

Company Business

- HP Telecom India Limited operates as the exclusive distributor of Apple products in Madhya Pradesh, Chhattisgarh, select cities in Uttar Pradesh, and major urban centers in Gujarat.
- The company offers Apple's iPhone, iPad, Mac, and Apple Watch.
- HPTL also distributes products from other brands, including JIO Recharge, JIO Phones, and INFINIX Mobiles.
- Apple products contribute over 80% of HPTL's revenue.

Industry Analysis

- The Indian electronics industry is rapidly growing.
- The Indian government recognizes the strategic importance of the electronics industry and aims to make India a hub for Electronics System Design and Manufacturing (ESDM).
- The Digital India Programme is driving digitization and e-governance.
- India's share in global electronics manufacturing increased from 1.3% in 2012 to 3.6% in 2020.
- India's Consumer Electronics and Appliances Industry is predicted to be the fifth-largest in the world by 2025.
- The Indian Appliances and Consumer Electronics (ACE) market is predicted to reach approximately US\$ 17.93 billion (Rs. 1.48 lakh crore) by 2025.
- India's consumer electronics and home appliances market is set to grow by US\$ 2.3 billion between 2022 and 2027, registering a CAGR of 1.31%.
- In FY23, electronics exports grew by 13.8%, the highest in the last 6 years.
- India aims to achieve electronics manufacturing worth US\$ 300 billion in electronics exports of US\$ 120 billion by FY26.

Promoter details

- The Promoters of HP Telecom India Limited are Vijay Lalsingh Yadav, Seemabahen Vijay Yadav, and Bharatlal Lalsingh Singh.
- Vijay Lalsingh Yadav holds 44,02,628 shares.
- Seemabahen Vijay Yadav holds 37,27,852 shares
- Bharatlal Lalsingh Singh holds 2,55,000 shares
- Krishna Lalsingh Yadav and Sangita Yadav are part of the Promoter Group.

IPO Details

- Issue Size** : Initial Public Issue of up to 31,69,200 Equity Shares.
- Issue Price** : ₹108 per equity share
- Lot Size** : 1,200 Shares
- Total Issue Size** : ₹34.23 Cr
- Pre-Issue Shareholding of Promoters and Promoter Group** : 99.99%.
- Post-Issue Shareholding of Promoters and Promoter Group** : 73.40%

Object of the Issue

- Funding the Working Capital requirement** : ₹30 Cr.
- General corporate purposes** : ₹3.50 Cr.

Financials of the company

(Fig. in Cr)

Particulars	Sep 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from Operations	581.23	1,058.91	637.50	292.04
Growth in revenue		66.10%	118.29%	23.40%
EBITDA	10.01	19.47	12.85	4.85
EBITDA Margins	1.72%	1.84%	2.02%	1.66%
PAT	5.23	8.60	6.35	2.13
PAT Margins	0.90%	0.81%	1%	0.73%
ROCE		66.62%	62.41%	31.17%
D/E ratio	3.06	3.43	2.89	1.58
CFOA	6.16	-25.65	7.25	-4.62

Comparison with Peers

Companies	Revenue	EBITDA Margin	PAT Margin	D/E Ratio	MCap	P/E
HP Telecom India (FY 2024)	1,058.91 Cr.	1.84%	0.81%	3.06	128.67 Cr.	14.96*
Bhatia Comm. & Retail (India) (TTM)	433 Cr.	5%	3.23%	0.19	307 Cr.	22.10
Jay Jalaram Technologies (TTM)	651 Cr.	2%	1.22%	0.66	312 Cr.	41.10

*Forward PE on the basis of FY 25 profit is 12.30.

Positive and Negative Points

Positive

- ✦ **Exclusive Distribution Rights** : The company has exclusive distribution rights for Apple products across significant territories.
- ✦ **Strong Brand Reputation** : HP Telecom has a strong brand reputation.
- ✦ **Experienced Leadership** : The company has experienced and visionary leadership.
- ✦ **Robust network and relationships** : HP Telecom has robust network and relationships with suppliers.
- ✦ **Financial stability** : The company has demonstrated financial stability and resources.

Negative

- ✦ **Dependency on Apple Products** : The company relies heavily on the distribution of Apple products, with over 80% of its revenue coming from this source. Any adverse changes in the relationship with Apple or a decline in the popularity of Apple products could significantly impact the company's financial performance.
- ✦ **Competition** : The consumer durables industry is highly competitive. Increased competition could lead to decreased profit margins.
- ✦ **Risk Factors** : Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment.
- ✦ **Litigation** : There are some litigations involving the Company, its Directors, the Promoters and the Group Companies.
- ✦ **Low Margins** : Since it's a trading business, the profit margins are very low.



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