

Rinkle Vira
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Issue Details

Issue Details	
Issue Size (Value in ` million, Upper Band)	4,604
Fresh Issue (No. of Shares in Lakhs)	168.8
Offer for Sale (No. of Shares in Lakhs)	25.5
Bid/Issue opens on	23-Jul-25
Bid/Issue closes on	25-Jul-25
Face Value	Rs. 2
Price Band (Rs)	225-237
Minimum Lot (shares)	63

Objects of the Issue

- **Fresh issue: Rs 4,000 million**
 - Repayment of o/s borrowing by the company and subsidiary namely Electronics Bazaar FZC worth Rs 3,200 million
- **Offer for sale: Rs 604 million**

Book Running Lead Managers
Motilal Oswal Investment Advisors Ltd, JM Financial Ltd, IIFL Capital Services Ltd
Registrar to the Offer
Bigshare Services Pvt Ltd

Capital Structure (` Million)	Aggregate Value
Authorized share Capital	250.0
Subscribed paid up Capital (Pre-Offer)	194.3
Paid up capital (Post - Offer)	228.0

Share Holding Pattern %	Pre Issue	Post Issue
Promoters & Promoter group	95.0%	78.7%
Public & Others	5.0%	21.3%
Total	100.0%	100.0%

Financials

Particulars (Rs. In Million)	FY25	FY24	FY23
Revenue from operations	14,111	11,381	6,595
Operating expenses	12,942	10,589	6,127
EBITDA	1,169	792	468
Other Income	93	57	32
Depreciation	95	37	28
EBIT	1,167	812	473
Interest	384	239	118
PBT	783	573	354
Exceptional Items	-	-	-
Tax	93	50	30
Consolidated PAT	690	523	324
EPS	7.1	5.4	3.3
Ratio	FY25	FY24	FY23
EBITDAM	8.3%	7.0%	7.1%
PATM	4.9%	4.6%	4.9%
Sales growth	24.0%	72.6%	-

Sector: Electronics Equipment/components

Company description

Incorporated in 2006, GNG Electronics Limited provides comprehensive refurbishing services for laptops, desktops, and ICT devices, serving both domestic and international markets, including India, the USA, Europe, Africa, and the UAE.

Operating under the brand name “Electronics Bazaar,” the company manages the entire value chain from sourcing and refurbishing to sales, after-sales support, and warranty services.

The company follows a repair-over-replacement approach, which provides cost advantages and helps achieve sustainability by reducing carbon footprint.

GNG Electronics provides tailored buyback solutions for laptops and desktops to help large format retail stores such as Vijay Sales (India) Private Limited (“Vijay Sales”) and OEM brand stores such as HP India Sales Private Limited (“HP”) and Lenovo Global Technology (India) Private Limited (“Lenovo”) to run efficient, customer-friendly buyback programs facilitating sale of new devices.

The company also provides a range of value-added services, including IT asset disposition (ITAD), e-waste management, warranty coverage, doorstep delivery, on-site installation, flexible payment plans, hassle-free upgrade options, and guaranteed buyback programs specifically for refurbished ICT devices.

It has sales network with refurbished ICT Devices being sold in 38 countries as of March 31, 2025. Its sales network comprises 4,154 touchpoints, in India and globally, as of March 31, 2025. These touchpoints include sale of ICT Devices through IT Solutions Providers/ Value Added Resellers, System Integrators, E-Tailers, Rental and Leasing Companies and Distributors/Aggregators. GNG electronics even supplies to global refurbishment companies including US based companies.

The customers serviced by it increased to 4,154 as of FY25 against 1,833 in FY23. Number of devices refurbished for the said periods were respectively 5,90,787 and 2,48,135. The company's revenue from operations rose 24% to Rs 14,111 Mn, and net profit jumped 32% to Rs 69 crore in fiscal 2025. Nearly 68% of its topline is derived from the sale of laptops. India contributed to Rs 4,670 Mn in sales compared to Rs 6600 Mn from abroad.

Valuation & outlook

Mumbai based, GNG Electronics is Largest refurbisher of laptops and desktops in India and one of the largest refurbishers of ICT devices overall globally and in India. Laptops contributes 75% of FY25 revenue while the rest was from sales desktops, tablets, servers, smartphones etc.

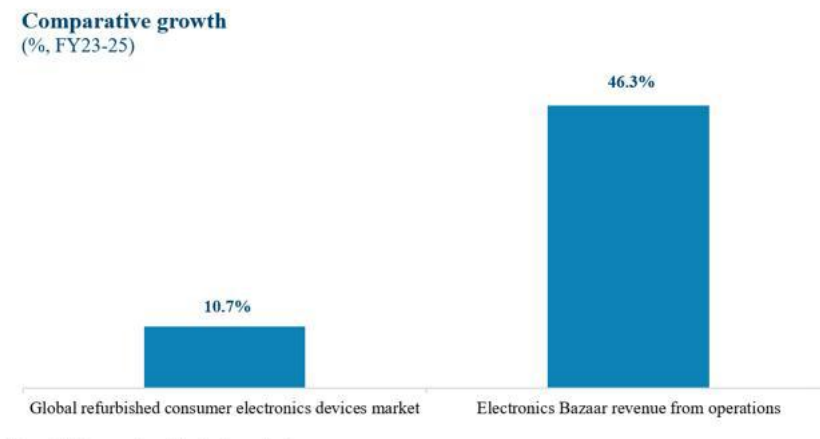
Electronics Bazaar’s competitive advantage lies in its deep procurement network, certified partnerships with global OEMs, high-quality refurbishment processes, and efficient supply chain management. This integrated approach ensures consistent availability of reliable ICT products across global markets, positioning the company as a trusted leader in the refurbished ICT industry.

On valuation parse, based on annualised FY25 it is seeking PE of 39.1 times, and post issue market cap comes at Rs 27,020 Mn with this the issue is fully priced. We believe company might have the first mover advantage in the domain of electronics catering global and domestic refurbishments especially B2B customer expansion remain key focus area going forward. However, the business requires significant amount of working capital due to time lag between purchase of devices to be refurbished and sale of inventory. Hence, we give “**SUBSCRIBE for LONG TERM**” rating for the issue.

Company’s Operations

GNG Electronics is the largest refurbisher of laptops and desktops in India and among the leading refurbishers of ICT devices globally and domestically, in terms of value, as of March 31, 2025. With a significant footprint across India, the United States, Europe, Africa, and the UAE, they operate on a repair-over-replacement philosophy, offering cost efficiencies while driving genuine sustainability through reduced carbon emissions. The company is also India’s largest Microsoft Authorized Refurbisher by refurbishing capacity as of Fiscal 2025. Additionally, we serve as an IT asset disposal partner to India’s second-largest software company by market capitalization, sourcing end-of-life IT assets for refurbishment and reuse.

The global refurbished personal computer market expanded from US\$ 9.7 billion in CY2018 to US\$ 17.1 billion in CY2024, registering a CAGR of 9.9%, and is projected to grow at a robust CAGR of 18.9% to reach US\$ 40.6 billion by CY2029. Including used PCs, the combined global market is expected to reach US\$ 61.0 billion by CY2029, reflecting a CAGR of 10.4%, driven by increasing consumer preference for high-performance, cost-effective alternatives to new devices. In India, the refurbished PC market recorded substantial growth, rising from US\$ 0.2 billion in FY2019 to US\$ 1.0 billion in FY2025 (CAGR of 28%) and is projected to reach US\$ 4.0 billion by FY2030, registering a CAGR of 30%. Notably, both global and Indian markets are witnessing a clear shift in preference from “as-is used” devices to professionally refurbished devices. India’s organized refurbished PC market has grown from 5.2% in FY2019 to 13.2% in FY2025 (CAGR of 35.5%) and is expected to reach 39.7% by FY2030, supported by a strong CAGR of 45.5%.



Operating under the brand “Electronics Bazaar”, the company has established presence across the full refurbishment value chain—covering sourcing, refurbishment, sales, after-sales services, and warranty provision. It addresses the demand for affordable, reliable, and premium ICT Devices that are functionally and aesthetically comparable to new devices, while also offering customized solutions tailored to customer requirements.

The refurbishment process covers a wide range of ICT Devices including laptops, desktops, tablets, servers, premium smartphones, mobile workstations, and accessories. These devices are restored to near-new condition in terms of performance and aesthetics. Laptops are offered at approximately one-third the price of new units, while other devices such as desktops, tablets, servers, premium smartphones, and mobile workstations are priced at 35–50% of their new counterparts. The company is among the early pioneers of providing warranties for refurbished ICT Devices, a practice that has enhanced customer trust and comfort. It continues to lead the industry with its warranty terms. Refurbished devices command a premium over other market offerings, driven by superior product quality and the company’s ability to deliver proven and reliable warranty-backed solutions.

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount (₹ million)		Amount (₹ million)		Amount (₹ million)	
Revenue from sale of laptops	10,667	75.5%	7,724	67.8%	5,274	79.9%
Revenue from others*	3,444	24.4%	3,657	32.1%	1,320	20.0%
Total revenue from operations	14,111	100%	11,381	100%	6,595	100%

*Includes desktops, tablets, servers, premium smart phones, mobile workstations, accessories and service income.

Particulars	Fiscal 2025 Amount (₹ million)	Fiscal 2024 Amount (₹ million)	Fiscal 2023 Amount (₹ million)
Within India			
Sale of Product	3,258	4,674	3,119
Refurbishing as a Service	43	-	-
Incentive Income	72	105	143
Leasing	79	3	-
Total Within India	3,453	4,783	3,262
Outside India			
Sales	10,657	6,597	3,332
Total	14,111	11,381	6,595

The company is a certified refurbishment partner for Lenovo and HP—two of the leading global ICT brands with market shares of approximately 26% and 22%, respectively, as of calendar year 2024. This strategic partnership positions the company as a key player in the global refurbished ICT device ecosystem.

In addition to refurbishment, the company serves as an IT Asset Disposition (ITAD) partner for leasing companies, IT consulting firms, and financial institutions, owing to its robust compliance with sustainability protocols and data privacy standards. The company also provides a comprehensive suite of value-added services that enhance its customer proposition, including ITAD and e-waste management services, extended warranties, doorstep service, on-site installation, flexible payment plans, upgrade options, and assured buyback programs. These offerings are particularly tailored for refurbished ICT devices and are integral to its customer retention and lifecycle management strategies.

The company enables tailored buyback programs for large-format retail chains and OEM brand stores. For instance, it provides customized laptop and desktop buyback solutions to Vijay Sales (India) Private Limited, HP India Sales Private Limited, and Lenovo Global Technology (India) Private Limited. These programs support the sale of new devices while enabling seamless customer participation in environmentally responsible upgrade cycles.

Beyond refurbished devices, the company also deals in open-box and brand-new ICT devices, offering a comprehensive product suite that caters to a wide spectrum of customer needs and price sensitivities. Additionally, it offers customized ICT devices aligned with specific client requirements. As of March 31, 2025, the company's product portfolio consisted of approximately 5,840 Stock Keeping Units (SKUs), reflecting the breadth and depth of its offerings.

The company has established a robust sales and distribution network across 38 countries as of March 31, 2025. This network includes 4,154 sales touchpoints globally and domestically, spanning IT Solutions Providers, Value-Added Resellers (VARs), System Integrators, e-Tailers, rental and leasing firms, and distribution aggregators. Its global customer base includes leading refurbishment companies in the United States, such as Joy Systems Inc., HUBX LLC, and PlanITROI LLC, and key players in Europe like PhoenixRM Ltd (trading as GreenIT) and ATX Computers Group. These clients choose the company for its consistent quality standards, technical expertise, and cost efficiencies. Domestically, GNG Electronics also counts major OEMs and retailers such as HP India Sales Private Limited, Lenovo Global Technology (India) Private Limited, and Vijay Sales (India) Private Limited among its key customers, reinforcing its strong position in the Indian refurbished ICT ecosystem.

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
Number of customers	4,154	3,252	1,833

The company has established a robust multi-channel global procurement network comprising 557 suppliers as of March 31, 2025. This network includes corporates, consulting firms, recyclers, refurbishment partners, educational institutions, leasing companies, NBFCs, large-format retailers, and OEM brand stores, both in India and internationally. Notably, the company supports asset recovery programs for HP and Lenovo, aiding their device recovery and facilitating new device sales. Key procurement partners include Iron Mountain and Apto Solutions Inc. (USA), Green Box Group Pty Ltd and Renew IT Pty Ltd (Australia), as well as HP, Lenovo, Microsoft, Tata Capital Limited, and BitRaser (Stellar). The company also maintains a nationwide service infrastructure comprising in-house, field, and on-site engineers, complemented by Value Added Resellers and System Integrators to ensure comprehensive after-sales support.

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
Count of procurement partners	557	356	265

The company operates 5 refurbishing facilities across India, the USA, and the UAE, with a total area of 58,127.82 sq. ft. Facilities are strategically located in Navi Mumbai (India), Dallas (USA), and Sharjah (UAE) to efficiently serve regional and global markets. These centers offer end-to-end refurbishing capabilities, including L1–L3 repairs, cosmetic enhancements, and specialized LCD services such as repolarisation and light guide plate correction—positioning the company among the few global players with such expertise.

An international presence is further supported by a subsidiary office in the Netherlands (Electronics Bazaar BV). The Indian facility complies with global standards, holding ISO 9001:2015, ISO 27001:2013, ISO 14001:2015, and ISO 45001:2018 certifications, along with EPR certification from the Central Pollution Control Board and R2v3 certification from SERI. These accreditations underscore the company's commitment to quality, sustainability, and data security in line with international best practices.

Sr. No.	Facility	Area (in square feet)	Year of Commencement of Operations
1	Navi Mumbai, India	25,600	2023
2	Dallas, Texas, USA	11,000	2024
3	Sharjah, UAE – I	4,306	2017
4	Sharjah, UAE – II	4,306	2022
5	Sharjah, UAE – III	12,917	2023
Total		58,127	

Revenue by Geographical Segment	Fiscal 2025 Amount (₹ million)	% of Revenue from Operations	Fiscal 2024 Amount (₹ million)	% of Revenue from Operations	Fiscal 2023 Amount (₹ million)	% of Revenue from Operations
India	3,453	24.5%	4,784	42.0%	3,263	49.5%
Middle East	7,144	50.6%	5,393	47.4%	2,336	35.4%
USA	2,524	17.9%	1,191	10.5%	965	14.6%
Others#	990	7.0%	13	0.1%	31	0.5%
Total	14,111	100%	11,381	100%	6,595	100%

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
No. of Customer Complaints Received	15,720	12,025	4,967
No. of Customer Complaints Solved	15,666	11,949	4,923
No. of Customer Complaints Pending (<i>as on end of respective periods</i>)	54	76	44
Pending Rate % (<i>as on end of respective periods</i>)	0.3%	0.6%	0.9%

value. For instance, manufacturing one new laptop consumes ~1,200 kg of mined materials and emits 250–330 kg of CO₂e, whereas refurbished devices significantly reduce both. India's E-Waste (Management) Rules, 2022, enforce Extended Producer Responsibility (EPR), with phased waste collection targets rising from 60% in FY24–25 to 80% by FY27–28. These regulations support the growth of organized refurbishing and recycling. Refurbishment avoids landfill waste that causes groundwater contamination and soil degradation, while also generating employment across skill levels. The Company's ISO 14001 and ISO 9001:2015-certified facilities adhere to global environmental and quality standards. It also holds EPR certification from the Central Pollution Control Board, enabling compliant and traceable e-waste practices. Positioned as a government-certified refurbisher, the Company is consolidating the fragmented Indian market and promoting IT asset recycling. With rising ESG-driven procurement—especially in Europe—it is well-placed to benefit from regulatory incentives and global demand for sustainable electronics.

➤ **Experienced management team and qualified personnel with significant industry experience**

The Company is led by a seasoned leadership team, spearheaded by Promoter and Founder Sharad Khandelwal, who brings 29 years of ICT industry experience. The senior management comprises qualified professionals with deep expertise across operations, finance, business development, engineering, HR, legal, and international markets, enabling effective execution of growth strategies. As of March 31, 2025, the Company employs 949 skilled refurbishing technicians, ensuring consistent quality and operational scalability. Supported by a robust talent development framework, including an ESOP scheme and structured personnel policies, the Company is well-positioned to sustain its leadership in the refurbished electronics market.

Strategies:

➤ **Expanding their footprint and increase market presence in India and other countries to capitalize on the industry tailwinds**

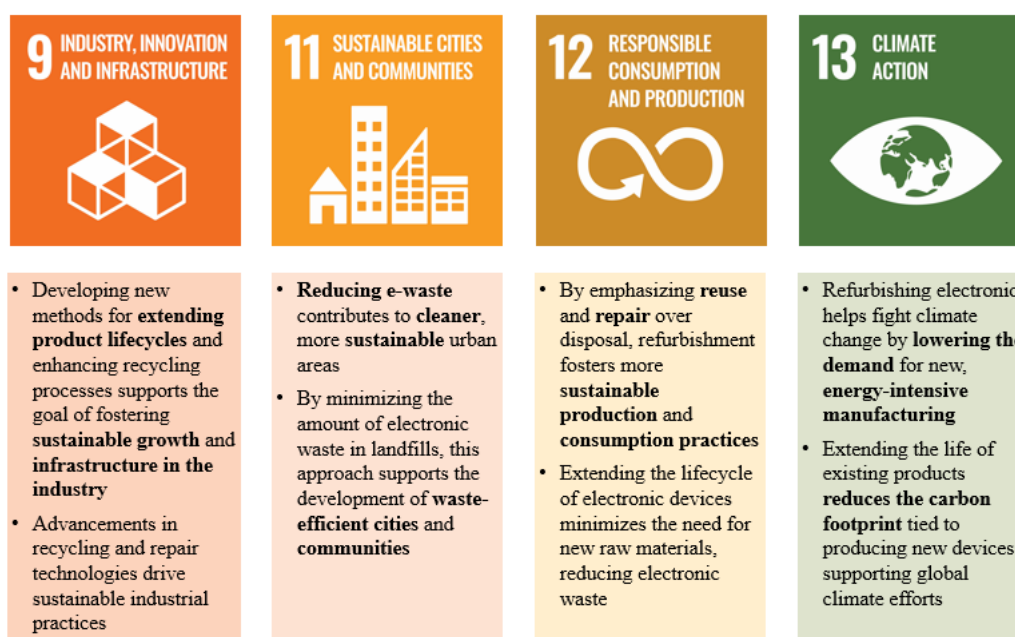
The global and Indian refurbished electronics markets are witnessing accelerated growth, driven by rising demand for cost-effective, high-quality alternatives to new devices. The global market is expected to grow from US\$ 212.1B in CY24 to US\$ 352.4B by CY29 (10.7% CAGR), while the Indian market is projected to reach US\$ 40.7B by FY30, growing at 15.6% CAGR. The refurbished PC segment alone is forecasted to grow at 18.9% globally and 30% in India over the same period. Despite rapid expansion, the organized market remains fragmented, with no single player exceeding a 5% share. However, organized penetration in India has increased from 5.2% in FY19 to 13.2% in FY25 (CAGR of 35.5%), indicating consolidation opportunities. With over a decade of refurbishment experience and strategically located facilities in India, UAE, and the USA, the Company is well-positioned to capitalize on these market tailwinds. These facilities enable efficient service delivery to key global markets, covering ~70% of global GDP. The recent incorporation of Electronics Bazaar BV in the Netherlands further strengthens its European presence. The Company's expansion strategy targets deeper penetration in existing markets and new geographies through enhanced offerings, strategic partnerships, and customer-centric services such as extended warranties and flexible financing. Its growing customer base rising from 1,833 in FY23 to 4,154 in FY25 underscores market acceptance. By combining affordability with quality and service, the Company aims to serve diverse end-users, including corporates, SMEs, educational institutions, and retail consumers globally.

➤ **Enhancing procurement in India and other countries while simultaneously strengthening brand relationships**

The Company has built long-standing, value-driven relationships with its procurement partners, growing its partner base from 265 in FY23 to 557 in FY25. Strategic collaborations with global brands such as HP and Lenovo have enabled the Company to support brand-led buyback programs, enhancing procurement volumes while offering partners value, sustainability alignment, and data security assurance. These alliances also enhance revenue visibility, customer trust, and brand credibility. The Company further strengthens partner confidence through relevant certifications and quality standards, including brand certifications from HP and Lenovo. Going forward, it aims to expand assured buyback programs and procurement partnerships across key global markets, including the USA, Europe, and UAE.

➤ **Focus on environmental, social, and governance ("ESG") standards and expanding opportunities with OEMs**

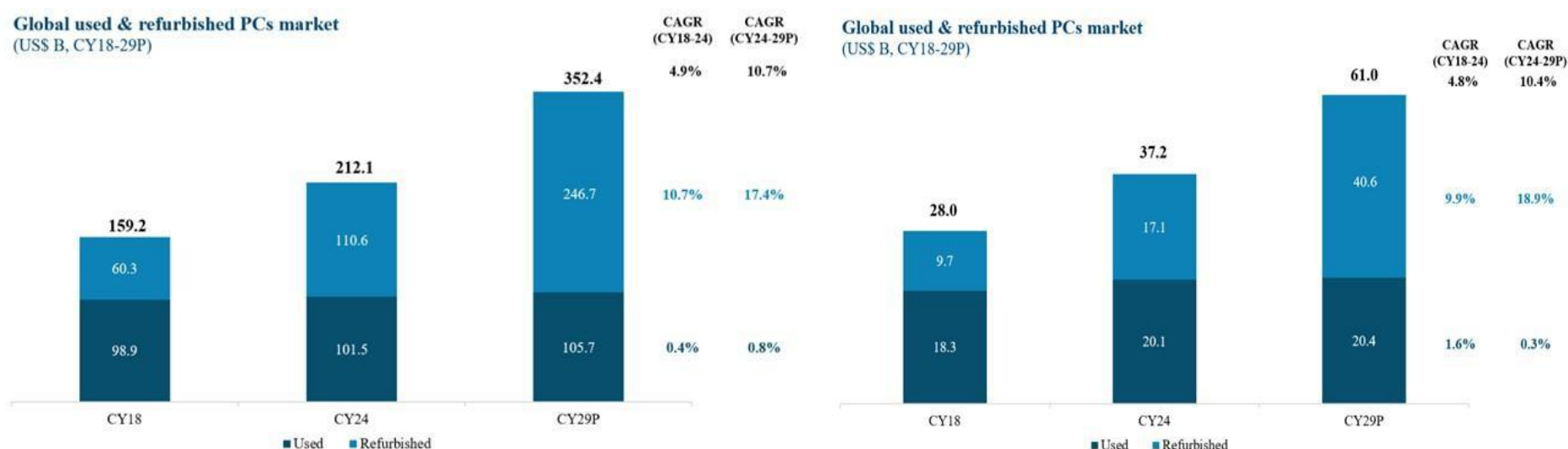
The Company is committed to high ESG standards, aligning with global sustainability goals and India's evolving regulatory landscape. Through certified refurbishment processes and environmental approvals, it actively reduces e-waste and extends product lifecycles, contributing to a lower environmental footprint. Regulatory momentum in key markets like France and Ireland is expected to accelerate demand for refurbished ICT hardware. France mandates 20% refurbished IT procurement, targeting 40% by 2040, while Ireland aims for 80% of ICT end-user products to meet green standards by 2025. The Company seeks to leverage these opportunities by securing relevant certifications, participating in government initiatives, and positioning itself as a preferred sustainable partner. This strategy supports UN SDGs, particularly responsible consumption and production, and opens access to environmentally conscious customer segments and new revenue streams. Through strategic partnerships with OEM brands, the company enable participation in a sustainability-driven circular economy by minimizing the lifecycle environmental impact of ICT devices and extending their usability. The company's refurbishment operations support effective end-of-life product management, helping partners reduce disposal costs and comply with evolving regulatory recycling mandates. This positions them to capitalize on emerging growth opportunities in ESG-focused markets and build a long-term, sustainable competitive advantage within the global ICT device refurbishment sector. By aligning with the rising demand for environmentally responsible business practices, they aim to drive meaningful environmental impact reduction and reinforce their value proposition as a trusted, eco-conscious partner.



Industry Snapshot

➤ Global Refurbishment Industry

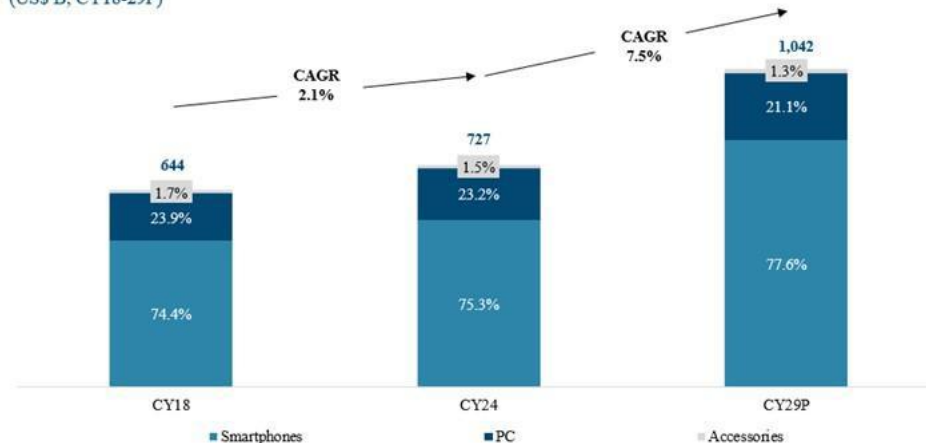
Global used & refurbished electronics market grew at a CAGR of 4.9% during CY18-24 reaching a value of US\$ 212.1B in CY24 and is projected to increase at a CAGR of 10.7% to reach US\$ 352.4B in CY29. Global used & refurbished PCs market is expected to grow at a CAGR of 10.4% during CY24-29, reaching a value of US\$ 61.0B in CY29. The global refurbished PCs market grew from US\$ 9.7B in CY18 to US\$ 17.1B in CY24, reflecting an 9.9% CAGR, & is expected to grow at 18.9% over CY24-29 reaching US\$ 40.6B. By CY29, the global used & refurbished PCs market is projected to reach US\$ 61.0B, with an impressive CAGR of 10.4%, as more consumers seek cost-effective options without compromising on performance. Increasing consumer acceptance of refurbished PCs has been a key driver, as these devices provide a near-new experience at a lower price point. Advancements in refurbishment techniques and better product quality have further supported this trend.



Global used & refurbished premium smartphones market grew at a CAGR of 8.7% during CY18-24, and is expected to grow at a CAGR of 12.8% during CY24-29. The global used and refurbished premium smartphone market is poised for strong growth, expected to reach US\$ 203.3B by CY29, driven by 12.8% CAGR. Refurbished premium smartphones are increasingly appealing to consumers, offering access to high-end devices at a fraction of the original price. With improved refurbishment quality, these devices provide a premium experience, making them an ideal choice for cost-conscious buyers. As demand for premium smartphones continues to rise, the refurbished segment is set to capture a larger share of the market, fuelled by the growing consumer preference for value-driven, high-performance options.

➤ Global Information and Communications Technology (ICT) hardware device market

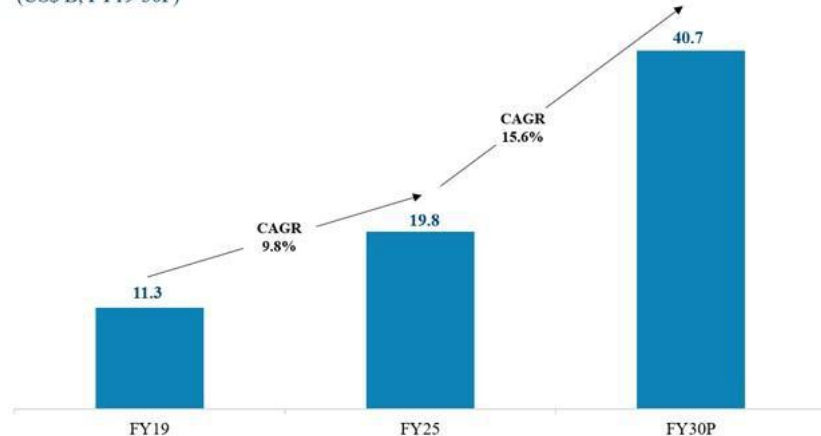
Information and Communications Technology (ICTs) encompass a wider range of tools than Information Technology (IT), including various communication technologies such as the mobile phones, computers and supporting accessories. These technologies enable users to access, retrieve, store, transmit, and manipulate information in digital formats. The global ICT hardware device market was valued at US\$ 727B in CY24 and is projected to reach US\$ 1,042B by CY29, growing at a CAGR of 7.5%. The ICT hardware device market grew at a modest 2.1% CAGR from CY18 to CY24, impacted by supply chain disruptions from the COVID-19 pandemic and economic uncertainty due to geopolitical conflicts like the Russia-Ukraine and Israel-Palestine wars. These challenges dampened production and consumer demand. However, the market is expected to recover and grow at a 7.5% CAGR from CY24 to CY29, driven by rising digitalization, advanced technology adoption, and increased demand for cloud and communication services.

Global ICT hardware device market: By product
(US\$ B, CY18-29P)

➤ Used & refurbished electronics market and PC market in India

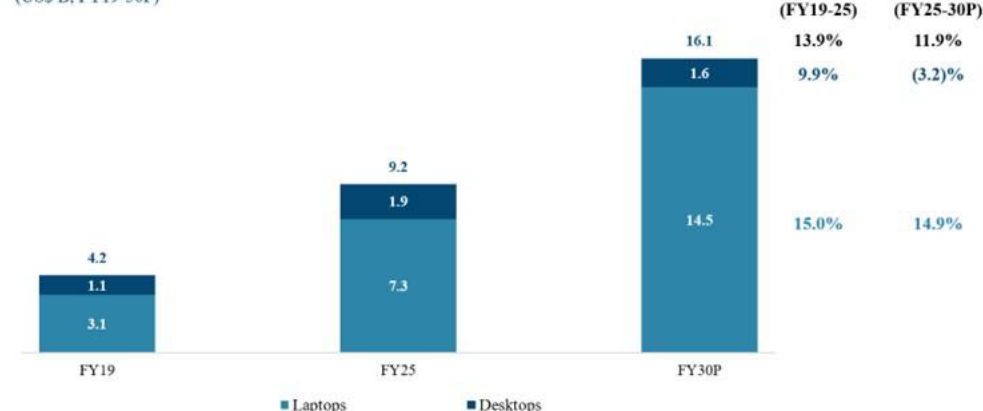
The market has seen significant growth, expanding from US\$ 11.3B in FY19 to US\$ 19.8B in FY25, and is projected to reach US\$ 40.7B by FY30, at a CAGR of 15.6% over FY25-30. With rising demand for affordable and high-quality tech products, consumers and businesses are also becoming more environmentally conscious. This dual shift is driving substantial growth in the used and refurbished electronics market, as these products offer budget-friendly access to essential technology while reducing e-waste. Government initiatives promoting a circular economy further enhance this momentum by encouraging reuse and recycling, which amplifies the environmental benefits of refurbished products. As a result, refurbished electronics are not only meeting consumer needs for affordability and quality but also aligning with broader sustainability goals, making them an appealing choice for eco-conscious buyers. The refurbished and used PCs and premium smartphones market accounts for ~35% of the entire used and refurbished consumer electronics market in FY25.

The refurbishment market has demonstrated steady growth, rising from approximately US\$ 0.2 B in FY19 to ~US\$ 1.0B in FY25, at ~28% CAGR. It is projected to reach ~US\$ 4B by FY30, reflecting a CAGR of ~30% from FY25 to FY30. In FY25, the refurbished segment contributed ~US\$ 1.0B, while the used segment accounted for ~US\$ 1.4B. As businesses and students increasingly seek cost-effective alternatives, the used and refurbished PC market is poised for significant growth. This demand is further amplified by advancements in refurbishment technologies, which restore PCs and laptops to a like-new condition, enhancing their performance and appeal. Coupled with rigorous quality assurance measures, consumer trust is on the rise. Organized players, backed by OEM-certified programs and robust warranties, are strategically positioned to leverage these trends, driving continued expansion within the market.

Used & refurbished electronics market in India
(US\$ B, FY19-30P)Used & refurbished PC market in India
(US\$ B, FY19-30P)

➤ India PC market growth is primarily driven by laptops

The Indian PC market grew at a CAGR of 13.9% from FY19 to FY25, with laptops projected to grow at 14.9% annually, reaching US\$14.5 billion by FY30. The market is segmented across a wide price spectrum—from ultra-affordable devices (INR 10,000–20,000) aimed at rural users and digital inclusion, to high-end machines (above INR 1,00,000) for professionals and tech enthusiasts. The most popular segments are entry-level and mid-range (INR 30,000–50,000), appealing to students, first-time buyers, and small businesses, driven by affordability and performance. Meanwhile, premium and high-end segments are gaining traction in urban areas, reflecting rising aspirations and digital adoption.

Indian PC market: By product
(US\$ B, FY19-30P)

Comparison with listed entity

Name of Company	Mcap(₹ million)	Face Value Per Share (₹)	Revenue from operation FY 2025(₹ million)	EPS	P/E	Return on Networth (%)	NAV per equity share (₹)	P/BV
GNG Electronics Ltd	27,020	2	14,203	6.1*	39.1*	30.4%	54.7*	4.3*
Peer Group								
NewJaisa Technologies Ltd	1,170	5	664	-0.3	NA	-1.4%	22.0	1.8

*P/E & P/B ratio based for GNG Electronics is annualized based at the upper price and of IPO, and other on closing market price as of 22th Jul 2025, other peers financial details consolidated audited results as of FY25.

Key Risks

- **High Revenue Dependence on Refurbished Laptops:** Over 75% of the company’s revenues are derived from the sale of refurbished laptops. Any decline in demand for such products or risks related to technological obsolescence may significantly impact business performance.
- **Vulnerability to Price Volatility of Key Components:** An increase in the prices of essential parts and materials could compress margins. Moreover, the company’s ability to procure these inputs may be adversely affected by fluctuations in global supply and pricing trends.
- **High Geographic Concentration in Overseas Markets:** A significant portion of the company’s revenue is generated from outside India—75.53% in FY2025, 57.97% in FY2024, and 50.53% in FY2023. Any inability to manage overseas operations effectively or expand into new geographies may constrain future growth.
- **Customer Concentration Risk:** The top 10 customers contributed over 45% of the company’s revenue in FY2025. Loss of any key customer may materially impact the company’s revenue stream and business stability.
- **Substantial Indebtedness and Weak Debt Coverage:** The Company has a high level of debt, with a Debt Service Coverage Ratio (DSCR) of 0.25x in FY2025, indicating limited headroom for debt servicing. Any breach of covenants or inability to meet debt obligations may adversely affect liquidity, creditworthiness, and overall financial health.

Valuation & Outlook

Mumbai based, GNG Electronics is Largest refurbisher of laptops and desktops in India and one of the largest refurbishers of ICT devices overall globally and in India. Laptops contributes 75% of FY25 revenue while the rest was from sales desktops, tablets, servers, smartphones etc.

Electronics Bazaar’s competitive advantage lies in its deep procurement network, certified partnerships with global OEMs, high-quality refurbishment processes, and efficient supply chain management. This integrated approach ensures consistent availability of reliable ICT products across global markets, positioning the company as a trusted leader in the refurbished ICT industry.

On valuation parse, based on annualised FY25 it is seeking PE of 39.1 times, and post issue market cap comes at Rs 27,020 Mn with this the issue is fully priced. We believe company might have the first mover advantage in the domain of electronics catering global and domestic refurbishments especially B2B customer expansion remain key focus area going forward. However, the business requires significant amount of working capital due to time lag between purchase of devices to be refurbished and sale of inventory. Hence, we give “**SUBSCRIBE for LONG TERM**” rating for the issue.



DISCLAIMER:

Analyst Certification

The views expressed in this Research Report accurately reflect the personal views of the analyst(s) about the subject securities or issuers and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the research analyst(s) in this report. The research analysts are bound by stringent internal regulations and also legal and statutory requirements of the Securities and Exchange Board of India (hereinafter “SEBI”) and the analysts’ compensation are completely delinked from all the other companies and/or entities of Anand Rath, and have no bearing whatsoever on any recommendation that they have given in the Research Report.

Anand Rath Ratings Definitions

Analysts’ ratings and the corresponding expected returns take into account our definitions of Large Caps, Mid Caps & Small Caps as described in the Ratings Table below:

Ratings Guide (12 months)	Buy	Hold	Sell
Large Caps (Top 100 companies)	>15%	0-15%	<0%
Mid Caps (101st-250th company)	>20%	0-20%	<0%
Small Caps (251st company onwards)	>25%	0-25%	<0%

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