

## GNG ELECTRONICS LTD

23-07-2025 TO 25-07-2025

Recommendation: Subscribe for long term  
Industry: Hotels & Resorts

Price Band - ₹ 225-237  
Post Implied Market Cap: ₹ 2,586 Cr - ₹ 2,702 Cr

### Key Data

Issue Size (₹ Cr)	460
Fresh (₹)	400
OFS (₹)	60
No of shares offered	16,877,637
Face Value (₹ /share)	2
Bid Lot	63

### About the Company

GNG Electronics Ltd (GNG) is India's largest refurbisher of laptops and desktops and a major global player in refurbished ICT devices. Operating under the "Electronics Bazaar" brand, it covers the full value chain—from sourcing to refurbishment, sales, and after-sales service. As of FY25, it's the largest Microsoft Authorised Refurbisher in India and an IT asset disposal partner for India's 2nd largest software company. Its products are sold in 38 countries, supported by a 4,154-touchpoint global network, and it offers services like e-waste management, doorstep service, warranties, flexible payment, and buyback programs.

### Investment Rationales

**1) India's largest refurbisher of laptops and desktops and among the largest refurbishers of ICT devices overall, both globally and in India:** GNG, operating under the "Electronics Bazaar" brand, is India's largest refurbisher of laptops and desktops and a major global player in refurbished ICT devices. As of March 31, 2025, it operates in 38 countries with 5 strategically located facilities across India, the USA, and the UAE. With a portfolio of 5,840 SKUs, the company leverages its strong refurbishing capabilities to offer affordable, accessible tech solutions and maintain a competitive pricing edge, promoting digital inclusivity globally.

**2) Strong global supply chain, established sourcing base with a long tail of vendors and a wide customer base:** Company has a strong global sales and procurement network, with 4,154 touchpoints and sales in 38 countries as of March 31, 2025. It partners with Value-Added Resellers (VARs) and major brands like HP, Lenovo, Microsoft, and Tata Capital, and sources used ICT devices from corporates, NBFCs, educational institutes, and retail stores. The company runs buyback/trade-in programs with HP and Lenovo, processing 18,517 units to date. Its success is driven by an efficient, end-to-end supply chain covering procurement, refurbishment, and timely distribution.

**3) Well-established refurbishing capabilities and state-of-the-art infrastructure, with a focus on quality:** GNG operates 5 refurbishing facilities across India (Navi Mumbai), UAE (3 in Sharjah Free Zone), and the USA (Texas), covering 58,128 sq. ft. These highly integrated centers handle a wide range of ICT devices—laptops, desktops, smartphones, and tablets—with capabilities from basic repairs (L1/L2) to motherboard-level work (L3) and cosmetic enhancements. In FY25, they refurbished 590,787 devices using a detailed 21-step quality process. The Navi Mumbai facility is ISO-certified and approved by HP and Lenovo, while 949 employees received 17,082 hours of technical training, ensuring high-quality standards and flexibility to meet global demand

**4) Well-positioned to harness the global shift to sustainability and growing focus on ESG:** GNG is well-aligned with global sustainability priorities, holding an EPR certificate from the Central Pollution Control Board under India's E-Waste (Management) Rules, 2022. These rules mandate phased e-waste collection targets (60% in FY23-25, rising to 80% by FY27-28). The company's eco-friendly refurbishing model offers both affordability and environmental compliance, positioning it strongly amid the global shift toward sustainable solutions.

### Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	28/7/2025
Refunds/Unblocking ASBA Fund	29/7/2025
Credit of equity shares to DP A/c	29/7/2025
Trading commences	30/7/2025

### Shareholding (No. of shares)

Pre-Issue	97,133,880
Post Issue (Lower price band)	114,911,658
Post Issue (Higher price band)	114,011,517

### Shareholding Pattern

#### Promoters

Pre Issue	95.01%
Post Issue	78.71%

#### Public - Others:

Pre Issue	4.99%
Post Issue	21.29%

### Issue Breakup

QIB	50%
NIB	15%
Retail	35%

### Other Details

**BRMLs:** Motilal Oswal Investment Advisors, IIFL Capital Services, JM Financial

**Registrar:** Bigshare Services.

**Listing:** BSE & NSE

### Research Analyst

**Rajan Shinde**

rajan.shinde@mehtagroup.in

022-61507142

### Risk

- 1) Fluctuations in the prices of raw materials.
- 2) Higher dependency on global partners.

### MView

We believe GNG Electronics Ltd IPO brings investors an opportunity to invest in the fast-expanding global circular economy and affordable technology segment. We think with a leadership position as India's largest refurbisher of laptops and desktops and a strong global footprint across 38 countries, GNG is uniquely placed to benefit from rising demand for cost-effective, sustainable ICT solutions. We also think its fully integrated operations—from sourcing to after-sales—strong VAR partnerships with HP, Lenovo, and Microsoft, and ISO-certified, high-capacity refurbishing facilities ensure scalability and operational excellence. By looking at the financials, the company has demonstrated a strong growth in revenue from operations of 72.6% in FY 2024 and 24% in FY 2025, while Net profit surge by 61.3% in FY 2025 and 32% in FY 2025. On valuation parse at the upper price band of ₹237/-, the issue is asking for a market cap of ₹2702 cr. Based on FY 2025 earnings and fully-diluted post-IPO paid-up capital, the company is asking for a PE of 39.14x which seems fairly priced looking at his forward financials growth. With its ability to refurbish over 590,000 devices annually, a robust global supply chain, and compliance with India's evolving e-waste and ESG mandates, GNG stands out as a high-growth, sustainability-focused play. We believe GNG is well placed for risk taking investors who seeking exposure to a growth-oriented, ESG-aligned business with global reach and scalable operations. Hence, with all attributes we recommend GNG Electronics Ltd IPO for long terms perspective only.

## CONSOLIDATED FINANCIAL TABLES

### BASIC FINANCIAL DETAILS

Particulars ₹ (in Cr)	As at March' 31		
	2025	2024	2023
Equity Share Capital	19.43	00.4	0.40
Net worth	226.46	163.14	111.6
Total Borrowings	446.92	322.33	152.02
Revenue from Operations	1411.11	1138.14	659.54
EBITDA	126.14	84.9	50.04
EBITDA Margin (%)	8.94	7.46	7.59
PAT	69.03	52.31	32.43
PAT Margin (%)	4.89	4.6	4.92
RoE (%)	30.4	31.96	28.97
ROCE (%)	17.31	16.72	17.91
EPS Basic & Diluted (₹)	7.09	5.37	3.33
Net Asset Value (₹)	23.31	16.8	11.49
Net Working Capital (no. of days)	68	42	61
Volume of devices refurbished (no.)	590787	369320	248135
No. of customers served (no.)	4154	3252	1833
Procurement partners (no.)	557	356	265

Source: Company RHP

### COMPARISON WITH INDUSTRY LISTED PEERS ₹ (in Cr)

Companies	Total Revenue from Ops (₹ cr)	Mcap (in Cr)	FV	EPS	NAV (₹ per share)	P/B	P/E	RoNW
GNG Electronics	1,420.37	2702	2	605	55.0	4.3	39.1	30.4%
Newjaisa Technologies	66.45	117	5	-0.32	22.1	1.5	-	-1.5%

Date as on 31st March 2025, Cline Mcap, PE, PB calculated as on 22/07/2025  
GNG Electronics Ltd, EPS/PE, P/B, NAV calculated on annualised basis post money



# MSEARCH

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### **Msearch's Recommendation (Absolute Performance)**

**Buy: > 20% within the next 12 Months**

**Accumulate: 5% to 20% within the next 12 Months**

**Sell : < -20% within the next 12 Months**

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Mehta Equities Limited, 903, 9th Floor, Lodha Supremus, Dr.E.Moses Road, Worli Naka, Worli, Mumbai 400 018, India  
Tel: +91 22 6150 7101, Fax: +91 22 6150 7102

Email: [info@mehtagroup.in](mailto:info@mehtagroup.in), Website: [www.mehtagroup.in](http://www.mehtagroup.in)

Compliance Officer: Prakash Joshi

Email Id: [compliance@mehtagroup.in](mailto:compliance@mehtagroup.in)

Phone No +91 22 61507180

For grievance redressal contact Customer Care Team Email: [help.kyc@mehtagroup.in](mailto:help.kyc@mehtagroup.in) Phone: + 91 22 61507154