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GNG Electronics Limited

Issue Opens - July 23, 2025 to July 25, 2025

Price Band

₹225 to ₹237

Face Value
₹2

Issue Size
₹460.43 Cr

Lot Size
63 Shares

Listing At
NSE, BSE

Issue Size

1,94,27,637 shares / ₹460.43 Cr

Fresh Issue

1,68,77,637 shares / ₹400.00 Cr

Offer for Sale

25,50,000 shares of ₹2 / ₹60.44 Cr

Retail Quota

Min. 35% of the Issue Size

Tentative Allotment

Mon, Jul 28, 2025

Initiation of Refunds

Tue, Jul 29, 2025

Credit of Shares to Demat

Tue, Jul 29, 2025

"GNG Electronics Ltd" Listing Day

Wed, Jul 30, 2025



Objects of The Offer

GNG Electronics Limited is set to raise ₹400 crore through its IPO. The Company proposes to utilise the Net Proceeds towards funding the following objects:

- ₹3200.00 million will be allocated for prepayment and/or repayment, in full or in part, of certain outstanding borrowings availed by GNG Electronics Limited and its Material Subsidiary, Electronics Bazaar FZC. This includes loans from HDFC Bank, Axis Bank, RAKBANK, and other financial institutions.
- A portion of the proceeds will be allocated for general corporate purposes, including strategic initiatives, marketing capabilities, business growth, and general contingencies, subject to a cap of 25% of the gross proceeds.
- In addition to financial objectives, the Offer aims to achieve the benefits of listing Equity Shares on the Stock Exchanges, enhancing brand visibility and creating a public market for its shares in India.
- As the Fresh Issue exceeds ₹1,000 million, CARE Ratings Limited has been appointed as the Monitoring Agency to oversee the utilisation of the Gross Proceeds.

Brief profile of the Directors

1. **Sharad Khandelwal** is the Managing Director of the Company. He holds a bachelor's degree in commerce from Jiwaji University, Gwalior. He is a member of the Institute of Chartered Accountants of India and held all India rank six in the final examination conducted by ICAI during the year 1994. He has 29 years of experience in the information and communication technology industry. He is responsible for formulation of business strategies and overall leadership and management of the Company in India and international markets.
2. **Amit Midha** is a Non-Executive Non-Independent Director of the Company. He holds a bachelor's degree in engineering (industrial and production) from Shri Govindram Seksaria Institute of Technology and Science, Devi Ahilya Vishwavidyalaya, Indore and a master's degree in science (industrial engineering) from University of Missouri, USA. He has more than 29 years of experience and has held the position of regional president at Dell Technologies and held various leadership roles at Dell Technologies across United States of America, and Asia-Pacific region.
3. **Ajay Pancholi** is a Non-Executive Non-Independent Director of the Company. He holds a bachelor's degree in commerce from the Chinai College of Commerce and Economics, University of Bombay. He is also a member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. He has more than 25 years of experience as an investment banker.
4. **Vidhi Sharad Khandelwal** is a Non-Executive Director of the Company. She holds a bachelor's degree in arts from University Maharani College, Jaipur, University of Rajasthan. She has 24 years of business experience.
5. **Sheetalkumar Dak** is an Independent Director of the Company. He holds a bachelor's degree in commerce from Government College, Chittorgarh, University of Rajasthan. He is also a member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. He has over 30 years of experience as a Company Secretary and has experience in the field of commerce, legal, finance and management consulting.
6. **Rinku Vikas Arora** is the Chairperson and an Independent Director of the Company. She holds a bachelor's degree in commerce from Narsee Monjee College of Commerce and Economics, University of Bombay and a master's degree in management studies from Narsee Monjee Institute of Management Studies, University of Bombay. She has an experience of over 28 years in the field of marketing, finance and management consultancy.

About The Company and Business Overview



- GNG Electronics Limited, incorporated in 2006, is India's largest refurbisher of laptops and desktops and operates under the brand "Electronics Bazaar"¹²³. The company's IPO, opening on July 23, 2025, aims to raise ₹460.43 crore and supports its ambitions for further growth and global expansion.
- *Revenue Drivers: High reliance on laptop sales (over 75% of operational revenue), with the company also deriving significant revenues from its subsidiary Electronics Bazaar FZC in the UAE.*
- **Core Service:** GNG Electronics specializes in refurbishment and sale of Information and Communication Technology (ICT) devices, including laptops, desktops, tablets, servers, premium smartphones, and related accessories.
- **End-to-End Lifecycle:** The business model covers the entire device lifecycle—from sourcing, procurement, and refurbishment, to sales, after-sales support, and warranty services.
- **Brand and Channels:** The company operates its own e-commerce platform and has a digital presence in India and the USA. Its devices are sold both via B2B channels (corporates, educational institutions, OEMs, retail chains) and B2C through its website and marketplaces.
- **Partnerships:** Certified refurbishment partner for major OEMs like HP, Lenovo, and is the largest Microsoft Authorized Refurbisher in India.
- **Value-Added Services:** GNG provides IT asset disposal (ITAD), e-waste management, flexible payment options, buyback programs, on-site installation, and extended warranty and doorstep support.
- **Sustainability Focus:** The company promotes repair-over-replacement to enhance device lifespan and address environmental concerns.



- **Geographical Footprint:** Significant operations not only across India but also in the USA, Europe, Africa, and UAE, with refurbished products sold in over 35 countries as of September 2024.
- **Facilities and Network:** Five refurbishing facilities in India, USA, and UAE, spanning over 58,000 sq. ft., support extensive L1-L3 level repairs, including advanced cosmetic and motherboard refurbishing.
- **Global distribution** through 4,154 sales touchpoints and a robust procurement network with 557 suppliers, including corporates, educational institutions, and leasing companies.
- **Operational Scale:** Employs over 1,100 personnel and manages a SKU portfolio exceeding 5,800 products.
- **Customer Base:** Supplies to large format retail stores (e.g., Vijay Sales) and OEM brand outlets (e.g., HP India, Lenovo), enabling efficient customer buyback programs.
- **Revenue Drivers:** High reliance on laptop sales (over 75% of operational revenue), with the company also deriving significant revenues from its subsidiary Electronics Bazaar FZC in the UAE.
- **Strategic Investments:** Proceeds from the IPO will be used to reduce outstanding borrowings, support working capital, strengthen the UAE subsidiary, and pursue further international expansion



Strengths



- **Market Leadership in Refurbished ICT Devices:** GNG Electronics holds the No.1 position in India's refurbished laptop and desktop market and is among the top global refurbishers, making it a category-defining player.
- **End-to-End Refurbishment Capabilities:** The company provides integrated services across sourcing, refurbishment, sales, and after-sales, offering a one-stop solution that enhances quality control and customer trust.
- **Strong Global Brand Partnerships:** Certified refurbishment partner for top global brands like HP and Lenovo—boosting brand credibility and access to high-quality supply.
- **Premium Product Positioning with Reliable Warranties:** Devices are refurbished to "as good as new" quality and backed by robust warranties, enabling GNG to command a premium over unorganized market players.
- **Widespread Sales and Procurement Network:** With 4,154 global and Indian touchpoints and 557 suppliers, GNG ensures scale, depth, and sourcing efficiency that support operational strength and margin control.
- **Robust and Scalable Infrastructure:** Five facilities across India, USA, and UAE, spanning 58,000+ sq. ft., strategically placed to access ~70% of global GDP and enable future expansion.
- **Recognized Certifications and Global Compliance:** International certifications (R2, SERI), ISO 14001 & 9001:2015 compliance, and audit-verified facilities position GNG as a globally credible refurbisher.
- **Consistent and Profitable Financial Performance:** Revenues have doubled over two years with no inventory write-offs or bad debts, reflecting operational discipline and financial strength.

Key Risk Factors

- **Revenue Concentration Risk:** Over 46% of revenue comes from top 10 customers; loss of any key account may significantly impact financial performance.
- **Subsidiary Dependence:** A major portion of operations depends on Electronics Bazaar FZC; any disruption could materially affect business.
- **Debt & Liquidity Pressure:** High debt levels with weak debt servicing ratios may constrain financial flexibility and increase repayment risk.
- **Foreign Market Exposure:** Over 75% of revenue comes from international operations, exposing the company to currency, regulatory, and geopolitical risks.
- **Supply Chain Vulnerability:** Heavy reliance on limited inventory suppliers and imported parts poses operational risks due to price volatility or disruption.
- **Working Capital Dependency:** Cash flow is significantly influenced by short-term working capital borrowings, making operations sensitive to lending constraints.
- **Product & Pricing Competition:** Presence of unorganized players in the refurbished electronics space may impact margins and pricing power.
- **Technological Obsolescence:** Rapid tech evolution in ICT devices requires continuous capex and adaptation to stay relevant.
- **Related Party Transactions:** Ongoing transactions with related entities may raise governance concerns or conflicts of interest.
- **Declining Margins:** Drop in PAT margin and ROCE in recent fiscals may indicate rising cost pressures and profitability risks.

Statement of Profit and Loss



GNG Electronics LIMITED

(All amounts are in Indian Rupees millions, unless otherwise stated)

Particulars	Year Ended 31, March 2025	Year Ended 31, March 2024	Year Ended 31, March 2023
Revenue from Operations	14,111.10	11,381.38	6,595.42
Other income	92.56	56.59	32.44
Total income (I)	14,203.67	11,437.97	6,627.86
Direct cost	13,309.47	11,772.53	5,806.54
Changes in Inventory of Finished Goods	(1,723.04)	(1,792.67)	(222.56)
Employee benefits expense	771.11	355.94	196.16
Finance costs	383.50	239.27	118.41
Depreciation and amortisation expenses	94.51	36.54	27.80
Other expenses	584.68	253.13	347.32
Total expenses (II)	13,420.23	10,864.74	6,273.67
Restated Profit Before exceptional items & taxes	783.43	573.23	354.19
Restated Profit Before taxes	783.43	573.23	354.19
(i) Current tax	72.93	39.10	30.00
(ii) Deferred tax	9.86	11.08	(0.09)
(iii)(Short)/(Excess) Provisions of Income Tax of earlier years	10.31	0.00	0.00
Total tax expenses	93.10	50.18	29.91
Restated Profit for the year	690.33	523.05	324.28
Re-measurement gains/(losses) on defined benefit plans	0.79	0.42	(0.27)
Foreign Exchange difference on Translation of Foreign operations	6.37	(5.93)	(0.69)
Total Restated comprehensive income for the year	7.15	(5.51)	(0.96)
Restated comprehensive income for the year	697.48	517.54	323.32
Restated Net Profit Attributable to Owners of the company	688.31	521.38	323.28
Restated Net Profit Attributable to Non-Controlling Interest	2.02	1.67	1.00
Restated Other Comprehensive Income Attributable to Owners of the company	7.13	(5.49)	(0.96)
Restated Other Comprehensive Income Attributable to Non-Controlling Interest	0.03	(0.02)	0.00
Restated Total Comprehensive Income Attributable to Owners of the company	695.44	515.47	322.32
Restated Total Comprehensive Income Attributable to Non-Controlling Interest	2.04	2.07	0.99
Basic EPS (in INR)	7.09	5.37	3.33
Diluted EPS (in INR)	7.09	5.37	3.33

Valuation and Outlook



GNG Electronics Ltd. IPO is expected to be priced between ₹225 to ₹237 per share. At this price, the company is valued at Price-to-Earnings (P/E) ratio of **33.42x** while the industry peers are trading on average of **x**

Name of Company	Total Income for Fiscal 2025 (in ₹ million)	Face Value (₹ Per Share)	EPS (₹) (Basic)	EPS (₹) (diluted)	NAV (₹ per share)	P/E ratio	RoNW (%)
GNG Electronics Ltd.	14,293.67	2	7.09	7.09	23.31	n/a	30.4
Newjaisa Technologies Limited	664.46	5	-0.32	-0.32	22.09	n/a	-1.45

GEL is a leading Indian player in refurbished IT devices and offers associated services globally. It is a trusted partner for major IT hardware companies. The company has shown consistent growth in both revenue and profitability. While the IPO appears fully priced based on recent financials, it may gain attention as a first mover in this niche segment. Key positives include a strong revenue CAGR, expanding margins, a growing market for refurbished electronics, experienced leadership, and robust plans for scaling operations and distribution.

"Call us on 8448899576" to find out whether or not you should apply.

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