HD FIRE PROTECT LIMITED

(Formerly known as HD Fire Protect Private Limited)

DIVIDEND DISTRIBUTION POLICY

(Approved by the Board of Directors on 20th July 2026)

Version 1.0 of 2026

1. **PREAMBLE, SCOPE AND OBJECTIVE:**

This Dividend Distribution Policy ("Policy") has been approved by the Board of Directors of the Company and is framed in accordance with the requirements of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), the Companies Act, 2013 and other applicable provisions of law. It establishes the guiding principles for determination and distribution of dividend to the equity shareholders of the Company, while ensuring a balance between rewarding shareholders and retaining profits for future growth and sustainability. The Policy aims to provide clarity, transparency and consistency in dividend distribution decisions and to ensure compliance with statutory requirements.

2. **PARAMETERS FOR RECOMMENDING / DECLARING DIVIDEND:**

The Company has only one class of equity shares of face value ₹5 each. Dividend shall be distributed to all equity shareholders in proportion to their shareholding as on the record date. Dividends may be declared as final (annually) or interim (one or more times during the year) as permitted under law. In addition to the regular Dividend i.e., Final or Interim Dividend, the Company may declare a special dividend out of its accumulated cash surplus, free reserves or surplus funds available for distribution, as and when considered appropriate by the Board of Directors.

While recommending or declaring Dividend, the Board shall consider the following factors:

I. Financial Parameters/ Internal Factors:

- Profits earned during the financial year
- Retained Earnings
- Earnings outlook for next three to five years
- Expected future capital / liquidity requirements
- Any other relevant factors and material events

II. External Factors:

- **Macro-economic environment** – Significant changes in Macroeconomic environment materially affecting the businesses in which the Company is engaged in the geographies in which the Company operates

- **Regulatory changes** – Introduction of new regulatory requirements or material changes in existing taxation or regulatory requirements, which significantly affect the businesses in which the Company is engaged

- Technological changes which necessitate significant new investments in any of the businesses in which the Company is engaged.

3. CIRCUMSTANCES UNDER WHICH SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND:

Shareholders may not expect dividend under circumstances such as significant expansion projects requiring high capital allocation, increased working capital requirements, proposed utilisation of surplus cash for share buyback, acquisitions or restructuring, inadequacy of profits, or when the Board deems it prudent to conserve resources.

4. UTILISATION OF RETAINED EARNINGS:

Retained earnings may be utilised for business expansion, acquisitions, capital expenditure, research and development, debt repayment, working capital requirements, modernisation and technology upgradation, strategic investments, dividend payment, buyback, bonus share issues, or any other purpose as may be deemed appropriate by the Board in the interest of the Company and shareholders.

5. PARAMETERS FOR DIVIDEND ON VARIOUS CLASSES OF SHARES:

At present, the Company has only one class of shares, i.e., equity shares. Parameters for dividend payments in respect of any other class of shares will be as per the respective terms of issue and in accordance with the applicable regulations and will be determined, if and when the Company decides to issue other classes of shares.

6. CONFLICT IN POLICY:

In the event of any conflict between this Policy and the provisions contained in the Listing Regulations, the Regulations shall prevail.

7. DISCLOSURE OF POLICY:

This Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the Annual Report, in compliance with the Listing Regulations.

8. REVIEW AND AMENDMENT:

The Board shall periodically review this Policy and may amend it to align with changes in applicable laws, regulations, or business requirements. Any modifications, including changes to the parameters or the dividend distribution policy set out herein, shall be disclosed along with the rationale for such changes in the Annual Report of the Company and on its website.

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