

Company Business

GNG Electronics Limited is primarily engaged in the business of **refurbishing Information and Communication Technology (ICT) Devices**. The company operates under the brand name "Electronics Bazaar". Here's a detailed breakdown of their business:

Core Activities:

- Procuring, repairing, servicing, improving, and refurbishing ICT devices.
- Trading, distributing, marketing, renting, leasing, selling, purchasing, importing, and exporting all types of ICT devices. This includes, but is not limited to, computers, laptops, mobile phones, tablets, printers, networking equipment, and other electronic gadgets, catering to both wholesale and retail markets, domestically and internationally.
- Providing related services for these devices.
- Engaging in the recycling, disposal, and environmental management of ICT devices.

Market Position:

- GNG Electronics Limited is **India's largest refurbisher of laptops and desktops**.
- They are also among the **largest refurbishers of ICT Devices globally and in India**, in terms of value, as of March 31, 2025.

Product Offerings:

- They specialize in refurbished laptops, desktops, tablets, servers, premium smartphones, mobile workstations, and accessories.
- Their refurbished laptops are typically available at **one-third of the price of new devices**.
- They also offer other categories of ICT Devices, such as open-box and brand new devices, providing a range of options for different needs and budgets.
- They provide tailor-made solutions and device customization for 'configuration to order'.

Value Chain and Services:

- The company is involved across the **full refurbishment value chain**, from sourcing to refurbishment, to sales, and after-sale services, including providing warranties.
- They provide customers with affordable, reliable, and premium ICT Devices that are functionally and aesthetically "as good as new," backed by a proven warranty. They offer industry-leading warranty terms, typically 1 to 3 years.
- They offer value-added services such as **IT asset disposition (ITAD) and e-waste management services**.
- Additional services include doorstep service, on-site installation, flexible pay options, easy upgrades, and assured buyback programs.
- They are a certified refurbishment partner with **Lenovo and HP**, enabling these OEMs to run efficient customer-friendly buyback programs that facilitate the sale of new devices.
- They serve as an **ITAD partner for leasing companies, IT consulting companies, and banks**, assisting them with sustainability and data privacy requirements.

Geographic Presence and Channels:

- The company has a significant presence across **India, USA, Europe, Africa, and UAE**.

IPO Details

- ✦ Total Issue Size : **1,94,27,637 shares (Rs. 460.43 Cr.)**
- ✦ Fresh issue : **1,68,77,637 shares**
- ✦ OFS : **25,50,000 shares (Rs. 60.44 Cr)**
- ✦ Issue Price Band : **₹225 to 237 per share**
- ✦ Lot Size : **63 shares**
- ✦ IPO Date : **July 23–25 2025**
- ✦ Pre IPO Promoters Holding : **95.01%**
- ✦ Post IPO Promoters Holding : **78.70%**

Objects of the issue

- ✦ Prepayment and/or repayment, in full or in part, of all or a portion of certain outstanding borrowings availed by the Company and its Material Subsidiary namely, Electronics Bazaar FZC : **Rs. 320 cr.**
- ✦ GNG Electronics Limited operates in the Information and Communication Technology (ICT) Device refurbishment industry. Here are the pros and cons of the company and the industry it operates in, based on the provided sources.

- As of March 31, 2025, they export their ICT Devices and services to **38 countries** in North America, South America, Asia, Asia-Pacific, Europe, Africa, and the Middle East.
- They operate through **both offline and online channels**, including their website and online marketplaces, serving budget-conscious MSMEs and startups.

✦ Procurement Network:

- They maintain a multi-channel global procurement network of 557 suppliers as of March 31, 2025.
- This network includes corporates, consulting companies, intermediaries, recyclers, refurbishment partners, educational institutes, leasing companies, NBFCs, large format retail stores (e.g., Vijay Sales), and OEM brand stores (e.g., HP and Lenovo).

Financials of the company

(Fig. in Cr)

Particulars	March 31, 2025	March 31, 2024	March 31, 2023
Revenue from Operations	1,411.11	1,138.13	659.54
Revenue - With in India	345.32	478.39	326.29
Revenue - Export	1,065.78	659.74	333.25
Gross Margins	17.89%	12.31%	15.34%
EBITDA	126.14	84.90	50.04
EBITDA Margins	8.94%	7.46%	7.59%
PAT	69.03	52.30	32.42
PAT Margins	4.89%	4.60%	4.92%
ROCE	17.31%	16.72%	17.91%
Operating Cash Flows	24.52	97.45	24.95

Comparison with Peers

Companies	Revenue	EBTDA%	PAT%	D/ERatio	ROCE	MCap .	P/E
GNG Electronics	1,411.11 Cr.	8.94%	4.89%	1.92	17.31%	2,702 Cr.	39.14
Newjaisa Technologies	65.66 Cr.	1.05%	In Loss	0.18	-0.44%	120 Cr.	In Loss

Short Summary of the Industry

- ✦ **Market Growth and Trends:**
 - A common global and Indian trend is the increasing **preference for refurbished devices over "as-is used" devices**.
- ✦ **Market Structure:**
 - The industry has traditionally been dominated by unorganized players, but there's a significant **shift towards the organized sector**.
- ✦ **Key Drivers :** The growth of the refurbished electronics industry is driven by several factors:
 - **Sustainability Goals :** Global efforts to mitigate climate change and promote a circular economy, as well as UN Sustainable Development Goals (SDGs), encourage product life extension and waste reduction.
 - **Affordable Technology :** There is increasing demand for affordable technology, especially from budget-conscious MSMEs, startups, students, and entry-level job seekers who face high capital expenditure for new IT infrastructure.
 - **Increasing Digitalization :** The accelerating digital transformation in India fuels demand for ICT hardware.
 - **Government Initiatives :** Policies like **Extended Producer Responsibility (EPR)** and the upcoming **"Right to Repair"** framework in India encourage manufacturers to manage product lifecycles and facilitate repairs, thereby bolstering the refurbishment industry and ensuring a supply of end-of-life electronics.

Pros and Cons

Pros (Advantages & Strengths)

- ✦ **Market Leadership :** GNG Electronics Limited is **India's largest refurbisher of laptops and desktops**
- ✦ **Affordable Technology & Value Proposition**
- ✦ **Strong Global Presence and Supply Chain**
- ✦ **Strategic Partnerships and Certifications :** They are a **certified refurbishment partner with Lenovo and HP**, two top global brands.
- ✦ The company also holds an **EPR (Extended Producer Responsibility) certificate** from the Central Pollution Control Board (CPCB) and Consent to Operate from the Maharashtra Pollution Control Board (MPCB), highlighting their commitment to environmental responsibility.
- ✦ **Shift Towards Organized Sector :** There is a significant **global and Indian trend of increasing preference for refurbished devices over "as-is used" devices**, driving a shift from the unorganized to the organized sector.

Cons (Challenges & Risks)

- ✦ **High Reliance on Laptop Sales :** As of Fiscal 2025, the company derived **75.59% of its operational revenue solely from laptop sales**, making it susceptible to any decline in demand for this specific product.
- ✦ **Competition from Unorganized Market**
- ✦ **Perception of Inferiority and Consumer Mistrust**
- ✦ **Risk of Technological Obsolescence :** Rapid advancements in technology and new chip architectures can render older, refurbished devices obsolete, limiting their functionality and market appeal.
- ✦ **Working Capital and Inventory Management Risks :** The company's positive cash flow from operating activities is **significantly influenced by changes in working capital loans**.
- ✦ The profit margins are not very significant



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