HD FIRE PROTECT LIMITED

(Formerly known as HD Fire Protect Private Limited)

MATERIALITY POLICY FOR DISCLOSURE IN THE OFFER DOCUMENTS

(Approved by the Board of Directors on 24th September 2025)

Introduction

This document has been formulated to define the policy for identification of (i) outstanding material litigation involving HD Fire Protect Limited (the "**Company**"), its Group Companies, its Directors and its Promoters, as applicable (together with the Company, the **"Relevant Parties**" and each individually as a "**Relevant Party**"), and its key managerial personnel ("**KMP**") and its members of senior management ("**Senior Management**") (together, with KMP the "**Company Personnel**"); (ii) companies to be identified as group companies; and (iii) the material creditors of the Company (together, the "**Policy**"), in terms of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**"), in relation to the proposed initial public offering of equity shares by the Company ("**Offer**").

This policy shall be effective from the date of its approval by the Board.

In this Policy, the term "**Offer Documents**" shall mean the draft red herring prospectus, the updated draft red herring prospectus, the red herring prospectus, the abridged prospectus and the prospectus (each along with any addenda or corrigenda thereto), as applicable, to be filed and/or submitted by Company in connection with the Offer with the Securities and Exchange Board of India ("**SEBI**"), the Registrar of Companies, Maharashtra at Mumbai and the stock exchanges where the equity shares of the Company are proposed to be listed, and any other regulatory authorities, as applicable; and the term "**Restated Financial Information**" shall mean the restated financial statements of the Company, as disclosed in the relevant Offer Document, together with the summary statement of significant accounting policies, and other explanatory information thereon derived from the relevant audited financial statements, prepared in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 (read with the Companies (Indian Accounting Standards) Rules, 2015, as amended) and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, as amended from time to time.

1. *Policy for identification and disclosure of litigations and other matters:*

In terms of the SEBI ICDR Regulations, the Company is required to disclose the following pending litigation(s) involving the Relevant Parties and Company Personnel, as applicable in the Offer Documents:

(i) Outstanding criminal proceedings; (including matters which are at FIR stage even if no cognizance has been taken by any court);

(ii) All outstanding actions (including all disciplinary actions, penalties and show cause notices) taken by statutory or regulatory authorities;

(iii) Outstanding claims related to direct and indirect taxes (disclosed in a consolidated manner, giving details of the number of cases and total amount involved in such cases;

(iv) Other pending litigation (including civil litigations or arbitration proceeding) which has been determined to be material pursuant to the Materiality Policy (as disclosed herein), each involving our Relevant Parties;

(v) Litigation involving our Group Companies which have a material impact on our Company;

(vi) If a tax matter, pertaining to direct tax or indirect tax, involves an amount exceeding the threshold proposed below, in relation to each Relevant Party, a separate disclosure of such tax matter will be included.

Additionally, in terms of the SEBI ICDR Regulations, the Company is required to disclose: (a) any disciplinary action (including a penalty) imposed by SEBI or any of the stock exchanges against any of the Promoters in the five financial years preceding the date of the relevant Offer Document, including any outstanding action; (b) outstanding criminal proceedings involving the KMPs or Senior Management; (c) pending actions by regulatory and statutory authorities against KMP or Senior Management, and (d) outstanding litigation involving any of the Group Companies, which may have a material impact on the Company, as applicable.

Further, for the purposes of determining outstanding material litigations as mentioned in points 1(iii) and 1(iv) above: Any pending civil / arbitration/ tax proceedings involving the Relevant Parties, shall be considered 'material' for the purposes of disclosure in the Offer Documents, if:

a) the value or expected impact in terms of value involved in such a proceeding exceeds, the lower of (i) 2% of the turnover of the Company as per the Restated Financial Information for the preceding financial year; or (ii) 2% of the net worth of the Company as per the Restated Financial Information as at the end of the preceding financial year, except in case the arithmetic value of net worth is negative; or (iii) 5% of the average of the absolute value of the profit/loss after tax as per the Restated Financial Information for each of the preceding three financial years disclosed in the relevant Offer Documents (the "**Threshold**").

   For the purpose of clause (iii) above, it is clarified that the average of the absolute value of profit or loss after tax is to be calculated by disregarding the 'sign' (positive or negative) that denotes such value; or

b) any such proceedings wherein a monetary liability is not determinable or quantifiable, or which does not fulfil the Threshold as specified in (a) above, but the outcome of such a proceeding could have a material adverse effect on the financial position, business, operations, performance, prospects, or reputation of the Company, in the opinion of the Board; or

c) the decision in such a proceeding is likely to affect the decision in similar proceedings, such that the cumulative value or expected impact in terms of value involved in such proceedings exceeds the Threshold, even though the value or expected impact in terms of value involved in an individual proceeding may not exceed the Threshold.

Any findings/observations of any inspections by the SEBI or any other regulator involving the Relevant Parties, which are material, and which need to be disclosed, or non-disclosure of which may have bearing on the investment decision in relation to the offer shall be disclosed in the Offer Documents.

Other matters

It is clarified that for the purposes of disclosures in the Offer Documents, pre-litigation notices received by any Relevant Party, KMPs or Senior Management from third parties (excluding those notices issued by statutory/regulatory/ governmental/ judicial/ quasi-judicial taxation authorities/ administrative or enforcement authorities / notices threatening initiation of criminal action to the Relevant Parties, KMPs or Senior Management), shall unless otherwise decided by the Board, shall not be considered as an outstanding litigation until such time the Relevant Party, KMP or Senior Management, as the case may be, are impleaded as a defendant in the litigation proceeding before any judicial/arbitral forum or any governmental authority. Further, first information reports (whether cognizance has been taken or not by any court) filed against the Relevant Parties, KMPs or Senior Management shall be disclosed in the Offer Documents.

2. *Policy for identification of Group Companies*

In terms of the SEBI ICDR Regulations, the term 'Group Companies' shall include:

i. such companies (other than promoter(s) and subsidiary(ies)) with which the Company has had related party transactions (in accordance with the applicable accounting standards) during the period for which financial information is disclosed in the offer document i.e., the Restated Financial Information included in the Offer Documents; and

ii. any other companies as considered material by the Board.

Accordingly, for (i) above, all such companies (other than the subsidiaries) with which there were related party transactions during the period covered in the Restated Financial Information, as covered under the applicable accounting standards, shall be considered as Group Companies.

For the purposes of point (ii) above, the policy on identification of any other 'material' companies for consideration as Group Companies (other than those covered under the schedule of related party transactions as per the Restated Financial Information), is as set out below.

For the purpose of disclosure in the Offer Documents, all such companies (other than the subsidiaries, and the companies categorized under (i) above) shall be considered 'material' and will be disclosed as a Group Company in the Offer Documents if such company is a member of the 'Promoter Group' of the Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations; and the Company has entered into one or more transactions with such company during the last completed Fiscal or relevant stub period, if applicable, for which Restated Financial Information are being included, which individually or cumulatively in value exceeds 10% of the revenue from operations of the Company for the last completed Fiscal or stub period, if applicable as per the Restated Financial Information.

Information about Group Companies identified based on the above approach shall be disclosed in the Offer Documents in accordance with the SEBI ICDR Regulations.

3. *Policy for identification of material creditors*

In terms of the SEBI ICDR Regulations, the Company shall make the following disclosures in the Offer Documents for outstanding dues to creditors:

(i) based on the policy on materiality adopted by the Board, details of the Company's material creditors including the consolidated number of creditors and the aggregate amount involved; and

(ii) consolidated information on outstanding dues to micro, small and medium enterprises, and other creditors, separately giving details of number of cases and amount involved.

Additionally, complete details about outstanding overdue to material creditors including the name of such creditor(s) and amount due to such material creditor (as per (i) above) shall be disclosed on the website of the Company with the relevant web link included in the Offer Documents, as applicable.

For the purposes of identification of material creditors, in terms of point (i) above, a creditor of the Company shall be considered to be 'material' for the purpose of disclosure in the Offer Documents, if the amount due to such creditor by the Company is equal to or is in excess of 5% of the trade payables of the Company as at the end of the most recent period covered in the Restated Financial Information.

For outstanding dues to MSMEs and other creditors, the disclosure will be based on the information available with the Company regarding the status of the creditors as MSME as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended.

General

It is clarified that the Policy is solely for the purpose of disclosure requirements in Offer Documents prescribed under the SEBI ICDR Regulations and should not be applied towards any other purpose including for disclosure of material information by listed entities pursuant to the requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, post listing of the equity shares of the Company.

The Policy shall be without prejudice to any disclosure requirements which may be prescribed by SEBI and/ or any other regulatory, judicial, quasi-judicial, governmental, administrative or statutory authority with respect to listed companies or disclosure requirements as may be prescribed by SEBI through its observations on the Offer Documents, or disclosures that may arise from any investor or other complaints.

The Policy shall be subject to review/changes as may be deemed necessary and in accordance with applicable law from time to time.

All capitalised terms used but not specifically defined in this Policy shall have the same meaning as ascribed to them in the Offer Documents.

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