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(Please Scan this QR Code to view Draft Prospectus)

Date: August 03, 2024



HP TELECOM INDIA LIMITED

Our Company was incorporated on March 26, 2011 as 'HP Telecom India Private Limited', a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated March 26, 2011 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, our Company was converted to a public limited company, pursuant to a special resolution passed by the shareholders of our Company at the extra-ordinary general meeting held on January 29, 2024 and the name of our Company was changed from "HP Telecom India Private Limited" to "HP Telecom India Limited", pursuant conversion from private to public company and a fresh certificate of incorporation dated February 26, 2024 issued by the Registrar of Companies. For details of change in the name and registered office of our Company, see "*History and Certain Corporate Matters*" on page 109.

Registered Office: Plot No – 97, 01st Floor, Om Square, Near Ishwar Farm, BRTS Canal Road, Bhatar, Althan, Surat 395017, Gujarat, India

Contact Person: Barkha Jain, Company Secretary and Compliance Officer; Tel: +91 9825309977

E-mail: compliancehptl@gmail.com **Website:** www.hvciipl.com

Corporate Identity Number: U51395GJ2011PLC064616

OUR PROMOTERS: VIJAY LALSINGH YADAV, SEEMABAHEN VIJAY YADAV AND BHARATLAL LALSINGH SINGH			
INITIAL PUBLIC OFFER OF UP TO 31,69,200 EQUITY SHARES OF FACE VALUE ₹ 10 EACH (THE "EQUITY SHARES") OF HP TELECOM INDIA LIMITED ("OUR COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹[•] PER EQUITY SHARE (INCLUDING A SECURITIES PREMIUM OF ₹[•] PER EQUITY SHARE) ("ISSUE PRICE"), AGGREGATING UP TO ₹[•] LAKHS (THE "ISSUE") OF WHICH [•] EQUITY SHARES AGGREGATING TO ₹[•] LAKHS (CONSTITUTING UP TO [•]% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY) WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [•] % AND [•] % RESPECTIVELY OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO SECTION TITLED "TERMS OF THE ISSUE" BEGINNING ON PAGE 194.			
THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH AND THE ISSUE PRICE IS [•] TIMES OF THE FACE VALUE			
Potential Bidders may note the following:			
1. The Section titled "SECTION - II - RISK FACTORS" beginning of Page no. 19 of Draft Prospectus updated as stated in addendum. 2. The Section titled "OBJECTS OF THE ISSUE" beginning of Page no. 65 of Draft Prospectus updated as stated in addendum. 3. The Section titled "BASIS FOR ISSUE PRICE" beginning of Page no. 71 of Draft Prospectus updated as stated in addendum. 4. The Section titled "BUSINESS OVERVIEW" beginning of Page no. 88 of Draft Prospectus updated as stated in addendum. 5. The Section titled "OUR MANAGEMENT" beginning of Page no. 112 of Draft Prospectus updated as stated in addendum. 6. The Section titled "MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS" beginning of Page no. 157 of Draft Prospectus updated as stated in addendum.			
LEAD MANAGER		REGISTRAR TO THE ISSUE	
 INTERACTIVE FINANCIAL SERVICES LIMITED Address: Office No. 508, Fifth Floor, Priviera, Nehru Nagar, Ahmedabad – 380 015, Gujarat, India Tel No.: 079 4908 8019 (M) +91-9898055647 Web Site: www.ifinservices.in Email: mbd@ifinservices.in Investor Grievance Email: info@ifinservices.in Contact Person: Pradip Sandhir SEBI Reg. No.: INM000012856		 BIGSHARE SERVICES PRIVATE LIMITED Address: Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai - 400093 Tel No.: +91 22-62638200 Fax No.: +91 22-62638299 Website: www.bigshareonline.com E-Mail: ipo@bigshareonline.com Investor Grievance Email: investor@bigshareonline.com Contact Person: Sagar Pathare SEBI Reg. No.: INR000001385	
ISSUE PROGRAMME			
ISSUE OPENS ON	[•]	ISSUE CLOSES ON	[•]

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SECTION - II - RISK FACTORS

8. *We extend credit to our customers for a significant portion of our sales to them. Any negative trends in their businesses could cause us significant credit loss and negatively impact our cash flow and liquidity position.*

We extend credit to our Channel Partners and other customers for a significant portion of our sales to them. Set forth below are details of our products sold on credit;

(Rs. in Lakhs)

Particulars	December 31, 2023	2023	2022	2021
Value of products initially sold on credit	75,881.78	63,750.83	29,204.04	23,665.40
Value of products initially sold on credit, as a percentage of our revenue from operations (%)	100	100	100	100
Average trade receivable days	11	13	29	21

We generally extend a credit period of time, after the date of invoice, to make payment. As a result, we are susceptible to the risk that our customers will not pay for the products they purchase. While we try to mitigate such incidents by conducting diligence on our customer's financial condition and market feedback to minimize our credit exposure of any non-payments, we cannot assure you that such measures will be successful or that we will be able to recover our trade receivables and monies owed to us. Our credit exposure risk may increase due to liquidity or solvency issues experienced by our customers as a result of various reasons such as an economic downturn, etc. If we are unable to collect payment for products distributed by us to customers or if such customers are unable to pay for the products in a timely manner, it may negatively impact our cash flow and liquidity position.

24. *We have in past entered into related party transactions and we may continue to do so in the future*

As of December 31, 2023, we have entered into several related party transactions with our Promoter and individuals and entities forming a part of our Promoter Group. In addition, we have in the past also entered into transactions with other related parties. We confirm that the transactions with Related Parties entered into by our Company in the preceding three years have been carried out at arms' length price and are in compliance with the Companies Act 2013 and the applicable laws. Further, we confirm that the transactions are not prejudicial to the interest of our Company. A summary of the related party transactions during the nine months period ended December 31, 2023 and Financial Year 2023, 2022 and 2021 as per applicable Ind GAAP is derived from our Restated Financial Statements. For further details, see "**Restated Financial Information**" on page 126. We hereby confirm that the company's related party transactions in the future shall be done in compliance with Companies act 2013 and applicable laws.

While we believe that all our related party transactions have been conducted on an arm's length basis, we cannot assure you that we may not have achieved more favourable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or taken together, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. In addition, our business and growth prospects may decline if we cannot benefit from our relationships with them in the future.

Note: Risk Factor No. 40 will be deleted

SECTION IV - PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

Means of Finance

In the event of a shortfall in raising the requisite capital from the Net Proceeds, towards meeting the objects of the Issue, the extent of the shortfall will be met by internal accruals or debt. In case of any surplus of monies received in relation to the Fresh Issue, we may use such surplus towards general corporate purposes.

The fund requirements for all the Objects of the Issue are proposed to be entirely funded from the Net Proceeds. Accordingly, we confirm that there is no requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations 2018 and Clause 9(C) of Part A of Schedule VI of the SEBI ICDR Regulations, 2018 through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the issue.

DETAILS OF THE OBJECTS OF THE ISSUE

Funding the working capital requirements of our Company

The business of the Company has been increased by 118.29% in FY 2023 in comparison of FY 2022. The turnover of the Company which was Rs. 29204.03 Lakhs in FY 2022 had increased to Rs. 63750.83 lakhs. The turnover for the stub period ended on December was also Rs. 75881.78 Lakhs. The increase in the growth of the business is possible only if the Company maintain Inventory so as to give uninterrupted supply to the customers. Looking to the growth of the business the company had got the revised limits from the State bank of India and Axis Bank. The inventory of the Company for the stub period as on December 31, 2023 and for the FY 2023, 2022 and 2021 were 6302.94 lakhs, 2237.08 lakhs, 1220.61 Lakhs and 879.92 Lakhs increased due to growth of business. The bank sanction limits are with a condition to provide the Fixed deposit as collateral security of Rs 18 crores by State Bank of India and of Rs. 17 crores by Axis Bank. Thus, the Inventory and the cash and bank balance both increase substantially due to growth of the business and the same is reflected in the increase in working capital requirement.

Assumptions for working capital requirements.

Particulars	No. of Days outstanding or holding level as on			Period ended on December 31, 2023	F.Y. 2023-24 (current year)	F.Y. 2024-25 (Estimated)
	F.Y. 2020- 21	F.Y.2021-22	F.Y.2022-23			
Inventory	14	16	23	23	23	23
Trade Receivables	21	29	13	11	11	11
Trade Payables	0	6	6	1	1	1

As certified by our Statutory Auditors vide certificate dated May 14, 2024, UDIN:24180986BKFFWK4340 and as approved by the Board of Directors of our Company pursuant to its resolution dated May 14, 2024.

Justification for Holding Period

Particulars	Justification for Holding
Inventory	The Company is authorized distributor of Apple Inc in Madhya Pradesh, Chhattisgarh, Uttar Pradesh, and Gujarat. The Company offers a range of iPhones catering to different budgets and preferences. Looking to the area and products, the Company is maintaining stock of finished egged of 15 days. In the FY 2023 the business has grown up by 118% compared to FY 2022 and to sustain the growth of business and increase the business the stock of 23 days of the total purchase is maintained by the Company. In order the provide inventory estimated for the FY 2024-25 are on the basis of inventory maintained by the Company for FY 2022-23 and for the period ended on December 31, 2023
Trade Receivables	In the FY 2020-21 and 2021-22 the trade receivables are for almost one month. It was due to Covid Period and in order to support the clients the company had extended credit of one month. The business is almost on cash basis. Generally, the two weeks credit period is generally given by the Company. The Trade Receivables estimated for the FY 2024-25 are on the basis of trade receivables for the FY 2022-23 and for the period ended on December 31, 2023
Trade Payables	Most of the business of the company is of Apple Inc and the purchases are on cash term basis only. The trade payables are in all financial years are for the other products. The trade payables are for one day only in Stub Period ended on December 31, 2023. The same is considered for estimation for FY 2024-25.

BASIS FOR ISSUE PRICE

Financial KPI of our Company

(₹ in Lacs)

Key Financial Performance	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Revenue from Operations (1)	75,881.78	63,750.83	29,204.03	23,665.40
Growth in Revenue from Operations (2)	-	118.29%	23.40%	-0.07%
EBITDA (3)	1,365.76	1,285.32	485.36	359.34
EBITDA Margin (%) (4)	1.80%	2.02%	1.66%	1.52%
PAT	556.93	635.23	213.12	151.76
PAT Margin (%) (5)	0.73%	1.00%	0.73%	0.64%
Net Worth (6)	2,607.89	2,050.96	1,546.16	1,133.05
Return on equity (%) (7)	21.36%	30.97%	13.78%	13.39%
Return on capital employed (%) (8)	52.16%	62.41%	31.17%	31.46%
Net Asset Value per equity share (9)	44.73	35.18	26.52	22.71
Total Borrowings (10)	11,785.02	5,929.01	2,449.71	2,624.21
Debt-Equity Ratio (times) (11)	-	-	-	-
Trade Receivables Turnover Ratio (12)	24.74	27.50	15.78	17.86
Inventory Turnover Ratio (13)	11.97	35.92	26.99	27.41
Trade Payables Turnover Ratio (14)	239.85	79.58	121.27	-
Trade Receivables days (15)	15	13	23	20
Inventory days (16)	31	10	14	13
Trade Payable days (17)	2	5	4	-
Working Capital Cycle (days) (18)	44	19	33	34
Net fixed asset turnover ratio (times) (19)	456.90	344.51	128.25	114.21
Current Ratio (times) (20)	1.12	1.13	1.31	1.26
Working Capital Turnover Ratio ⁽²¹⁾	51.05	66.54	34.77	36.45

As certified by the Statutory Auditor vide their certificate dated June 14, 2024, bearing UDIN:24180986BKFFXD2889.

Notes:

(11) Debt to Equity ratio is calculated as Long Term Debt divided by equity.

BUSINESS OVERVIEW

Company Background

HP Telecom India Limited, originally incorporated as HP Telecom India Private Limited on March 26, 2011, initially focused solely on distributing mobile phones, accessories, and related products. Under the mentorship of its promoters, Mr. Vijay Yadav, Mrs. Seema Yadav, and Bharatlal Lalsingh Singh the company secured exclusive distribution rights for brands such as Sony LED TVs and Mobiles and other mobile brands, for the different Regions of Gujarat during the fiscal year 2014-15. Additionally, in the same financial year, the company expanded its product portfolio to include LCD/LED home theatres, indoor/outdoor air conditioners, and other home appliances. Over subsequent years, the promoters continuously diversified into new product lines in Mobile like Nokia, Micro Max, Intex, Gionee, Karbonn Mobiles to broaden their offerings and geographical reach. In the fiscal year 2015-16, the company further expanded its distribution portfolio by obtaining exclusive rights for Jio products in the West Region Trade Partner for Gujarat.

In 2016, Apple made a strategic move to establish its presence in India, recognizing the immense potential of the market. Sensing the opportunity, our company secured the distribution rights for the Vapi Region, aligning with Apple's vision to expand its reach and provide cutting-edge technology solutions to customers. This distribution ship underscores our commitment to delivering superior products and services, ensuring that customers in the Vapi Region have access to the latest innovations from one of the world's most renowned technology brands. By joining forces with Apple Inc., we aim to elevate the standard of technological offerings in our region and meet the evolving needs of our clientele.

In the fiscal year 2020-21, amidst the onset of the COVID-19 pandemic, HPTIL swiftly capitalized on a burgeoning market demand for surgical masks. Recognizing the urgent need for protective equipment, the company strategically ventured into the manufacturing and distribution of N95 surgical masks. This strategic pivot allowed HPTIL to not only meet the critical demand for essential medical supplies but also positioned the company as a key player in the healthcare industry during a global crisis. By leveraging its manufacturing capabilities and adapting to market demands, HPTIL being flexible and adjusting to the market dynamics, ultimately contributing to the collective efforts in combating the pandemic while simultaneously driving business growth. However, as on date company is not dealing in Surgical mask.

Currently, our company operates as the exclusive distributor of Apple products across significant territories, including Madhya Pradesh & Chhattisgarh, select cities in Uttar Pradesh, and major urban centers in Gujarat. We proudly offer Apple's iconic range of devices, comprising the iPhone, iPad, Mac, Apple Watch, and more, catering to the discerning tech-savvy consumers in these regions.

While Apple products remain the cornerstone of our distribution portfolio, we also engage in the distribution of select other brands to diversify our offerings and cater to a broader customer base. Recently, we have acquired the distribution rights for 'Nothing' in the state of Gujarat, further enhancing our product lineup with innovative offerings.

Despite this diversification, Apple products continue to drive a significant portion of our revenue, contributing over 80% to our overall earnings. The remaining revenue is generated through the sale of other brands, including JIO Recharge, JIO Phones, INFINIX Mobiles, etc. This balanced approach helps us stay strong in the market while taking advantage of new opportunities in the fast-changing technology world.

Product wise Revenue Bifurcation

(In Rs. Lakhs)

Particulars	As at December 31, 2023		As at and for the financial year ended March 31, 2023		As at and for the financial year ended March 31, 2022		As at and for the financial year ended March 31, 2021	
	%	Amount	%	Amount	%	Amount	%	Amount
Mobile Phone	94.91	72017.63	94.06	59964.25	87.92	25676.12	85.65	20268.71
Tablet	1.88	1423.44	1.87	1190.56	2.67	779.32	3.33	787.50
Smart Watch	1.15	873.95	1.64	1043.46	2.49	726.51	3.45	815.98
Audio Devices	0.83	629.17	1.01	644.55	2.63	769.27	3.68	871.26
Accessories	1.13	859.60	0.76	487.28	3.49	1018.35	1.30	307.60
Home Appliances	0.10	77.99	0.66	420.72	0.44	128.27	0.02	3.82
N95 Mask & other medical items	0.00	-	0.00	-	0.36	106.18	2.58	610.54
Total	100	75,881.78	100	63,750.83	100	29,204.04	100	23,665.40

DETAILS OF OUR DEALERS

As On	15-06-2024	31-03-2024	31-12-2023	31-03-2023	31-03-2022
State	No. of dealers				
Madhya Pradesh	407	569	546	275	98
Gujarat	563	745	704	475	434
Chattisgarh	156	182	176	107	109
Dadra And Nagar Haveli	0	2	2	2	2
Maharashtra	1	2	2	3	8
Karnataka	2	4	2	4	4
Uttar Pradesh	268	205	0	0	0
Delhi	0	0	0	1	1
Jammu & Kashmir	0	0	0	0	1
Telangana	0	0	0	0	1
Uttarakhand	1	0	0	0	0
TOTAL	1398	1709	1432	867	658

Location

Commercial Offices:

- 1) 117, 1st Floor, Saffron Complex, Nr. Bull Circle, Fatehgunj, Vadodara – 390002
- 2) Shop No. H-25, Sajni Complex, Opp. Surya Complex, City Light Road, Surat, Gujarat – 395007
- 3) Plot No. A-14/15, Sector – 59, Noida – 201301, India (Co-working space for Office)
- 4) Plot No. 25, Vibrant Business Part, Vapi GIDC Phase -1, Village: Vapi and Namdha, Taluka: Vapi, Valsad – 396191
- 5) Alap - B, Office No 312, Sub District: Choryasi, District: Rajkot, Gujarat, 360001
- 6) Office No. 703, 7th Floor, Videocon Arizona, Opp. Gujarat Vidhyapith, Ashram Road, Ahmedabad – 380009
- 7) Ground Floor, Behind Gupta Provision, Near Vishal Marg Mart, Pandri, Raipur -492004, India.
- 8) 103, 1st Floor, Princes Business Sky Park Scheme no. 54 PU 3 AB Road, Vijay Nagar, Indore.
- 9) No.8, Basement Part C/2, C/3, Nilam Avenue, Near Sanghavi Hospital, B/h Honest Restaurant, Bhatta, Paldi, Ahmedabad, Gujarat, 380007.

All the commercial properties are only for the purpose of store the goods only. Company do not have any retail clientele, hence, all the office of the Companies are for the stock keeping purpose only.

The Company is sharing all the above stated premises including Registered Office, Residential Properties, Warehouses and Commercial Offices with its group company to store the goods and for the smooth business operation only.

OUR MANAGEMENT

Key Managerial Personnel and Senior Management Personnel

Barkha Jain is the Company Secretary and Compliance Officer of our Company. She has been working with our Company since March 11, 2024. She has completed the degree of Bachelors in Commerce from the University of Burdwan, in the year 2008. She has post qualification experience of more than 5 years in the field of Company Law matters, Corporate Governance, ROC compliance. She is an Associate Member of the Institute of Company Secretaries of India since 2015. She has previously worked with Klass Insolvency Resolution Professionals Private Limited from November 14, 2016 to January 02, 2020. In Fiscal 2023, she did not receive compensation from our Company.

Hemant Jethwa is the Chief Financial Officer of our Company. He has been working with our Company since March 11, 2024. He has completed the degree of Masters in Commerce from the Veer Narmada South Gujarat University, in the year 2002. He has more than 10 years of experience in the field of Accountancy, prior to joining our company. He has previously worked as Account Manager with Orange Megastructure LLP from 2018 till December 31, 2023. In Fiscal 2023, did not receive compensation from our Company.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

COMPARISON OF F.Y. 2022-23 WITH F.Y. 2021-22:

Profit after Tax (PAT)

PAT is ₹635.23 Lakhs for the F.Y. 2022-23 in compared to ₹213.12 Lakhs in F.Y. 2021-22. The PAT was 0.99 % of total revenue in F.Y. 2022-23 compared to 0.70 % of total revenue in F.Y. 2021-22. The PAT was increased on account increase in the business of the company by 118.29 % in FY 2022-23 as compared to FY 2021-22 and the expenses are not increased in FY 2022-23 in comparison of FY 2021-22. The profit is increased in absolute terms and not in terms of % of the revenue. The details of the profit and % of the profit is given below:

Sr. No.	Particulars	FY 2022-23	FY 2021-22
1	Revenue	63,750.83	29,204.03
2	Profit After Tax	635.23	213.12
3	% of Profit	0.99	0.70

The % of Profit is increased by 0.29% only.