

**Rating: Subscribe**

### Issue Offer

An Offer for Sale of 25,50,000 equity shares amounting to INR 604.4 Mn, and a Fresh Issue of 1,68,77,637 equity shares amounting to INR 2,500 Mn.

### Issue Summary

Price Band INR	225-237
Face Value INR	02
Implied Market Cap INR mn.	27,020.7
Market Lot	63
Issue Opens on	Jul 23, 2025
Issue Close on	Jul 25, 2025
No. of share pre-issue	9,71,33,880
No. of share post issue	11,40,11,517
Listing	NSE, BSE

### Issue Break-up %

QIB Portion	≤ 50
Retail Portion	≥ 35
NII Portion	≥ 15

### Registrar

Bigshare Services Pvt Ltd

### Book Running Lead Managers

Motilal Oswal Investment Advisors Limited  
IIFL Capital Services Limited  
Jm Financial Limited

### Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	95.01%	78.71%
Public & Others	5%	21.29%

### 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 the Material Subsidiary namely, Electronics Bazaar FZC.
- General corporate purposes.

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GNG Electronics Limited is India's largest refurbisher and distributor of ICT products such as laptops, desktops, and accessories, operating under its flagship brand "Electronics Bazaar". Established in 2006 and later converted to a public limited company in 2024, GNG has built a vertically integrated business model encompassing sourcing, refurbishment, certification, retail, and post-sale support. It operates five advanced refurbishment and logistics facilities across India, the UAE, and the US, and has a global footprint across 35+ countries through over 3,200 B2B and B2C touchpoints. The company partners with top OEMs like HP, Lenovo, and Dell, and holds key certification, which reinforce its commitment to quality and sustainability. In FY25, GNG reported revenues of INR 14,111 Mn and a PAT of INR 690.33 Mn. GNG's strong focus on asset-light model, and growing demand for affordable certified electronics position it as a key player in the global circular tech economy.

### Investment Rationale

**Integrated Business Model with Global Scale and Supply Chain Strength:** GNG Electronics has built a strong, end-to-end business model in the refurbished electronics space, managing everything from sourcing to sales. With refurbishing facilities in India, UAE, and the US, the company serves global markets efficiently while keeping costs and turnaround time in check. These facilities handle not only basic repairs but also advanced motherboard and cosmetic work, ensuring high-quality output. A key strength is GNG's scale and reach, refurbishing nearly 5.9 lakh devices in FY25 (2.3x in two years), supported by 4,154 customer touchpoints and 557 procurement partners, including global names like HP and Lenovo. This deep and diversified supply chain gives it strong cost advantages, reliable sourcing, and consistent availability of quality devices across geographies positioning it as a leading player in a growing global market.

**Strong Brand Credibility, Strategic Partnerships, and ESG Focus:** Company has delivered steady and robust growth over the past few years, well ahead of broader industry trends. While the global refurbished electronics market grew at a healthy pace of 10.7% CAGR between FY23 and FY25, GNG's revenue expanded much faster clocking a strong 46.3% CAGR to reach INR 14.1 Bn in FY25. It has built strong credibility through partnerships with global brands like HP, Lenovo, and Microsoft acting as their certified refurbishing partner in India. These alliances not only reflect the company's quality standards but also ensure a steady flow of high-quality devices through structured buyback programs. GNG also holds key certifications like ISO and R2v3, reinforcing its commitment to product safety, data security, and environmental compliance. With growing regulatory and consumer focus on sustainability, company is well-aligned through its eco-friendly refurbishment practices and ability to issue EPR certificates.

**Strategic Global Expansion and Deeper Market Penetration for Long-Term Growth:** The company is strategically positioned to benefit from the strong growth in the global refurbished electronics market, which is expected to grow at a CAGR of 17.4% from CY24 to CY29, reaching USD 246.7 Bn. In India, the refurbished PC market is projected to grow even faster at a CAGR of 30% from USD 1 Bn in FY25 to USD 4 Bn by FY30. To tap into this demand, GNG is actively expanding its presence across both developed and emerging markets. Its refurbishing facilities in India, the UAE, and the US provide efficient access to nearly 70% of global GDP, while a newly incorporated subsidiary in the Netherlands strengthens its European footprint. The company has steadily grown its customer base from 1,833 in FY23 to 4,154 in FY25 and aims to build further on this by targeting students, working professionals, SMEs, and institutional buyers. GNG offers a wide product range—5,840 SKUs as of FY25 along with flexible solutions like extended warranties, financing options, and assured buyback programs. It is also investing in brand visibility through digital campaigns and offline tie-ups to improve recall and drive repeat business. This multi-pronged expansion strategy is designed not only to grow market share but also ensure scalable and profitable growth over the long term.

**Valuation and View:** The Company is well placed to capitalize on the fast-growing refurbished electronics market, with global demand expected to grow at a 17.4% CAGR and India's market at 30% through FY30. It has doubled its customer base in two years and expanded operations across key regions. Going forward, it aims to reach more retail and institutional buyers with affordable, reliable devices backed by flexible services and stronger digital outreach. At the upper price band of INR 237, the issue is priced at a P/E of 39.14x based on the FY25 EPS of INR 6.1. We have a "Subscribe" rating for the issue.

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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