STATEMENT OF SPECIAL TAX BENEFITS

To,
The Board of Directors,
HD Fire Protect Limited
(Formerly known as HD Fire Protect Private Limited)
O-611, 6th Floor, Runwal R Square Opp. Veena Nagar,
L. B. S. Marg, Mulund West,
Mumbai City, Mumbai, Maharashtra,
India, 400080

Ambit Private Limited
Ambit House, 449,
Senapati Bapat Marg, Lower Parel,
Mumbai, Maharashtra,
India, 400013

Anand Rathi Advisors Limited
11th floor, Times Tower,
Kamala City, Senapati Bapat Marg,
Lower Parel West, Mumbai,
Maharashtra, India, 400013

IIFL Capital Services Limited *(formerly known as IIFL Securities Limited)*
24th Floor, One Lodha Place,
Senapati Bapat Marg, Lower Parel (W),
Mumbai, Maharashtra
India, 400013

(Ambit Private Limited, Anand Rathi Advisors Limited, IIFL Capital Services Limited *(formerly known as IIFL Securities Limited)* and any other book running lead manager who may be appointed, are collectively referred to as the "**Book Running Lead Managers**" or "**BRLMs**" in relation to the Offer)

Re: Proposed initial public offering of equity shares of face value of ₹ 5 each (the "Equity Shares") of HD Fire Protect Limited (the "Company") through an offer for sale of Equity Shares by certain existing shareholders of the Company (and such offer, the "Offer")

1. We, KKC & Associates LLP (formerly known as Khimji Kunverji & Co LLP), Chartered Accountants, the statutory auditors of the Company, enclose herewith the statement in **Annexure A** prepared by the management of the Company and stamped by us for identification purpose showing the current positions of possible special tax benefits available to the Company and its shareholders, under direct and indirect taxes, presently in force in India as on the signing date, including the Income-tax Act, 2025, the Income-tax Rules, 2026, and amendments made by the Finance Act, 2026, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, the Customs Act, 1962 and the Customs Tariff Act, 1975 (collectively the "Taxation Laws").

kkc & associates llp Chartered Accountants MD

2. The benefits discussed in the enclosed Statement are not exhaustive and cover the possible special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to them.

3. In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

4. These possible special tax benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the relevant provisions of the Taxation Laws. Hence, the ability of the Company and its shareholders to derive the possible special tax benefits is dependent upon fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company and its shareholders may or may not choose to fulfil. We do not express any opinion or provide any assurance as to whether the Company and its shareholders will continue to obtain the benefits in future or the conditions prescribed for availing the benefits as per the Statement have been/ would be met with.

5. Further, the preparation of the enclosed **Annexure A** and its contents are the responsibility of the management of the Company. The **Annexure A** is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for a professional tax advice. Our views are based on the existing provisions of Taxation Laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Further, we give no assurance that the revenue authorities / courts will concur with our views expressed herein. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer. Neither are we suggesting nor advising the investor to invest in the Issue based on this statement. Reliance on the Statement is on an express understanding that we do not assume responsibility towards the investors who may or may not invest in the Offer relying on the Statement. We shall not be liable to the Company for any claims, liabilities, or expenses relating to this assignment.

6. The contents of the enclosed Statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. We have relied upon the information and documents of the Company being true, correct and complete and have not audited or tested them.

7. We hereby confirm that while providing this certificate we have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements,' issued by the ICAI. We have conducted our examination in accordance with the '*Guidance Note on Reports or Certificates for Special Purposes*' issued by the Institute of Chartered Accountants of India ("**ICAI**") which requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI and in accordance with '*Guidance Note on Reports in Company Prospectuses*' (Revised 2019).

We hereby give consent to include this statement of special tax benefits in the Red herring prospectus ("**RHP**") and prospectus ("**Prospectus**") for the proposed offer which the Company intends to submit to the Securities and Exchange Board of India, the Registrar of Companies and the stock exchanges where the equity shares of the Company are proposed to be listed, provided that the below statement of limitation is included in the RHP and Prospectus. This report is not to be used, referred to or distributed for any other purpose without our prior written consent.

We also consent to the inclusion of this certificate as a part of "Material Contracts and Documents for Inspection" in connection with this Offer, which will be available for public for inspection from date of the filing of the RHP until the Bid/ Offer Closing Date.

Limitation:

Our views expressed in the statement enclosed are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of the Taxation Laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities, or expenses relating to this assignment.

All capitalized terms used but not defined herein shall have the meaning assigned to them in the RHP and Prospectus.

Yours faithfully,

For **KKC & Associates LLP**
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
ICAI Firm Registration Number: 105146W/W100621

Divesh B Shah

Divesh B Shah
Partner
ICAI Membership Number: 168237
UDIN: 26168237YZTBFZ3226
Place: Mumbai
Date: September 22, 2026

kkc & associates llp Chartered Accountants MP

Encl: As above
CC:

Legal Counsel to the BRLM **Chandhiok & Mahajan, Advocates and Solicitors** C-524 Defence Colony, New Delhi 110024	**Legal Counsel to the Company** **Trilegal** One World Center, Tower 2A and 2B, 10th floor, Senapati Bapat Marg, Lower Parel West, Mumbai, Maharashtra, 400013

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ANNEXURE A

Statement of Special Tax Benefits

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO HD FIRE PROTECT LIMITED (FORMERLY KNOWN AS HD FIRE PROTECT PRIVATE LIMITED) AND ITS SHAREHOLDERS UNDER THE APPLICABLE DIRECT AND INDIRECT TAX LAWS IN INDIA

Outlined below are the possible special tax benefits available to the Company and its shareholders under the direct tax laws and indirect tax laws, currently in force in India. These tax benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the relevant provisions of the Income Tax Act, 2025 ("**Direct Tax Laws**") and the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the State Goods and Services Tax Act, 2017, the Customs Act, 1962 and the Customs Tariff Act, 1975 (collectively "**Indirect Tax Laws**"), each as amended. Hence, the Company and its shareholders can derive the possible tax benefits upon fulfilling such conditions laid down in the taxation laws, which are based on business imperatives they face in the future, they may or may not choose to fulfil.

I. Special direct tax benefits available to the Company

Lower corporate tax rate on income of domestic companies – Section 200 of Income Tax Act, 2025

Pursuant to enactment of Income Tax Act, 2025 ('the Act') w.e.f. April 1, 2026, section 115BAA of earlier Income Tax Act, 1961 has been replaced by Section 200 under Income Tax Act, 2025. Section 200 of the Act provides an option to a domestic company to pay corporate tax at a reduced rate of 22% (plus applicable surcharge of 10% and health & education cess of 4% on tax and surcharge) with effective tax rate of 25.168%. In case the Company opts for concessional income tax rate as prescribed under section 200 of the Act, it will no longer be eligible to avail following exemptions /incentives under the Act and will also need to comply with the other conditions specified in Section 200. Further, the total income of the Company shall be computed without claiming certain specified deductions and specified brought forward losses and depreciation determined in the prescribed manner as per provision of the section 200 of the Act.

The Company has opted to apply section 200 of the Act (erstwhile 115BAA of the Income Tax Act, 1961).

Deduction from Gross Total Income

Section 146 : Deduction in respect of employment of new employees

Subject to fulfilment of prescribed conditions, the Company is entitled to claim deduction under the provisions of Section 146 of the Act, of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided. The deduction u/s 146 of the Act shall be applicable even if the Company avails the benefits of the special rate u/s 200 of the Act.

Section 148: Deduction in respect of certain inter-corporate dividends

As per Section 148 of the ITA, where domestic companies have declared dividend and are also in receipt of the dividend from another domestic company or a foreign company or a business trust, deduction is allowed with respect to the dividend received as long as the same is distributed as dividend one month prior to the due date of furnishing the return of income under sub-section (1) of Section 263 of the ITA. The deduction under Section 148 is available even if domestic company opts for concessional tax rate under Section 200 of the ITA.

II. Special indirect tax benefits available to the Company

I. The Company has been availing benefit of Packaged Scheme of Incentives linked to Indirect Taxes.

II. Company has supplied goods to few merchant exporters on payment of Integrated Goods and Services tax at a concessional rate of 0.1% in terms of Notification No. 41/2017-Integrated Tax (Rate) dated 23 October 2017subject to fulfilment of conditions prescribed therein;

III. Benefits under The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy)

i. Remission of Duties and Taxes on Exported Products (RoDTEP): The Remission of Duties and Taxes on Exported Products (RoDTEP) scheme was announced by Government of India (GOI) on September 14, 2019 to boost exports by allowing reimbursement of taxes and duties, which are not exempted or refunded under any other scheme in accordance with World Trade Organization (WTO) norms. At present, embedded duties and taxes, which are not refunded under any other scheme. RoDTEP % differs on different types of products. Under the scheme, rebate of these taxes will be given in the form of duty credit/electronic scrip. The Company is availing rebate of taxes / duties on inputs under Remission of Duties and Taxes on Exported Products ("RoDTEP") scheme at the applicable rates.

ii. Export Promotion Capital Goods (EPCG) : The objective of the EPCG Scheme is to facilitate import of capital goods for producing quality goods and services and enhancing India's manufacturing competitiveness. EPCG Scheme facilitates import of capital goods for producing quality goods and services at zero customs duty. Import under EPCG Scheme shall be subject to a specific export obligation equivalent to 6 times of duties, taxes and cess saved on capital goods, to be fulfilled in 6 years reckoned from date of issue of authorization. EPCG license holders are exempted from payment of whole of Basic Customs Duty, Additional Customs Duty and Special Additional Duty In lieu of Value Added Tax/local taxes (non-GST goods), Integrated Goods and Services Tax and Compensation Cess, wherever applicable, subject to certain conditions.

III. Special direct tax benefits available to shareholders of the Company

Dividend Income

Dividend income earned will be subject to tax in the hands of shareholders at the applicable slab rate / corporate tax rate (plus applicable surcharge and cess).

Dividend received by a domestic Company from any other domestic Company or a foreign Company or a business trust shall be eligible for deduction of dividend income under section 148 of the Act while computing its total income for the relevant tax year subject to the fulfilment of prescribed conditions. The amount of such deduction would be restricted to the amount of dividend distributed by the shareholder (domestic Company) up to 1 month prior to the due date for furnishing the return of income under section 263(1) of the Act.

With effect from April 1, 2026, consideration received by shareholders on buy-back of shares shall be taxable as capital gains in accordance with the provisions of the Income-tax Act, 2025. The cost of acquisition of the shares shall be allowed as a deduction while computing the capital gains or loss arising from the buy-back transaction.

Tax on Capital Gain

As per section 2(67) read with section 2(101) of the Act, a listed equity share is treated as a long-term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer.

Long term capital gains exceeding Rs.1,25,000 on transfer on such shares on which Securities Transactions Tax has been paid will be subject to tax in the hands of shareholders as per the provisions of Section 198 of the Act at 12.5% (plus applicable surcharge and cess). The benefit of indexation of costs shall not be available.

Short term capital gains arising on transfer of shares on which Securities Transactions Tax has been paid will be subject to tax in the hands of shareholders as per the provisions of Section 196 of the Act at 20% (plus applicable surcharge and cess).

IV. Special indirect tax benefits available to shareholders of the Company

The shareholders of the Company are not entitled to any special tax benefit under the Indirect Tax Laws.

Notes:

a. *The above is as per the Current Tax Laws.*
b. *The above Statement set out in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.*
c. *The possible special tax benefits are subject to several conditions and eligibility criteria which need to be examined for precise tax implications.*
d. *This Statement does not discuss any tax consequences in any country outside India of an investment in the equity shares of the Company. The shareholders / investors in any country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them under the laws of such jurisdiction.*
e. *The above statement covers only certain relevant direct and indirect tax law benefits and does not cover any benefit under any other law.*
f. *This Statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.*
g. *No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time.*
h. *In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.*

For **HD Fire Protect Limited**
(Formerly known as HD Fire Protect Private Limited)

HD FIRE PROTECT LIMITED

Harish Narshi Dharamshi
Chairman and Managing Director

Place: Jalgaon
Date: September 22, 2026