

Price Band	Rs.225-237
Recommendation	SUBSCRIBE

The Issue

Type of Issue	Issue size Rs.mn
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Fresh Issue	4,000
Offer for Sale	604
Total	4,604
Post issue mkt cap*	27,021
Lot size (in nos.)	63

Issue Break-Up

Reservation for	% of Issue
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QIB	50%
NIB	15%
Retail	35%
Total	100%

Indicative Offer Timeline	Indicative Date
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Bid/Offer Opening Date	July 23, 2025
Bid/Offer Closing Date	July 25, 2025
Finalization of the Basis of Allotment	July 28, 2025
Initiation of refunds	July 29, 2025
Credit of shares	July 29, 2025
Listing Date	July 30, 2025

Use of Proceeds (Rs.mn)

Repayment or Prepayment of Borrowings	Rs.3,200
General corporate purpose	-

BRLM's and Registrar

Manager:	Motilal Oswal, IIFL capital, JM Financial
Registrar:	Bigshare Services Private Ltd

Source: Indsec Research, RHP

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ICT Devices Refurbishment's Growth Story Unfolding

Business Overview:

- **GNG Electronics (Electronics Bazaar)**, incorporated in 2006, is India's largest refurbisher of laptops and desktops, and among the leading refurbishers of ICT devices globally. The company has a significant presence across India, the USA, Europe, Africa, and the UAE. Additionally, it serves as the IT asset disposal partner for India's second-largest software company by market capitalization.
- The company operates under the brand name **"Electronics Bazaar"**, with a presence across the entire refurbishment value chain—ranging from sourcing and refurbishment to sales, after-sales service, and warranty support.
- GNG Electronics follows a comprehensive refurbishment process for a wide range of ICT devices, including laptops, desktops, tablets, servers, premium smartphones, mobile workstations, and accessories. This process ensures that refurbished devices match new ones in both performance and appearance. As a result, they are able to offer laptops at approximately one-third the cost of new devices, and other products such as desktops, tablets, servers, smartphones, workstations, and accessories at 35–50% of the price of new ones.
- The company is a certified refurbishment partner for both Lenovo and HP, the top two global brands by market share, holding 24% and 21% respectively. GNG Electronics also offers a range of value-added services, including IT asset disposition (ITAD), e-waste management, warranty support, doorstep service, on-site installation, flexible payment options, easy device upgrades, and assured buyback programs—even for refurbished ICT devices.
- As of Mar-25, the company offers a diverse portfolio of 5,840 stock-keeping units (SKUs) to cater to a wide range of customer needs.
- The company has an extensive sales and procurement network. Its sales network includes 4,154 global touchpoints, while its procurement network consists of 557 partners as of Mar-25.
- Additionally, as of March 2025, GNG Electronics operates five refurbishment facilities located across India, the USA, and the UAE.

Valuation and View: At the upper price band of Rs.237, GNG Electronics Ltd is valued at a post issue P/E of 39x on FY25 EPS. While the company has one listed peer, differences in scale and channel mix reduce direct comparability. GNG stands out as India's largest and one of the world's leading refurbishers of ICT (Information and Communication Technology) devices. The company operates across the entire refurbishing value chain from sourcing and refurbishment to sales, warranty, and after sales service. GNG's diversified geographic footprint includes the Middle East (51% of revenue), India (24%), the USA (18%), and other international markets. From FY22-25, GNG has demonstrated impressive financial growth, with Rev/EBITDA/PAT registering CAGR of 46%/59%/46% respectively. This outpaces the broader used and refurbished PC market, which grew at a CAGR of 10% between FY19-25. On the industry front, the global used and refurbished ICT market is projected to grow at a CAGR of 10% over CY24-28. In India, the growth is expected to be even more robust at 16% CAGR during FY25-30, driven by growing sustainability awareness, demand for affordable tech, and advances in refurbishment technologies. Given GNG Electronics' strong financial track record, leadership position, favorable industry dynamics, and the low penetration of the organized refurbished sector in India, **we recommend a SUBSCRIBE rating on the issue**.

Shareholding Pattern, Selling Shareholders in OFS & Issue Bifurcation

Share Holding Pattern	Pre Issue		Post Issue - Cap	
	No. of Shares (in mn)	% Holding	No. of Shares (in mn)	% Holding
Promoters	92.3	95.0%	89.7	78.7%
Public	4.8	5.0%	24.3	21.3%
Total	97.1	100.0%	114.0	100.0%

Selling Shareholders	Type	of Shares	OFS* (in Rs.mn)
Sharad Khandelwal	Promoter	35,000	8
Vidhi Sharad Khandelwal	Promoter	35,000	8
Amiable Electronics Private Ltd	Promoter	24,80,000	588
Total			604
*At upper price band			

Particulars	No of shares		Rs in mn	
	Floor	Cap	Floor	Cap
Fresh Issue	1,77,77,778	1,68,77,637	4,000	4,000
Offer for Sale (OFS)	25,50,000	25,50,000	574	604
Total Offer	2,03,27,778	1,94,27,637	4,574	4,604
QIB Portion (50% of Offer)	1,01,63,889	97,13,819	2,287	2,302
<i>Total Anchor portion (60% of QIB)</i>	<i>60,98,333</i>	<i>58,28,291</i>	<i>1,372</i>	<i>1,381</i>
Net QIB Portion	40,65,556	38,85,527	915	874
<i>QIB Portion reserved for MF (5% of Net QIB)</i>	<i>2,03,278</i>	<i>1,94,276</i>	<i>46</i>	<i>46</i>
<i>Balance Available QIB Portion (95% of Net QIB)</i>	<i>38,62,278</i>	<i>36,91,251</i>	<i>869</i>	<i>875</i>
Non-Institutional portion (15% of Offer)	30,49,167	29,14,146	686	691
Retail portion (35% of Offer)	71,14,722	67,99,673	1,601	1,612

Source: Indsec Research, RHP

Refurbishment process

Exhibit 1: Refurbishment Process

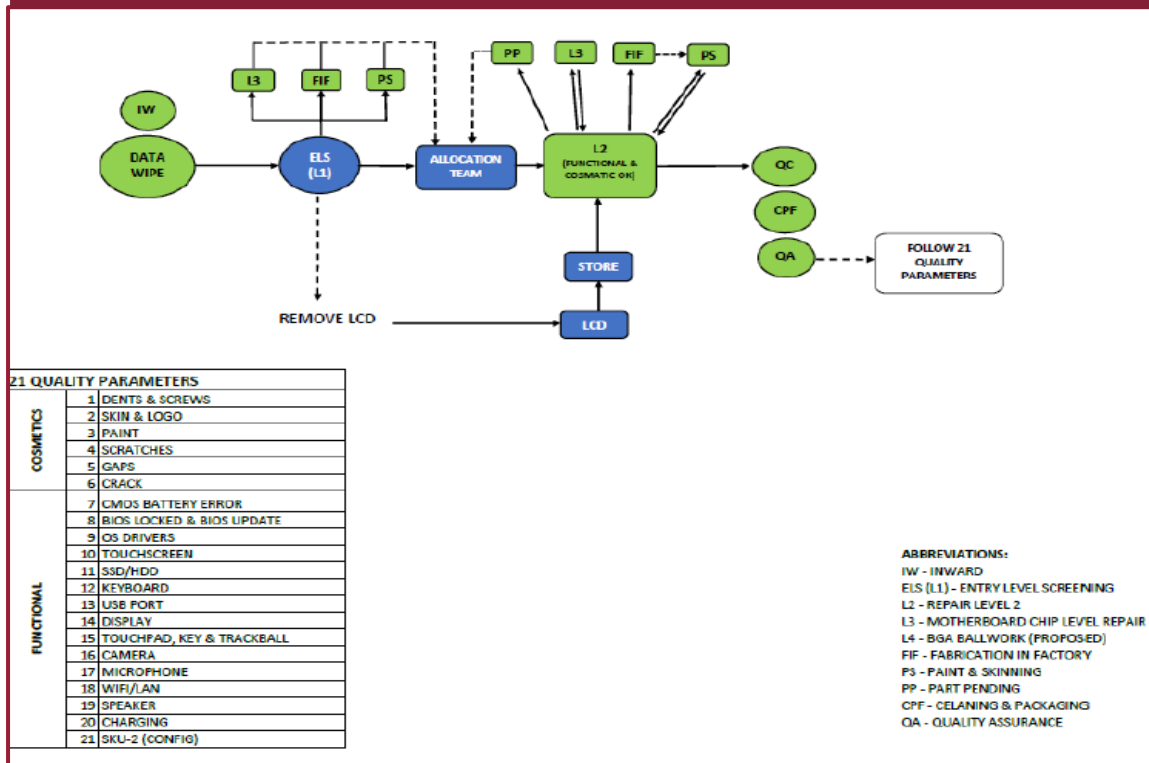


Exhibit 2: Refurbished products vs New products (India)

Model	GNG Price (Rs.)	Market Price of new (Rs.)	Savings (Rs.)	% savings
Dell Latitude 7490	23,250	85,000	61,750	73%
HP Elitebook 840	26,900	1,03,000	76,100	74%
Lenovo Thinkpad	22,500	92,000	69,500	76%
Dell 7310	35,000	1,65,000	1,30,800	79%
HP Probook	20,000	59,000	39,000	66%

Exhibit 2: Refurbished products vs New products (USA)

Model	GNG Price (\$)	Market Price of new (\$)	Savings (\$)	% savings
Dell Latitude 14 3000	203	799	596	75%
Dell Latitude 14 5000	309	1239	930	75%
Dell Latitude 14 7C000	407	1,399	992	71%
HP EliteBook x360 1040	433	1,399	966	69%
Lenovo ThinkPad T14	285	849	564	66%
Lenovo ThinkPad X1	420	1,249	829	66%
Apple MacBook Pro i9	519	1,829	1,310	72%

Source: Indsec Research, RHP

Strengths

- Largest Refurbisher of laptops and Desktops:** The company stands as India's largest and one of the world's leading refurbishers of laptops and desktops by value as of Mar-25. With a presence in 38 countries and state-of-the-art facilities in India, USA, and UAE, it delivers high-quality, warranty-backed devices at nearly 1/3 the price of new ones. Combining global scale, affordability, and strong digital visibility, the company is transforming the ICT landscape.
- Robust global supply chain, diverse sourcing and customer base:** The company operates a robust global supply chain and procurement network, sourcing used ICT devices from corporates, consulting firms, recyclers, and brand partners including HP, Lenovo, Microsoft, and Tata Capital. As of September 30, 2024, its sales network spans 35 countries with over 4,154 touchpoints across India and global markets, supported by an extensive Value Added Reseller (VAR) and distributor network. Certified refurbishment facilities in India, USA, and UAE maintain stringent quality standards and are audited regularly by customers. The company has facilitated over 18,517 units buybacks through HP, Lenovo, and large format retail store programs, enabling trade-ins based on device condition and configuration, which strengthens pricing power and revenue visibility. This multi-channel, multi-geography presence mitigates risks and ensures consistent availability of a wide range of refurbished ICT devices, driving scalability and sustained market leadership.
- Well-established refurbishing capabilities and state-of-art infrastructure:** The company operates five state-of-the-art refurbishing facilities—one in Navi Mumbai, three in Sharjah, and one in Texas—spanning 58,127.82 sq. ft. These facilities handle a wide range of products including laptops, desktops, smartphones, and tablets, with capabilities from basic repairs (L1/L2) to advanced motherboard and LCD repairs, including repolarization and LGP correction. The company has established robust processes for refurbishment, quality control, and inventory tracking, ensuring high-quality output. It also performs data sanitization using BitRaser, adhering to global standards such as R2 V3, NIST 800, US DoD 5200, and holds ISO 27001 certification, giving it a strong and hard-to-replicate competitive edge.
- Well positioned in the global shift towards sustainability:** The company is strongly positioned to benefit from the global shift towards sustainability and ESG, leveraging its decade of experience in refurbishing ICT devices. Refurbished products, priced up to one-third less than new, reduce e-waste and raw material demand, supporting circular economy goals. Manufacturing a new laptop consumes 1,200 kg of earth materials and emits 250–330 kg of CO₂, impacts avoided through refurbishment. The company complies with ISO standards, holds EPR certification, and aligns with India's phased e-waste rules targeting 60–80% collection by FY27-28. This eco-friendly, affordable approach drives environmental impact reduction while opening growth opportunities in ESG-focused markets like Europe.

Source: Indsec Research, RHP

Strategies

- **Expansion of footprint and Increase market presence in India and globally:** Company strategizes to expand into both emerging markets and developed markets where the demand for high-quality, affordable refurbished electronics is on the rise. Company plans to penetrate deeper into geographies, establishing new relationships on the back of established credentials and leveraging more on existing customer network. It also intends to identify new channels and use cases to diversify and increase its customer base. By deepening its penetration, the company is well positioned to drive sustained growth. Apart from that the company also intends to target retail customers such working professionals and students and end customers like corporates and medium to large enterprises
- **Enhancing procurement and strength brand relations:** The company has built strong, long-term relationships with procurement partners by offering value and supporting sustainability and data privacy goals. Its procurement partners grew from 157 in FY22 to 447 by September 2024, with plans to further expand by leveraging existing networks and communicating its value proposition. Partnerships with **HP and Lenovo** enable efficient buyback programs, driving new device sales, revenue visibility, industry goodwill, and customer trust. The company also offers assured buyback programs, strengthening procurement. It aims to grow its presence further in the USA and Europe to tap into global opportunities.
- **Establishing OEM partnerships:** Company aims to expand their partnerships with OEM brands, with a focus on sustainability. These partnerships will enhance their reputation as a trusted and capable refurbisher while strengthening their standing in ESG-compliant supply chains. By partnering with them, the company can offer OEM brands participation in a sustainability driven circular economy by reducing the lifecycle environmental impact of their products and extending the usability of ICT Devices. Further, refurbishing operations can help brands manage their end-of-life products, potentially lowering costs for disposal and meeting regulatory recycling requirements.

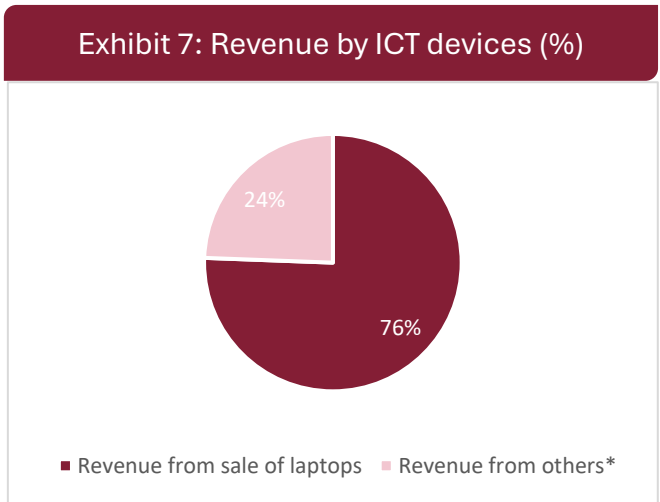
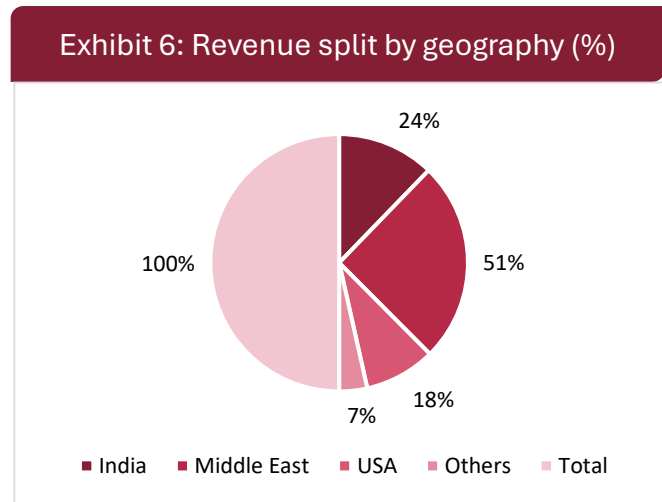
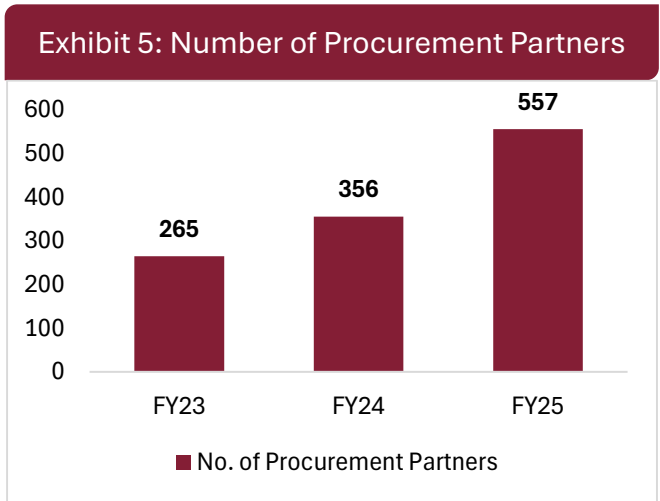
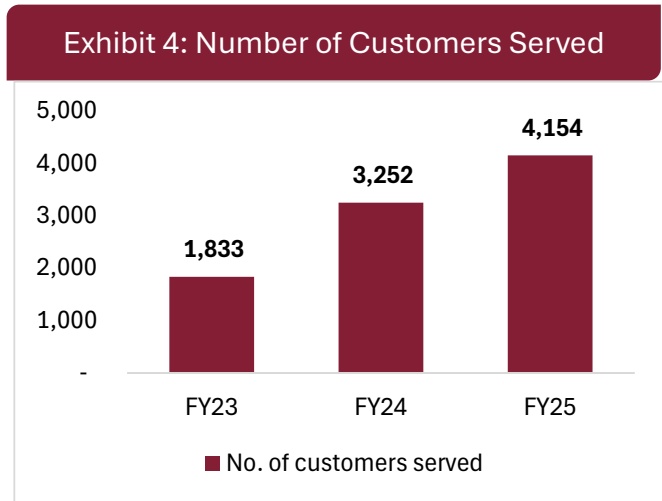
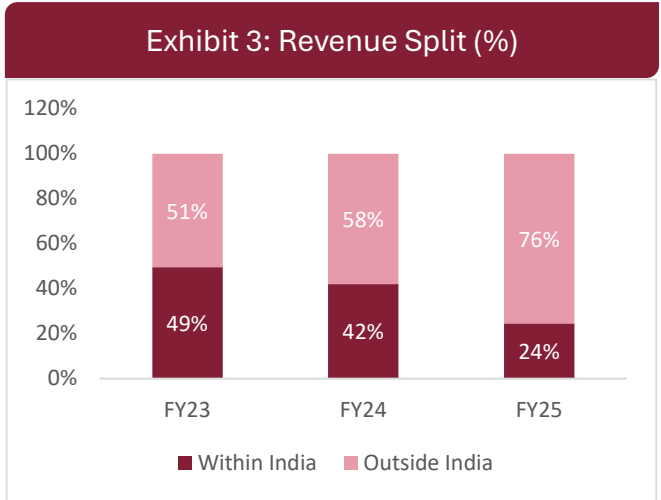
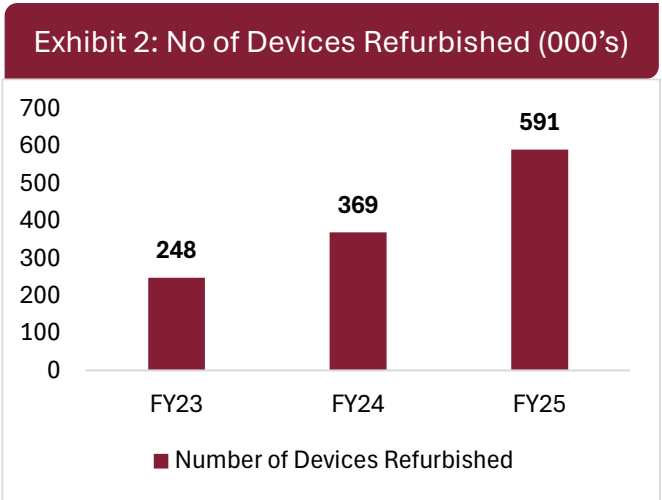
Source: Indsec Research, RHP

Key Risks

- **Concentration from refurbishing laptop business:** As per RHP, company derives majority of its revenue from the sale of laptops. If the demand for usage of laptops is reduced or it takes longer to develop, it may impact their revenues to decline and it may be unable to sustain their profitability. As of FY25 76% of the company revenue is derived from selling laptops.
- **Customer concentration:** As of FY25, company has 4,157 customers, however top 10 customers contribute 47% of the revenue. Loss of any of these customers may adversely affect their revenues and profitability
- **Supplier concentration:** As of FY25, company has 557 procurement partners or suppliers, and top 10 suppliers contribute 57% of the cost of the Inventory.
- **Subsidiary contributes significantly:** As of FY25, company drives 67% of its revenue from Electronic Bazaar FZC, a subsidiary that is registered in UAE. Any loss or reduction in the business attributable to their EB FZC, or a change in its shareholding in EB FZC, could have a material adverse effect on its business, prospects, results of operations.

Source: Indsec Research, RHP

Key Performing Indicators



Source: Indsec Research, RHP

Industry Overview

Exhibit 8: Global U & R Electronics Market (\$bn)

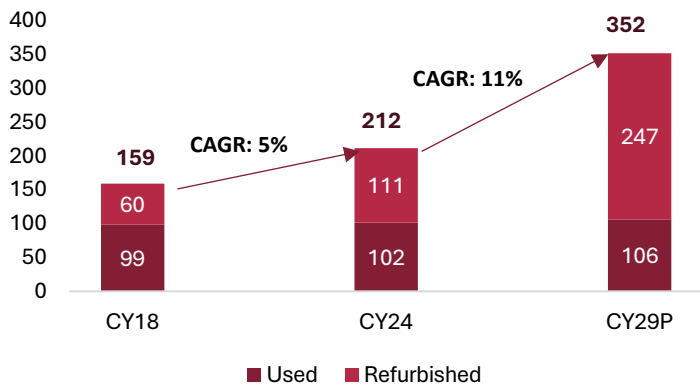


Exhibit 9: Global U & R PC market (\$bn)

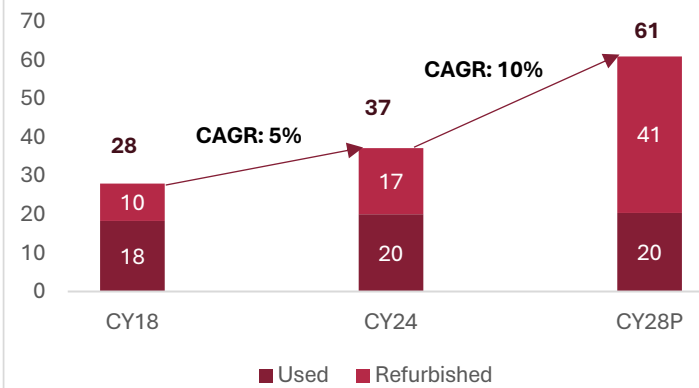


Exhibit 10: USA U & R Electronics Market (\$bn)

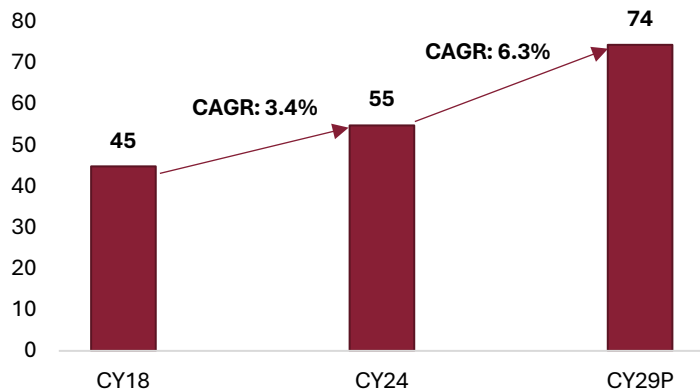


Exhibit 11: India U & R Electronics Market (\$bn)

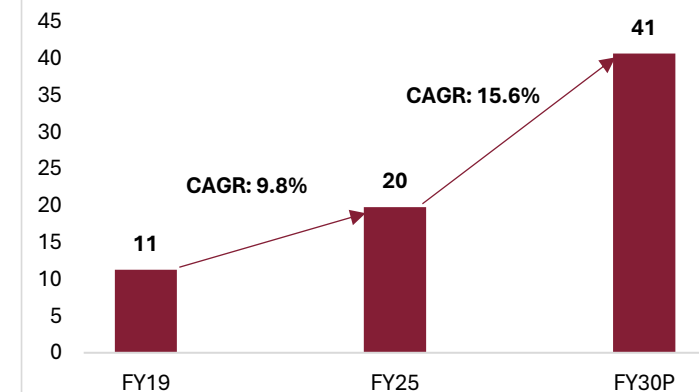


Exhibit 12: USA U & R PC Market

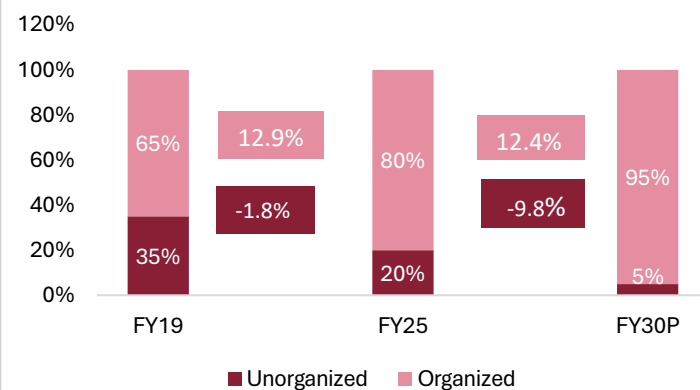
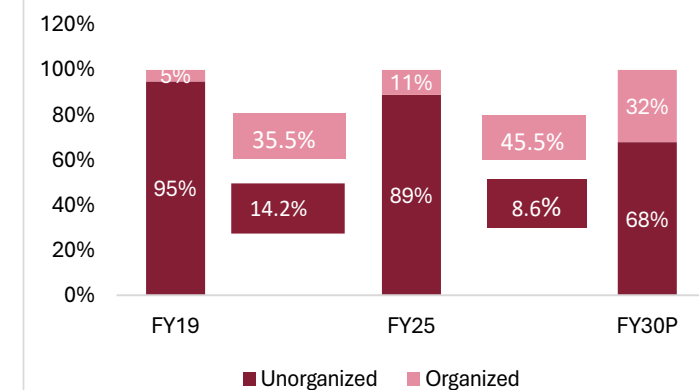


Exhibit 13: India U & R PC Market



U & R refers to Used and Refurbished

Source: Indsec Research, RHP

Financial Story in Charts (Rs.mn)

Exhibit 14: Revenue

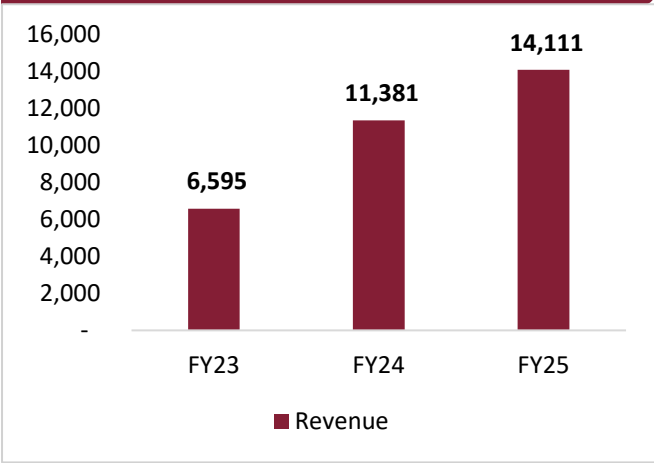


Exhibit 15: EBITDA & OPM

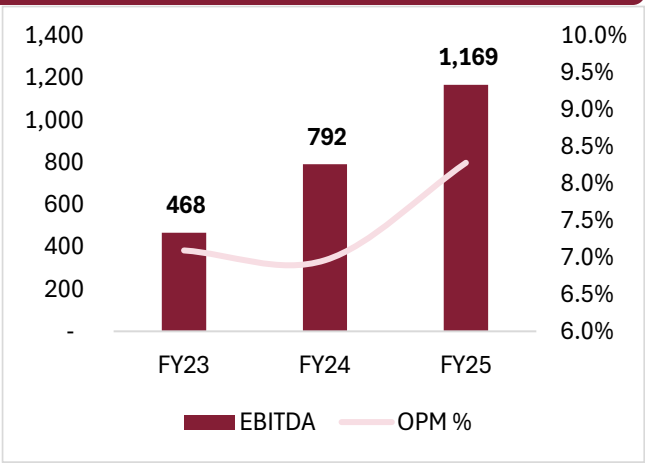


Exhibit 16: EBIT & EBIT margins

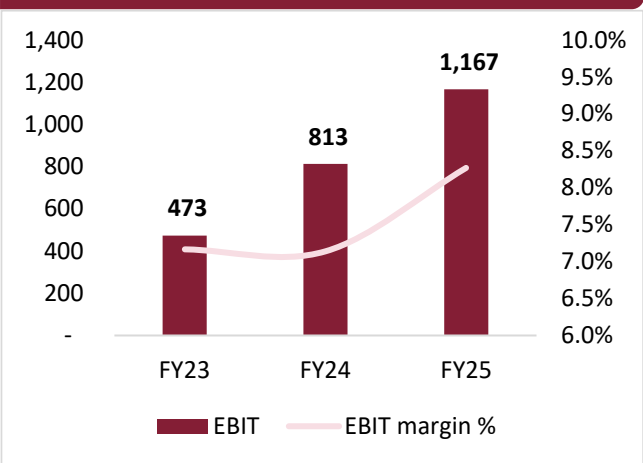
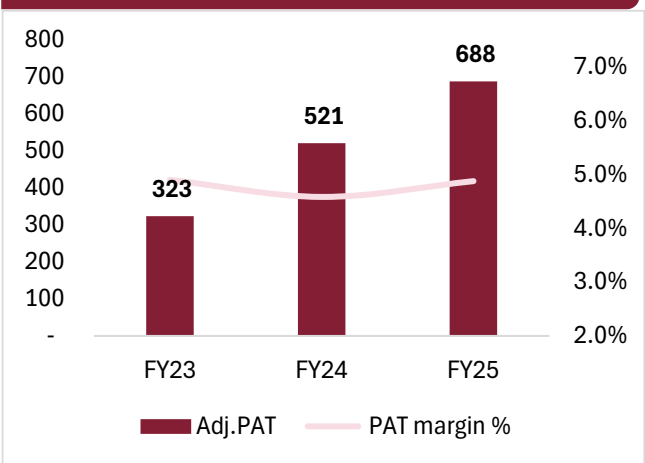


Exhibit 17: PAT & PAT margins



Source: Indsec Research, RHP

Peer Comparison

Particulars	GNG Electronics	Newjaisa Technologies Ltd
Revenue*	14,111	660
EBITDA*	1,261	6.9
% OPM	8.9%	1.0%
Adj.PAT*	688	-11.32
PAT margin	4.9%	-1.7%
No of Units Refurbished	590,787	49,850
Channel Mix	B2B Mix:95%, B2C Mix: 5%	Online sales: 69%, Website/Offline/B2B: 31%
P/E	39	N/A
P/S	2	1.8

***FY25 Financials**

Source: Indsec Research, RHP

RATING SCALE

Rating	Expected absolute price return over the next 12-18 months
BUY	Greater than 10% (Large Cap), Greater than 15% (Mid & Small Cap)
HOLD	Between -10% to +10% (Large Cap), Between -15% to +15% (Mid & Small Cap)
SELL	Less than -10% (Large Cap), Less than -15% (Mid & Small Cap)
NOT RATED	No investment opinion on the company

For Sectors/Companies under Review (For NOT RATED Reports)	
View	Comments
POSITIVE	We foresee positive or improving business environment for the sector/company
NEUTRAL	We foresee mixed or unchanged business environment for the sector/company
NEGATIVE	We foresee negative or deteriorating business environment for the sector/company

IPO Recommendation (For NOT RATED Reports)	
Recommendation	Comments
SUBSCRIBE	We advise investor to subscribe to the issue
SUBSCRIBE FOR LONG TERM	We advise investor to subscribe to the issue on the basis of intact long-term prospects of the company/sector
NEUTRAL	We don't have any recommendation for the issue
AVOID	We advise investor to avoid subscribing to the issue

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