

# **GNG Electronics Ltd (Electronics Bazaar)**

## **IPO Note**



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**Leading the Charge in Sustainable ICT Refurbishment**

GNG Electronics Ltd, operating under the brand 'Electronics Bazaar', is India's largest refurbisher of laptops and desktops and among the largest refurbishers of ICT devices globally. The company specializes in refurbishing ICT devices, offering a cost-effective alternative to new devices, typically ~60-70% cheaper, with clear warranties of up to three year and robust customer support.

The company sources products from corporates, banks, leasing companies, and OEMs, providing tailored buyback solutions for large format retail stores and OEM brand stores. Sales are conducted through a multi-channel network, including their online platform, physical stores, and a robust distribution network comprising IT Solutions Providers/Value Added Resellers, System Integrators, E-Tailers, and Rental and Leasing Companies.

The company operates in total 5 refurbishment facilities globally, with a cumulative area of approximately 58,127.82 sq. ft. One in Navi Mumbai, India, operational since 2016, which is also a certified refurbishment facility for Lenovo and HP. Three facilities in Sharjah, UAE, commenced in 2017, 2022, and 2023. One facility in Dallas, Texas, USA, commenced in 2024.

GNG Electronics has demonstrated strong operational growth. The volume of devices refurbished increased significantly from 248,135 units in FY23 to 590,787 units in FY25. The number of customers served grew from 1,833 to 4,154, and procurement partners expanded from 265 to 557 over the same period. The company has a wide sales network spanning 38 countries across North America, South America, Asia, Europe, Africa, and the Middle East, with 4,154 global touchpoints as of March 31, 2025. In FY25, 75.6% of their operational revenue was derived from laptop sales.

Revenue from Operations increased at a CAGR of 46.3% from FY23-FY25, reaching ₹1,411.1 cr in FY25, up from ₹659.5 cr in FY23. EBITDA was at ₹116.1 cr in FY25, with margin of 8.3%. PAT grew from ₹32.4 cr to ₹69 cr in the same period. PAT Margin remained stable, around 4.9% in FY25. RoE was strong at 30.4% in FY25

**Outlook:**

We recommend 'Subscribe' for GNG Electronics Ltd as we expect margins to improve with debt reduction going ahead.

**Key Consolidated Financial Data (INR Cr, unless specified):**

	Revenue	EBITDA	Net Profit	EBITDA Margin (%)	PAT Margin (%)	EPS	ROE (%)	ROCE (%)	P/BV (X)
FY23	659.5	46.8	32.4	7.1	4.9	2.8	29	15.3	9.8
FY24	1,138.1	79.2	52.3	7.0	4.6	4.6	32	14.2	14.3
FY25	1,411.1	116.9	69.0	8.3	4.9	6.0	30.4	14.1	19.9

Source: Ventura Research & Company update

Industry	IT - Hardware
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**Scrip Details**

Listing	BSE & NSE
Open Date	Jul 23, 2025
Close Date	Jul 25, 2025
Price Band	INR 225 – 237
Face Value	INR 2
Market Lot	63 Shares
Minimum Lot	1

**Issue Structure (%)**

Issue Size (INR cr)	460.4
Issue Size (Shares)	1,94,27,637
QIB Share (%)	< 50%
Non-Inst Share (%)	< 15%
Retail Share (%)	< 35%
Pre-Issue Sh (in Cr)	9.7
Post Issue Sh (in Cr)	11.4
Post Issue MCap (in INR Cr)	2,704

Shareholding (%)	Pre (%)	Post (%)
Promoter	95.01	77.9
Public	4.99	22.1
<b>TOTAL</b>	<b>100</b>	<b>100</b>

### Issue Structure and Offer Details:

GNG Electronics Ltd ( Electronics Bazaar) IPO is a book-built issue of INR 460.4 cr. This includes a fresh issue 1.68 crore shares aggregating to INR 400 cr and offer for sale of 0.25 cr shares aggregating to INR 60.4 cr.

Issue Structure	
Investor Category	Allocation
QIB	Not more than 50% of the Offer
NII (HNI)	Not less than 15% of the Net issue
Retail	Not less than 35% of the Offer

*Number of shares based on a higher price band of INR 237*

*Source: Company Reports*

### Objects of the Issue:

The Company proposes to utilize the Net Proceeds from the Issue towards funding the following objects:

Issue Structure	
Objects of the Issue	Amount (in INR Cr)
Repayment/ prepayment/ redemption, in full or in part, of all or a portion of certain outstanding borrowings availed by the company and the material subsidiary namely, Electronics Bazaar FZC	320
General corporate purposes	80

*Source: Company Reports*

## Financial Summary

Fig in INR Cr (unless specified)	FY23	FY24	FY25	Fig in INR Cr (unless specified)	FY23	FY24	FY25
<b>Income Statement</b>				<b>Per share data &amp; Yields</b>			
Revenue	659.5	1,138.1	1,411.1	Adjusted EPS (INR)	2.8	4.6	6.0
<i>YoY Growth (%)</i>	<i>26.7</i>	<i>72.6</i>	<i>24.0</i>	Adjusted Cash EPS (INR)	3.1	4.9	6.9
Raw Material Cost	558.4	998.0	1,158.6	Adjusted BVPS (INR)	9.8	14.3	19.9
<i>RM Cost to Sales (%)</i>	<i>84.7</i>	<i>87.7</i>	<i>82.1</i>	Adjusted CFO per share (INR)	2.2	8.5	2.2
Employee Cost	19.6	35.6	77.1	CFO Yield (%)	0.9	3.6	0.9
<i>Employee Cost to Sales (%)</i>	<i>3.0</i>	<i>3.1</i>	<i>5.5</i>	Adjusted FCF per share (INR)	2.9	8.4	4.2
Other Expenses	34.7	25.3	58.5	FCF Yield (%)	1.2	3.5	1.8
<i>Other Exp to Sales (%)</i>	<i>5.3</i>	<i>2.2</i>	<i>4.1</i>	<b>Solvency Ratio (X)</b>			
EBITDA	46.8	79.2	116.9	Total Debt to Equity	1.4	2.0	2.0
<i>Margin (%)</i>	<i>7.1</i>	<i>7.0</i>	<i>8.3</i>	Net Debt to Equity	1.1	1.5	1.7
<i>YoY Growth (%)</i>	<i>40.8</i>	<i>69.3</i>	<i>47.5</i>	Net Debt to EBITDA	2.7	3.1	3.3
Depreciation & Amortization	2.8	3.7	9.5	<b>Return Ratios (%)</b>			
EBIT	44.0	75.6	107.4	Return on Equity	29.0	32.0	30.4
<i>Margin (%)</i>	<i>6.7</i>	<i>6.6</i>	<i>7.6</i>	Return on Capital Employed	15.3	14.2	14.1
<i>YoY Growth (%)</i>	<i>41.8</i>	<i>71.7</i>	<i>42.1</i>	Return on Invested Capital	18.6	18.4	17.5
Other Income	3.2	5.7	9.3	<b>Working Capital Ratios</b>			
Bill discounting & other charges	11.8	23.9	38.4	Payable Days (Nos)	6	27	7
Fin Charges Coverage (X)	3.7	3.2	2.8	Inventory Days (Nos)	75	101	126
Exceptional Item	0.0	0.0	0.0	Receivable Days (Nos)	50	37	17
PBT	35.4	57.3	78.3	Net Working Capital Days (Nos)	119	111	136
<i>Margin (%)</i>	<i>5.4</i>	<i>5.0</i>	<i>5.6</i>	Net Working Capital to Sales (%)	32.7	30.5	37.4
<i>YoY Growth (%)</i>	<i>46.1</i>	<i>61.8</i>	<i>36.7</i>	<b>Valuation (X)</b>			
Tax Expense	3.0	5.0	9.3	P/E	83.6	51.8	39.3
<i>Tax Rate (%)</i>	<i>8.4</i>	<i>8.8</i>	<i>11.9</i>	P/BV	24.2	16.6	11.9
PAT	32.4	52.3	69.0	EV/EBITDA	60.4	37.2	26.4
<i>Margin (%)</i>	<i>4.9</i>	<i>4.6</i>	<i>4.9</i>	EV/Sales	4.3	2.6	2.2
<i>YoY Growth (%)</i>	<i>49.0</i>	<i>61.3</i>	<i>32.0</i>	<b>Cash Flow Statement</b>			
Min Int/Sh of Assoc	(0.1)	(0.2)	(0.2)	PBT	35.4	57.3	78.3
Net Profit	32.3	52.1	68.8	Adjustments	64.7	176.5	135.9
<i>Margin (%)</i>	<i>4.9</i>	<i>4.6</i>	<i>4.9</i>	Change in Working Capital	(72.2)	(131.3)	(180.4)
<i>YoY Growth (%)</i>	<i>48.9</i>	<i>61.3</i>	<i>32.0</i>	Less: Tax Paid	(3.0)	(5.0)	(9.3)
<b>Balance Sheet</b>				Cash Flow from Operations	25.0	97.5	24.5
Share Capital	0.0	0.0	19.4	Net Capital Expenditure	(2.3)	(24.0)	(10.0)
Total Reserves	111.6	163.1	207.0	Change in Investments	1.2	(4.1)	12.6
Shareholders Fund	111.6	163.1	226.5	Cash Flow from Investing	(1.1)	(28.1)	2.6
Long Term Borrowings	13.1	8.2	72.8	Change in Borrowings	(5.7)	(5.0)	4.1
Deferred Tax Assets / Liabilities	(0.2)	0.9	1.9	Less: Finance Cost	(11.8)	(23.9)	(38.4)
Other Long Term Liabilities	6.5	6.8	2.9	Proceeds from Equity	0.0	0.0	0.0
Long Term Trade Payables	0.0	0.0	0.0	Buyback of Shares	0.0	0.0	0.0
Long Term Provisions	0.2	0.4	0.9	Dividend Paid	0.0	0.0	0.0
Total Liabilities	131.2	179.4	304.9	Cash flow from Financing	(17.6)	(28.9)	(34.3)
Net Block	16.7	40.8	41.3	Net Cash Flow	6.3	40.5	(7.1)
Capital Work in Progress	0.7	0.0	0.0	Forex Effect	0.0	0.0	0.0
Intangible assets under developm	0.0	0.0	0.0	Opening Balance of Cash	21.1	27.4	67.9
Non Current Investments	0.0	0.0	0.0	Closing Balance of Cash	27.4	67.9	60.8
Long Term Loans & Advances	3.1	8.2	3.1				
Other Non Current Assets	0.2	0.1	0.1				
Net Current Assets	110.6	130.3	260.4				
Total Assets	131.2	179.4	304.9				

Source: Ventura Research

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