company primarily operates through short-term purchase orders and does not generally have committed-volume or exclusive arrangements. Customers are therefore not obligated to continue placing orders. Reductions, delays or cancellations in repeat orders could affect demand visibility, production planning, inventory management and revenue.
- **High Supplier Concentration:** The company procures a significant portion of raw materials and contract-manufactured goods from a limited number of suppliers. Any commercial disagreement, financial difficulty, quality issue or disruption involving a key supplier could delay procurement and production. The company may also be unable to identify alternative suppliers offering comparable quality, certification compliance and commercial terms within the required time frame.
- **Input Cost Volatility:** The company depends on the timely availability of raw materials and contract-manufactured products and does not have hedging arrangements with its suppliers. It also does not have contractual mechanisms to fully pass cost increases to customers. Consequently, fluctuations in metal, component and outsourced-product prices, or disruptions in supply, could raise production costs, delay deliveries and pressure margins.

Growth Strategies

- Focus on product innovation, portfolio expansion and technological capability enhancement.
- Enhance infrastructure to improve efficiency and shorten lead times.
- Strengthen product credibility through international approvals and global certifications.
- Expand international presence through strategic global partnerships.

Revenue Mix – Product

Particulars	FY24		FY25		FY26		1QFY27	
	Amount (Rs cr)	as a % of revenue	Amount (Rs cr)	as a % of revenue	Amount (Rs cr)	as a % of revenue	Amount (Rs cr)	as a % of revenue
Sprinkler, alarm valves & accessories	119	32.3	144	33.6	165	34.0	34	31.0
Deluge valves, deluge skids and pre-action system	84	22.7	86	20.0	106	21.9	24	21.9
Foam equipment and suppression systems	55	14.9	74	17.3	91	18.7	20	18.1
Water spray nozzels	26	7.0	30	6.9	33	6.8	8	7.1
System valves & accessories	20	5.3	26	6.1	26	5.5	6	5.9
Monitors & monitor nozzels	28	7.7	23	5.4	27	5.5	5	4.7
Custom engineered systems	5	1.3	9	2.0	4	0.7	2	1.8
Gas suppression systems	9	2.4	5	1.1	-	-	-	-
Others	24	6.5	32	7.6	34	7.0	10	9.6
Revenue from Operations*	370	100.0	428	100.0	485	100.0	108	100.0

*Revenue from Operations excluding other operating revenue i.e. export incentives and scrap sales

Source: RHP, SBICAP Securities Research

Key Products



Source: RHP, SBICAP Securities Research

Revenue Mix – Geography

Particulars	FY24		FY25		FY26		1QFY27	
	Amount (Rs cr)	as a % of revenue	Amount (Rs cr)	as a % of revenue	Amount (Rs cr)	as a % of revenue	Amount (Rs cr)	as a % of revenue
India	247	66.7	273	63.8	317	65.3	73	67.2
West Asia	57	15.3	64	14.9	73	15.0	15	13.5
Rest of Asia	34	9.2	53	12.4	48	9.9	11	10.5
South America	9	2.5	13	3.0	13	2.6	3	3.2
Europe	9	2.4	13	2.9	11	2.3	3	2.3
North America	7	1.9	7	1.6	11	2.2	0	0.1
Africa	7	1.9	5	1.3	12	2.5	3	3.0
Oceanic	0	0.1	1	0.1	1	0.2	0	0.2
Total	370	100.0	428	100.0	485	100.0	108	100.0

*Revenue from Operations excluding other operating revenue i.e. export incentives and scrap sales

Source: RHP, SBICAP Securities Research

Revenue Mix – Top Customers

Particulars	FY24		FY25		FY26		1QFY27	
	Amount (Rs cr)	as a % of revenue	Amount (Rs cr)	as a % of revenue	Amount (Rs cr)	as a % of revenue	Amount (Rs cr)	as a % of revenue
Top 3 Customers	40	10.8	46	10.6	55	11.4	14	12.9
Top 5 Customers	55	14.9	62	14.5	74	15.2	19	17.9
Top 10 Customers	83	22.5	93	21.7	115	23.7	30	27.6

Source: RHP, SBICAP Securities Research

Revenue Mix – Repeat Customer vs New Customers

Particulars	FY24		FY25		FY26		1QFY27	
	Amount (Rs cr)	as a % of revenue	Amount (Rs cr)	as a % of revenue	Amount (Rs cr)	as a % of revenue	Amount (Rs cr)	as a % of revenue
Revenue from repeat customers	326	88.1	370	86.3	414	85.2	86	79.8
Revenue from new customers	44	12.0	59	13.7	72	14.8	22	20.2
Revenue from Operations*	370	100.0	428	100.0	485	100.0	108	100.0

*Revenue from Operations excluding other operating revenue i.e. export incentives and scrap sales

Source: RHP, SBICAP Securities Research

Installed Capacity and Utilization

Particulars	FY24		FY25		FY26		1QFY27	
	Installed Capacity (in EPU)	CUF (%)	Installed Capacity (in EPU)	CUF (%)	Installed Capacity (in EPU)	CUF (%)	Installed Capacity (in EPU)	CUF(%)
<u>Jalgaon Facility</u>								
Deluge valves, deluge skids and pre-action system	16,800	66.5	16,800	78.0	16,800	80.9	16,800	71.2
Foam equipment and suppression systems	48,420	61.0	48,420	84.9	48,420	63.4	48,420	46.8
Gas suppression systems	1,550	72.0	1,550	54.7	1,550	-	1,550	-
Monitors & monitor nozzels	4,128	82.0	4,128	71.9	4,128	78.9	4,128	70.0
Sprinkler, alarm valves & accessories	59,800	63.2	59,800	76.9	59,800	70.4	59,800	49.6
Custom engineered systems	240	31.7	240	62.5	240	71.3	240	25.2
<u>Thane Facility</u>								
Water Spray Nozzles	8,00,000	81.6	8,00,000	91.1	8,00,000	94.1	8,00,000	65.6

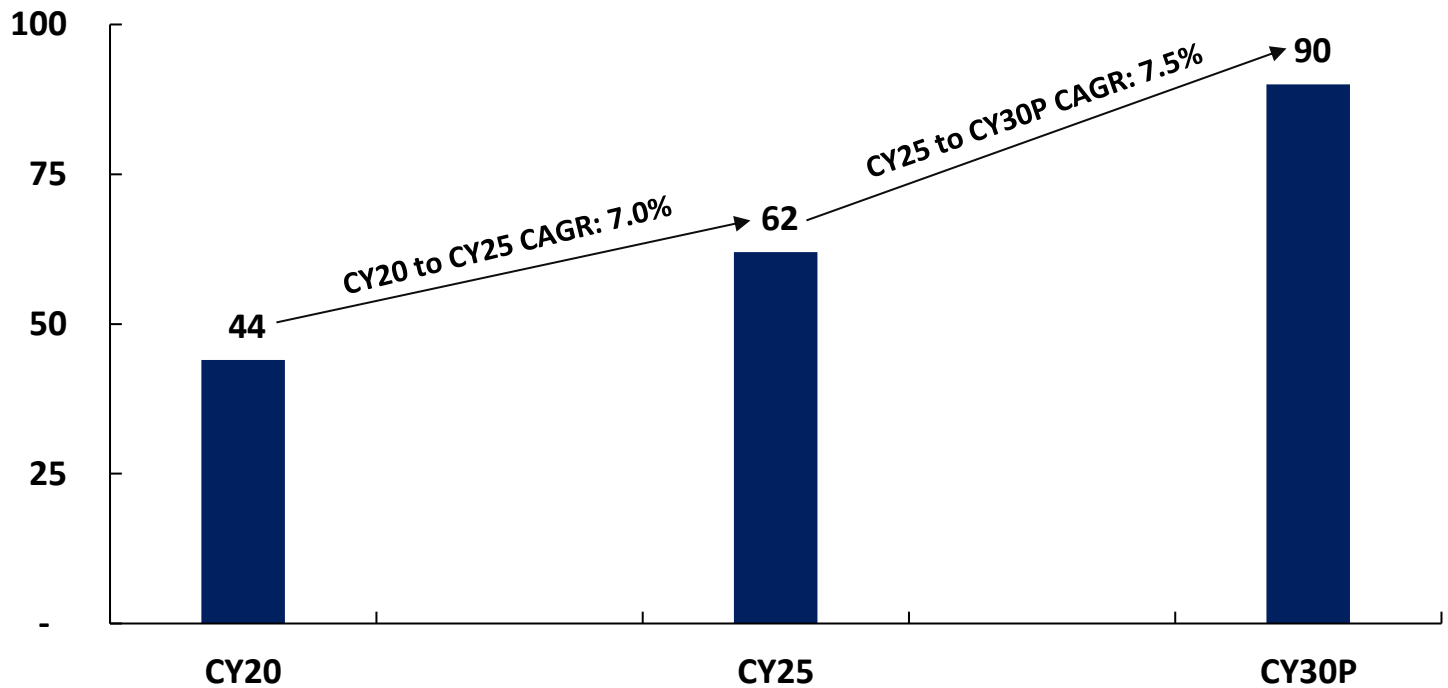
EPU = Equivalent Production Unit.

CUF = Capacity Utilization Factor

Source: RHP, SBICAP Securities Research

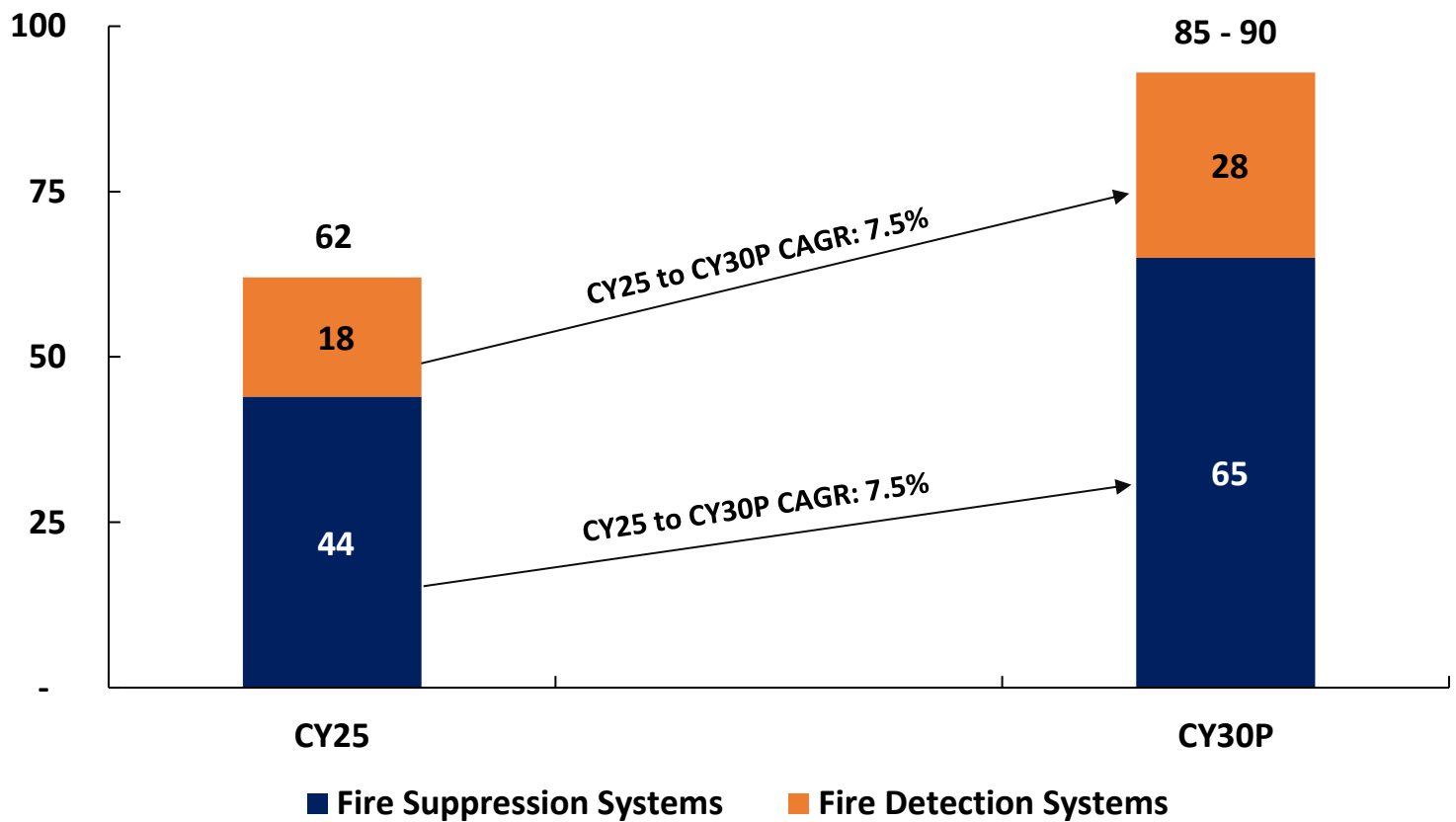
Industry Overview

Global Fire Protection Equipment Market (USD Bn)

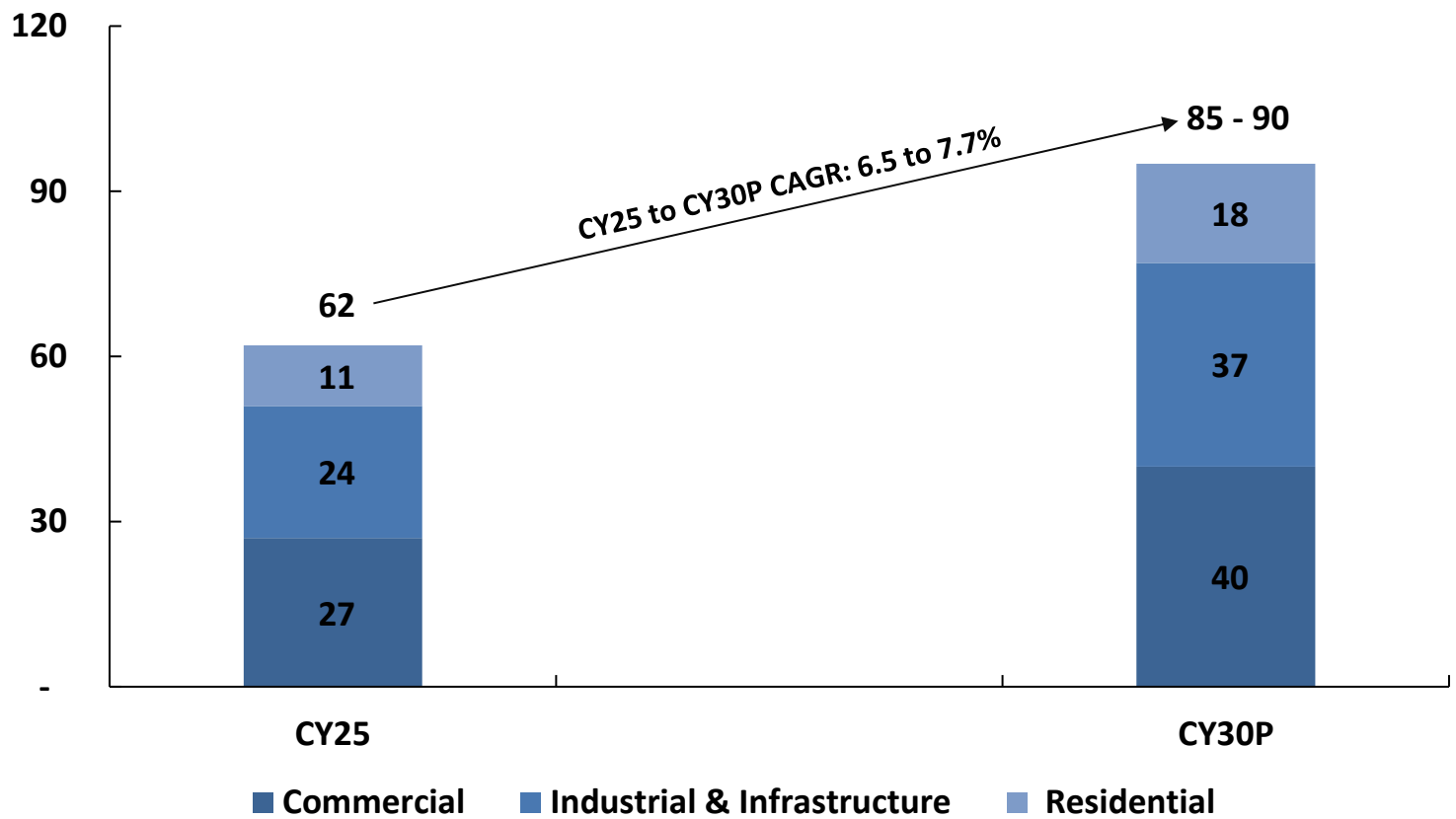


Source: RHP, SBICAP Securities Research

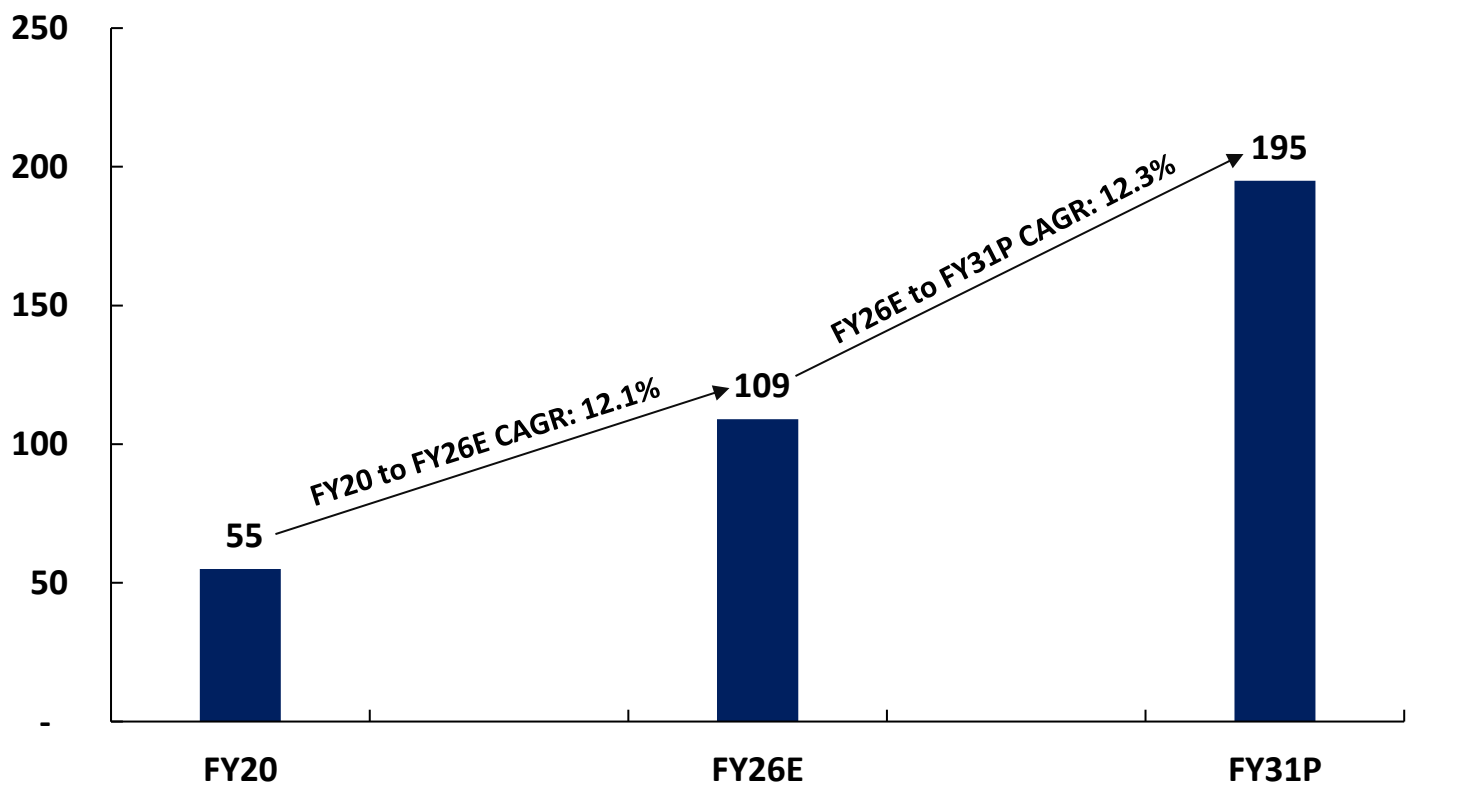
Market segmentation by product type (USD Bn)



Source: RHP, SBICAP Securities Research

Market segmentation by end-use demand (USD Bn)

Source: RHP, SBICAP Securities Research

Outlook of Indian fire protection equipment market (Rs Bn)

Source: RHP, SBICAP Securities Research

Peer Comparison – FY26

Particulars (Rs cr)	HD Fire Protect	KSB	Kirloskar Pneumatic Company	Elgi Equipment	Ingersoll-Rand (India)
CMP (Rs)	271	777	670	579	4,001
Mkt Cap.	4,749	13,517	8,709	18,349	12,631
Enterprise Value	4,729	13,234	8,592	18,036	12,471
Revenue from Operations	489	2,696	1,759	3,951	1,392
EBITDA	150	377	363	583	333
Adj. Net Profit	117	291	267	389	264
EBITDA Margin (%)	30.8	14.0	20.6	14.8	23.9
Net Profit Margin (%)	23.9	10.8	15.2	9.8	19.0
RoE (%)	31.0	17.3	21.3	17.4	42.9
RoCE (%)	41.4	23.3	28.4	20.8	56.8
P/E (x)	40.7	46.5	32.6	47.2	47.8
EV/EBITDA (x)	31.4	35.1	23.7	30.9	37.5
EV/Sales (x)	9.7	4.9	4.9	4.6	9.0

For HD Fire Protect Ltd, the Market Cap, P/E(x), EV/EBITDA (x), EV/Sales (x) are calculated on post-issue equity share capital based on the upper price band. CMP for peer company is close price on 8th October, 2026.

Financial Snapshot

INCOME STATEMENT				
Particulars (Rs cr)	FY24	FY25	FY26	1QFY27
Revenue from Operations	373	433	489	109
YoY growth (%)	-	16.0%	13.1%	-
COGS (incl. Stock Adj.)	197	211	250	56
Gross Profit	176	222	239	53
Gross margin (%)	47.3%	51.2%	48.9%	49.0%
Employee Cost	35	42	46	11
Other Operating Expenses	34	42	43	13
EBITDA	107	138	150	30
EBITDA margin (%)	28.6%	31.9%	30.8%	27.3%
Other Income	19	18	16	5
Interest Exp.	0	0	0	0
Depreciation	9	9	10	2
PBT	116	147	156	33
Exceptional item	-	-	-	-
Tax	28	37	39	9
PAT	88	110	117	24
PAT margin (%)	23.6%	25.4%	23.9%	21.9%
EPS (Rs)	5.0	6.3	6.7	1.4
Adj. PAT	88	110	117	24
Adj. PAT margin (%)	23.6%	25.4%	23.9%	21.9%
Adj. EPS	5.0	6.3	6.7	1.4

BALANCE SHEET				
Particulars (Rs cr)	FY24	FY25	FY26	1QFY27
Assets				
Net Block	75	87	81	79
Capital WIP	1	4	18	23
Intangible Assets	0	0	0	0
Right of use assets	-	-	-	-
Other Non-current Assets	105	154	94	139
Current Assets				
Current Investment	-	-	-	-
Inventories	55	70	87	105
Trade receivables	48	58	94	55
Cash and Bank Balances	33	24	19	30
Short-term loans and advances	-	-	-	-
Other Current Assets	75	54	39	46
Total Current Assets	211	205	240	237
Current Liabilities & Provisions				
Trade payables	21	25	30	42
Other current liabilities	24	23	22	30
Short-term provisions	1	1	1	2
Total Current Liabilities	46	49	53	74
Net Current Assets	166	156	187	163
Total Assets	347	401	379	404
Liabilities				
Share Capital	3	88	88	88
Reserves and Surplus	341	310	290	313
Total Shareholders' Funds	343	397	377	401
Minority Interest	-	-	-	-
Total Debt	-	-	-	-
Long Term Provisions	1	1	2	2
Lease Liabilities	-	-	-	-
Other Long Term Liabilities	0	-	-	-
Net Deferred Tax Liability	2	3	0	1
Total Liabilities	347	401	379	404

Particulars (Rs cr)	FY24	FY25	FY26	1QFY 27
Cash flow from Operating Activities	64	98	92	47
Cash flow from Investing Activities	(33)	(53)	41	(49)
Cash flow from Financing Activities	(23)	(49)	(136)	1
Capex	(7)	(16)	(4)	(0)
Free Cash Flow	57	82	88	47

RATIOS			
Particulars	FY24	FY25	FY26
Profitability			
Return on Assets	22.4%	24.4%	27.0%
Return on Capital Employed	33.9%	36.9%	41.4%
Return on Equity	25.6%	27.6%	31.0%
Margin Analysis			
Gross Margin	47.3%	51.2%	48.9%
EBITDA Margin	28.6%	31.9%	30.8%
Net Profit Margin	23.6%	25.4%	23.9%
Short-Term Liquidity			
Current Ratio (x)	4.6	4.2	4.5
Quick Ratio (x)	3.4	2.7	2.9
Avg. Days Sales Outstanding	47	49	70
Avg. Days Inventory Outstanding	54	59	65
Avg. Days Payables	20	21	22
Fixed asset turnover (x)	5.0	5.0	6.0
Debt-service coverage (x)	16,622.9	5,643.8	907.9
Long-Term Solvency			
Total Debt / Equity (x)	-	-	-
Interest Coverage Ratio (x)	16,622.9	5,643.8	907.9
Valuation Ratios*			
EV/EBITDA (x)	44.2	34.2	31.4
P/E (x)	54.0	43.3	40.7
P/B (x)	13.8	12.0	12.6
EV/Sales (x)	12.6	10.9	9.7
Market Cap/Sales (x)	12.7	11.0	9.7

*Valuation ratios are based on pre-issue capital at the upper price band

Source: RHP, SBICAP Securities Research

SBICAP Securities Limited

(CIN): U65999MH2005PLC155485

SEBI Registration No.: Stock Broker: INZ000200032 | DP Registration No.: IN-DP-314-2017

Research Analyst: INH000000602 | IRDA: CA0103 | PFRDA Registration No: POP 26092018

Registered & Corporate Office: Marathon Futurex, Unit No. 1201, B-Wing, 12th Floor, N M Joshi Marg,
Mafatlal Mill Compound, Lower Parel East, Mumbai 400013.

For any information contact us: **(022) 6854 5555 | E-mail: helpdesk@sbicapsec.com | Web: www.sbisecurities.in**

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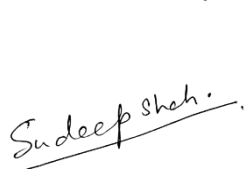
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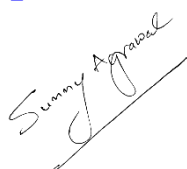
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<u>Name</u>	<u>Qualification</u>	<u>Designation</u>
Fundamental Team		
Sunny Agrawal	B.E, MBA (Finance)	DVP - Fundamental Research
Rajesh Gupta	PGDBM (Finance), MA (Bus. Eco)	AVP - Fundamental Research
Monica Chauhan	C.A.	Research Analyst - Equity Fundamentals
Harsh Vasa	C.A.	Research Analyst - Equity Fundamentals
Sumeet Shah	B.E., CFA	Research Analyst - Equity Fundamentals
Shubham Purohit	BMS (Finance)	Research Associate - Equity Fundamentals
Vinit Mishra	B.Com	Research Associate - Equity Fundamentals
Avijit Sheet	MBA (Finance)	Research Associate - Equity Fundamentals
Siddhesh Nanal	MSc (Finance)	Research Associate - Equity Fundamentals
Aldrin Viegas	BFM	Research Associate - Equity Fundamentals
Technical & Derivatives Team		
Sudeep Shah	MMS-Finance	VP- Technical & Derivative Research
Gautam Upadhyaya	MBA (Finance)	Research Analyst - Equity Derivatives
Vinayak Gangule	BE (IT)	Research Analyst - Equity Technicals
Aditya Bhamare	MBA (Finance)	Research Analyst - Equity Technicals
Ashwin Ramani	B.Com	Research Analyst- Equity Technicals
Sagar Peswani	B.Tech (ECE)	Research Associate - Equity Technicals
Kalpesh Mangade	B.Com	MIS Analyst - Retail Research

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VP – Technical & Derivative Research



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