



IPO RESEARCH REPORT

HD Fire Protect Limited

India's #2 Fire Protection Equipment Maker & #1 Exporter — Debt-Free, Certification-Moat Business

IPO Open: Oct 13, 2026 IPO Close: Oct 15, 2026 Listing: Oct 21, 2026 (BSE, NSE)

OUR RECOMMENDATION

SUBSCRIBE*

*100% OFS — no capital to the company; note decelerating growth

PRICE BAND

₹258 - ₹271

Lot: 55 shares | ₹14,905 min.

GMP (AS OF OCT 12, 2026)

₹86 (~31.7%)

Est. listing ₹357 | Unofficial

This report is a research summary for informational purposes only and does not constitute investment advice. GMP figures are unofficial grey-market indicators and may change materially before listing. Please read Section 13 (Disclaimer) before acting on this report.

1. IPO AT A GLANCE

HD Fire Protect Limited is a Mumbai-headquartered manufacturer and supplier of fire protection equipment and systems — water-based, foam-based and gas-based fire suppression products — with manufacturing facilities in Jalgaon and Thane, Maharashtra. Per a CRISIL Report cited in the RHP, it was India's second-largest fire protection equipment manufacturer by operating income and the largest equipment exporter by value in FY25. The company is raising ₹712.31 crore entirely through an offer for sale (OFS) by its promoters — there is no fresh issue, so the company itself will not receive any IPO proceeds. The issue opens on October 13, 2026 and closes on October 15, 2026, with listing on the BSE and NSE tentatively scheduled for October 21, 2026.

Issue Details

Particulars	Details
IPO Type	Mainboard — Book Built Issue
Issue Size	₹712.31 Cr (2,62,84,500 shares at upper band)
Fresh Issue	None — the company receives no IPO proceeds
Offer for Sale (OFS)	₹712.31 Cr (entire issue) by promoters Harish Narshi Dharamshi & Kusum Harish Dharamshi
Face Value	₹5 per share
Price Band	₹258 – ₹271 per share
Lot Size	55 shares
Minimum Retail Investment	₹14,905 (1 lot, upper band)
Anchor Investor Allocation	₹213.11 Cr from 25 anchor investors (78.64 lakh shares at ₹271)
IPO Open Date	October 13, 2026
IPO Close Date	October 15, 2026
Basis of Allotment	October 16, 2026
Listing Date (Tentative)	October 21, 2026 on BSE & NSE
Market Cap at Upper Band	₹4,748.73 Cr (post-listing, approx.)



Particulars	Details
Registrar to the Issue	As per RHP

Quota / Reservation Table

Investor Category	% of Net Issue
Qualified Institutional Buyers (QIB)	50%
Retail Individual Investors (RII)	35%
Non-Institutional Investors (NII / HNI)	10%
Total (incl. employee reservation, where applicable)	100%

This issue's retail allocation (35%) is notably higher than the typical mainboard-IPO retail share, with a correspondingly smaller NII allocation (10%); investors should confirm exact category share-count cut-offs from the final RHP/bid-lot circular before applying.

2. COMPANY OVERVIEW

History & Incorporation

HD Fire Protect Limited was incorporated in 1997 and is promoted by Harish Narshi Dharamshi and Kusum Harish Dharamshi. The company was the first Indian maker to receive UL Listing for deluge valves, in 1996 (predating formal incorporation), and has since built one of the most extensive certification portfolios among India-focused fire protection equipment manufacturers.

Business Model

The company designs, manufactures and supplies fire protection equipment and systems spanning water-based, foam-based and gas-based fire suppression products — commonly referred to as fire fighting products — including sprinkler systems, deluge valves and foam equipment. Foam equipment has been the fastest-growing category, reaching approximately 19% of FY26 revenue, while sprinkler systems and deluge valves continue to represent a large share of the business. The company develops most of its products in-house, supported by an R&D centre and an in-house fire test laboratory.

Scale, Certifications & Facilities

As of September 2026, HD Fire Protect held 21 UL Listed and 87 FM Approved product certifications — per the CRISIL Report cited in the RHP, the highest number among fire-protection-equipment-focused peers in India. The company operates manufacturing facilities in Jalgaon and Thane, Maharashtra, covering 8.50 acres in aggregate. It served 2,066 customers in FY26 and has exported to over 90 countries since inception, supplying 49 countries in the three months ended June 30, 2026 alone; exports accounted for 34.69% of FY26 revenue. As of June 30, 2026, the company had 279 permanent employees and 253 contract workers, and its order book stood at ₹158.60 crore, more than double the ₹75.29 crore reported at the end of FY24.

Promoters

Promoter	Details
Harish Narshi Dharamshi	Promoter; Selling Shareholder in the OFS
Kusum Harish Dharamshi	Promoter; Selling Shareholder in the OFS

Both promoters are the selling shareholders in this 100% offer-for-sale IPO; the RHP's shareholding-pattern section should be consulted for exact post-IPO holding percentages.

3. ORDER BOOK / KEY OPERATING METRICS



For a certification-driven industrial manufacturer, order book growth, certification breadth, export reach, customer retention and balance-sheet strength are the key signals of both near-term revenue visibility and the durability of the company's competitive moat.

21 / 87 UL Listed / FM Approved Certifications (Highest Among India-Focused Peers)	#2 in India By Operating Income, Fire Protection Equipment (FY25, CRISIL)	#1 Exporter By Value, Among Indian Fire Protection Equipment Makers (FY25, CRISIL)	90+ Countries Export Footprint Since Inception
34.69% FY26 Revenue from Exports	₹158.60 Cr Order Book (as of Jun 30, 2026; +91% YoY in FY26)	85.20% FY26 Revenue from Repeat Customers	0.00x Debt / Equity — Debt-Free Across FY24–FY26
31.07% FY26 Return on Net Worth (Highest Among Disclosed Peers)	40.33% FY26 Return on Capital Employed	+₹74.6 Cr FY26 Free Cash Flow	2,066 Customers Served, FY26

Source: RHP; CRISIL Report cited in the RHP; company disclosures via IPOJi, IPO Central, InCred Money, Multibagg and InvestorGain.



4. FINANCIAL PERFORMANCE

3-Year Financial Snapshot (₹ in Crore, restated)

Particulars	FY24	FY25	FY26	CAGR / YoY
Revenue from Operations	372.95	432.80	489.28	14.5% CAGR; +13.0% YoY (FY26)
EBITDA	106.63	138.01	150.46	+9.0% YoY (FY26)
EBITDA Margin (%)	28.59	31.89	30.75	Peaked in FY25
Profit After Tax (PAT)	87.92	109.72	116.79	+6.4% YoY (FY26) — sharp slowdown
PAT Margin (%)	22.43	24.35	23.12	Peaked in FY25
Return on Equity (RoE)	28.41	29.63	30.17	Improving
Return on Capital Employed (RoCE)	37.61	39.63	40.33	Improving
Net Worth	342.19	396.01	375.93	-5.1% YoY (FY26)
Debt / Equity (x)	0.00	0.00	0.00	Debt-free throughout
Order Book	75.29	70.35	134.45	+91.1% YoY (FY26)

Q1 FY27 (Apr–Jun 2026): revenue ₹109.05 Cr, PAT ₹23.87 Cr, EBITDA margin 27.26%, order book ₹158.60 Cr. FY26 net worth declined from FY25 despite higher profit, which one tracker attributes to a pre-IPO dividend or capital distribution; this should be confirmed from the RHP's statement of changes in equity. RoE/RoCE figures above use the company's own FY26 definitions as disclosed in the RHP; minor variances (e.g. RoE cited as 30.97% by one tracker) exist across sources.

Analyst Notes on Financial Trends

- **Growth has clearly decelerated in the most recent year:** PAT growth fell sharply from 24.79% in FY25 to just 6.44% in FY26, and revenue growth slowed from 16.05% to 13.05% over the same period. EBITDA margin, which peaked at 31.89% in FY25, declined to 30.75% in FY26 and further to 27.26% in the June 2026 quarter — a trend investors should take seriously rather than extrapolate the company's strong multi-year averages forward unquestioned.
- **Cash conversion has weakened even as reported profit has grown:** FY26 operating cash flow of ₹92.49 Cr was lower than FY25's ₹98.32 Cr despite higher reported profit, and at least one independent analysis flags receivables rising roughly 62% — signs of a lengthening working-capital cycle that warrant monitoring.
- **Return ratios remain genuinely best-in-class and still improving:** Unlike the margin and cash-flow trends, RoE (28.41% → 30.17%) and RoCE (37.61% → 40.33%) have both trended upward across all three years, and the company has remained completely debt-free throughout — a rare combination among industrial manufacturers.
- **A growing share of revenue now comes from goods made by others:** The proportion of revenue from the company's own plants fell from approximately 68% in FY24 to 63% in FY26, meaning a rising share of sales now reflects outsourced or traded goods rather than in-house manufacturing — a trend that could, over time, dilute the certification-and-manufacturing moat that underpins the company's premium margins.

Figures sourced from RHP-based summaries (IPOji, IPO Central, InCred Money/IPOAnalysis Substack, Multibagg, Abhinav Mishra's Substack) which are broadly consistent with one another. Investors should cross-check exact line items against the final RHP financial statements before investing.

5. VALUATION ANALYSIS

Metric	Value
EPS — Pre-Issue (₹, FY26 basis)	6.66
EPS — Post-Issue (₹, diluted for OFS share count)	5.45



Metric	Value
P/E (x) — Pre-Issue, upper band	40.69
P/E (x) — Post-Issue, upper band (true effective multiple)	49.72
NAV / Share (₹, FY26)	21.45
Market Cap at Upper Band (₹ Cr)	4,748.73

Because this is a 100% OFS with no fresh shares issued for new capital, the “post-issue” EPS and P/E above reflect only the change in per-share metrics from the existing share base being measured post-listing (not capital dilution from new shares) — the post-issue P/E of ~49.7x is the more representative “true cost” multiple for a new investor buying at listing, and is meaningfully higher than the commonly quoted headline figure of ~40.7x (which is based on pre-issue EPS).

Peer Valuation Context

The RHP itself acknowledges there is no listed pure-play fire protection company in India; it instead compares HD Fire Protect with general engineering and industrial equipment makers — Azad Engineering, KSB, Kirloskar Pneumatic, Elgi Equipment and Ingersoll-Rand (India) — none of which is directly comparable on an apples-to-apples basis. The RHP-disclosed peer-group average P/E is 62.95x, but this is heavily skewed upward by Azad Engineering's 145.65x; excluding that outlier, the average falls to approximately 42.28x, close to HD Fire Protect's own pre-issue multiple of 40.69x. Critically, HD Fire Protect's FY26 RoNW of 31.07% is the highest in the entire comparison set — every other named peer's RoNW falls between roughly 8.7% and 20.4%.

Company	P/E (x)	NAV/Share (₹)	RoNW (%)
HD Fire Protect Limited (pre-issue, upper band)	40.69	21.45	31.07
Azad Engineering Limited	145.65	236.74	8.74
KSB Limited	55.68	96.46	16.11
Ingersoll-Rand (India) Limited	51.39	195.04	20.36
Elgi Equipment Limited	44.70	70.41	19.28
Kirloskar Pneumatic Company Limited	17.18	192.25	20.36

Peer P/E figures as given in the RHP, based on closing prices as of September/October 2026 (dates vary slightly by tracker) and FY26 diluted EPS (calendar 2025 for KSB). None of these peers is a pure fire-protection company, so the comparison is indicative only, as the RHP itself notes.

6. USE OF ISSUE PROCEEDS

Because this IPO is entirely an offer for sale, HD Fire Protect Limited will not receive any proceeds from the issue — all ₹712.31 crore raised goes directly to the two selling promoter shareholders, Harish Narshi Dharamshi and Kusum Harish Dharamshi. This reflects the company's financial position: it is completely debt-free, holds surplus liquid treasury cash, and generated over ₹74.6 crore of positive free cash flow in FY26 alone — meaning it has no evident near-term need for primary capital, and raising fresh equity purely to sit as idle cash could have diluted its already-high return on equity. However, investors should recognise clearly that none of their investment supports the company's own balance sheet, capacity expansion or working capital; this is purely a liquidity event for the promoters.

No funds from this IPO will be used for capital expenditure, debt repayment or working capital at the company level, since there is no fresh issue component.

7. INDUSTRY OVERVIEW & TAILWINDS

- **Rising fire-safety compliance standards:** Stricter fire safety regulations in India and the Gulf region are cited by the company as a demand driver, pushing industrial, commercial and infrastructure projects toward certified fire protection systems.
- **Data centre and warehousing construction boom:** Rapid growth in data centre and warehousing construction in India creates incremental demand for sophisticated, certified fire suppression systems, an area the company specifically cites as a growth driver.



- **Refinery and industrial capex cycle:** Continued investment in refineries and heavy industrial facilities, both domestically and in export markets including the Gulf, supports demand for the company's water, foam and gas-based fire suppression product lines.
- **High barriers to entry via certification:** The lengthy, technical and capital-intensive UL/FM certification process creates a durable moat; the company's EBITDA margins of ~30% compare favourably with standard valve makers, cited at closer to 14%, reflecting the pricing power this certification barrier affords.

8. KEY STRENGTHS

- **Clear niche market leadership:** India's second-largest fire protection equipment manufacturer by operating income and largest equipment exporter by value (CRISIL, FY25), with the highest number of UL Listed and FM Approved certifications among India-focused peers.
- **Genuine, certification-based competitive moat:** 21 UL Listed and 87 FM Approved product certifications represent a durable barrier to entry that newer entrants would find difficult and time-consuming to replicate.
- **Debt-free balance sheet with strong free cash flow:** Zero borrowings throughout FY24–FY26, combined with over ₹74.6 Cr of free cash flow generated in FY26 alone and roughly ₹204 Cr cumulatively over three years.
- **Best-in-class, still-improving return ratios:** FY26 RoNW of 31.07% and RoCE of 40.33% are both the highest among all disclosed peers and have trended upward in every year shown (RoCE: 37.61% → 39.63% → 40.33%).
- **Strong, accelerating order book:** Order book more than doubled from ₹75.29 Cr (FY24) to ₹158.60 Cr (June 2026), providing improved forward revenue visibility even if still modest relative to annual revenue.
- **Significant export diversification:** Roughly 35% of FY26 revenue came from exports across 90+ countries, reducing dependence on the Indian market alone.
- **High customer stickiness:** Repeat customers contributed over 85% of FY26 revenue, and the company depends on no single customer, reflecting strong relationships in a specification-driven industry.
- **Reasonable valuation versus the peer group:** At a pre-issue P/E of 40.69x, the issue is priced below the RHP-disclosed peer average of 62.95x (and roughly in line with the ~42x ex-outlier average), despite having the highest RoNW in the entire comparison set — a reasonable valuation-to-quality trade-off, even accounting for the richer ~49.7x effective post-issue multiple.
- **Multiple independent brokerages recommend Subscribe:** Both Choice Broking (“subscribe for long-term”) and Swastika Investmart (“Subscribe”) have issued positive recommendations on this issue, citing the company's niche monopoly positioning and strong entry barriers.



9. KEY RISKS & CONCERNS

We flag the following risk factors, colour-coded by our assessment of relative severity. Investors should also review the detailed “Risk Factors” section of the RHP for the complete and legally exhaustive list of risks disclosed by the Company.

Risk Factor	Description	Severity
100% offer-for-sale — company receives zero proceeds	This IPO is purely a promoter monetisation event; none of the ₹712.31 Cr raised strengthens the company's own balance sheet, funds growth capex, or supports working capital — unlike issues with a fresh-issue component.	HIGH
Sharp growth deceleration in FY26	PAT growth fell from 24.79% (FY25) to just 6.44% (FY26), and EBITDA margin peaked in FY25 (31.89%) before declining to 30.75% (FY26) and further to 27.26% in Q1 FY27 — a clear change in trajectory from the stronger FY25 performance.	HIGH
Weakening cash conversion and rising receivables	FY26 operating cash flow (₹92.49 Cr) was lower than FY25's ₹98.32 Cr despite higher reported profit, and receivables reportedly rose approximately 62% — a lengthening working-capital cycle worth monitoring closely.	MEDIUM
Richer effective valuation once OFS dilution is accounted for	The commonly quoted ~40.7x P/E uses pre-issue EPS; the effective post-issue multiple, using post-issue EPS of ₹5.45, is approximately 49.7x — a meaningfully higher true cost for a new investor than the headline figure suggests.	MEDIUM
Rising share of outsourced/traded goods	The share of revenue from the company's own plants fell from approximately 68% (FY24) to 63% (FY26), meaning a growing portion of sales now comes from goods made by others, which could over time dilute the in-house manufacturing and certification moat.	MEDIUM
No direct listed peer for valuation benchmarking	The RHP itself acknowledges there is no pure-play listed fire-protection company in India; all disclosed peers are general engineering, pump or compressor makers, making valuation comparisons only indicative.	MEDIUM
Flat customer base despite revenue growth	The number of customers served declined slightly from 2,114 (FY24) to 2,066 (FY26); growth has come almost entirely from higher revenue per existing customer (~19% increase in FY26) rather than from expanding the customer base.	MEDIUM
Order book still modest relative to annual revenue	The ₹158.60 Cr order book (as of June 2026) represents only a partial fraction of FY26's ₹489.28 Cr revenue, providing limited multi-year revenue visibility relative to the company's scale.	LOW
Day-to-day GMP volatility	Grey market premium swung between roughly ₹63 and ₹86 (23–32%) over the week preceding the issue opening, indicating some variability in sentiment even though the overall level has remained solidly positive.	LOW

10. IPO TIMELINE & HOW TO APPLY

Event	Date
Anchor Investor Bidding	October 12, 2026
IPO Opens	October 13, 2026
IPO Closes	October 15, 2026
Basis of Allotment (Tentative)	October 16, 2026
Listing Date (Tentative)	October 21, 2026 (BSE, NSE)



At least one tracker cites a listing date of October 20, 2026 instead of October 21; investors should confirm the final listing date closer to allotment.

How to Apply – ASBA / UPI

- Apply through your bank's ASBA facility (net-banking) or a broker/app supporting UPI-based bidding; funds are blocked in your account, not debited, until allotment.
- Select “HD Fire Protect Limited” IPO, choose the retail category if applying as an individual, and bid at the cut-off price or within the ₹258–₹271 band.
- Minimum retail application is 1 lot of 55 shares (≈₹14,905 at the upper band).
- Approve the UPI mandate request promptly (within the specified window) to ensure your bid is registered before the issue closes.
- Track allotment status via the registrar using your PAN, application number or demat details after the basis-of-allotment date.

11. GMP & INVESTOR SENTIMENT

Metric	Value
Grey Market Premium (as of Oct 12, 2026)	₹86 (~31.7% over upper band)
GMP Range, Preceding Week (Oct 7–12)	₹63 – ₹86 (23% – 32%)
Implied Listing Price Estimate	≈₹357 (vs. ₹271 issue price)
Anchor Investor Demand	₹213.11 Cr from 25 anchor investors at the upper band

GMP has stayed consistently and solidly positive through the anchor and pre-opening period, ranging between roughly ₹63 and ₹86 (23–32% implied premium) over the week before the issue opened, with the most recent reading at the higher end of that range. Combined with full anchor-book participation at the upper price band and positive “Subscribe” recommendations from at least two independent brokerages (Choice Broking and Swastika Investmart), this points to healthy institutional and grey-market demand heading into the issue — though, as with any GMP reading, investors should treat it as an unofficial, point-in-time sentiment indicator rather than a guarantee of listing performance.

GMP (Grey Market Premium) is an informal, unregulated indicator quoted in the unofficial “grey market” and is not published or endorsed by any stock exchange, SEBI, or Ganesh StockInvest. It reflects prevailing sentiment at a point in time, can swing sharply — including turning negative — right up to the listing date, and should never be the sole basis for an investment decision. Actual listing price performance may differ materially from GMP-implied levels.



12. GANESH STOCKINVEST RECOMMENDATION

GANESH STOCKINVEST RECOMMENDATION: SUBSCRIBE

Best-in-class, debt-free niche leader at a reasonable valuation — but this is a pure promoter exit, and growth has clearly decelerated

Investment Rationale

- **Genuine, defensible niche leadership:** India's #2 fire protection equipment maker by operating income and #1 exporter by value, with the industry's deepest certification portfolio — a real, hard-to-replicate competitive moat.
- **Best-in-class financial quality:** Zero debt, consistently positive free cash flow, and RoNW (31.07%) and RoCE (40.33%) that are both the highest in the entire peer comparison set and still trending upward.
- **Reasonable valuation for the quality on offer:** A pre-issue P/E of 40.69x sits below the peer average (62.95x, or ~42x excluding one outlier) despite the company having by far the strongest return ratios in the group.

Caution Factors

- This is a 100% offer-for-sale — the company receives no capital from this IPO, and the entire raise is a promoter liquidity event, not a growth-funding exercise.
- FY26 growth decelerated sharply versus FY25 (PAT growth fell from ~25% to ~6%), and EBITDA margin has declined for two consecutive periods (FY25 peak of 31.89% down to 27.26% in the latest quarter) — this is not a company still accelerating.
- Operating cash flow weakened in FY26 despite higher profit, and receivables reportedly rose sharply — a working-capital trend that bears watching.
- The effective post-issue P/E (~49.7x, after accounting for the OFS-adjusted EPS) is meaningfully richer than the commonly quoted ~40.7x headline figure.
- No direct listed peer exists for a clean valuation comparison, and the rising share of outsourced/traded goods (own-plant share down from 68% to 63%) is worth monitoring as a potential dilution of the manufacturing moat over time.

Suitability – Target Investor Types

Investor Profile	Suitability
Retail investors seeking listing-day gains	Suitable — strong, consistently positive GMP and full anchor-book participation suggest reasonably healthy listing-day demand
Long-term, quality-oriented equity investors	Suitable with awareness — the business quality (debt-free, best-in-class returns, genuine moat) is compelling, but investors should monitor whether FY26's growth deceleration persists or proves temporary
Conservative / risk-averse investors	Suitable — debt-free balance sheet, strong cash generation and leading return ratios offer more downside protection than most current IPOs, notwithstanding the 100% OFS structure
Institutional / QIB investors with sector expertise	Suitable — well positioned to independently assess whether the certification-based moat and order-book growth can offset the FY26 margin and cash-flow softening

Overall View: HD Fire Protect combines a genuinely defensible, certification-based competitive moat with a debt-free balance sheet and the best return ratios in its entire peer comparison set — a rare combination among the IPOs we have reviewed recently. Valuation, at ~40.7x pre-issue earnings, is reasonable relative to peers given this quality, even if the true post-issue multiple (~49.7x) is richer than the headline figure. The clear caveat is that this is a 100% offer-for-sale: the company receives no capital, and investors are buying into an already-mature, debt-free business rather than funding its next phase of growth. FY26's sharp deceleration in profit growth and softening cash conversion also suggest the



exceptional FY25 momentum may be moderating rather than continuing unabated. We rate this issue SUBSCRIBE on the strength of its business quality, balance sheet and reasonable relative valuation, while flagging the OFS structure and growth deceleration as genuine considerations for investors to weigh — particularly those extrapolating recent growth rates forward.



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