Investorstack Research Report

GNG Electronics Limited

What GNG Electronics Limited does

GNG Electronics is a global refurbisher of high-end computers and ICT devices. It takes used laptops, desktops, and servers that corporates, leasing companies, and governments have discarded, then restores them to like-new condition through a 21-step process that includes paint, fabrication, and LCD work. The finished product is sold under the company's own brand, Electronics Bazaar, typically at around one-third the price of a new equivalent device, backed by a replacement warranty – three years in India and one year internationally.

The company was founded by Sharad Khandelwal, a chartered accountant, who started with a 1,200 sq ft proof-of-concept facility in Andheri, Mumbai in 2015-16. Operations in India and the UAE began simultaneously in 2017. As of March 2026, GNG employs 2,148 people, runs eight refurbishment facilities in the UAE, two in Navi Mumbai, and maintains a US office in Dallas. It supplies to 46 countries through 4,895 customer touchpoints – up from 38 countries at the start of FY26.

GNG is not a simple broker or recycler. It owns the full value chain: procurement from global sources, in-house refurbishment with quality control, and distribution through channel partners and direct sales. This integrated model is what the company calls "buy better, refurbish better, sell better." The business is working-capital intensive but asset-light – facilities are rented, equipment is modular, and capacity can be added quickly without heavy capex.

> *"We are India's largest refurbisher of computers, and one of the largest, if not the largest, in the world." – MD, Q1 FY26 concall (Aug 2025)*

Business segments

Laptops (81% of revenue)

Laptops are the core of GNG's business. The company refurbishes high-end models – typically premium business-class machines from Dell, HP, Lenovo, and Apple – and sells them to enterprises, educational institutions, SMBs, and government agencies across 46 countries. The refurbishment process is designed to deliver both functional and aesthetic parity with a new device: performance matches original specs, and the case is restored to showroom condition.

The laptop segment has been the primary growth driver. Management notes that average selling prices have been rising as component costs climb, and the company has been able to pass through much of the increase while maintaining volume growth. The warranty framework (3 years in India, 1 year globally) is a key differentiator that builds institutional trust.

Other ICT Devices (19% of revenue)

This segment covers desktops, workstations, and increasingly servers and infrastructure-level hardware. GNG started refurbishing desktops early in its history, but the opportunity has expanded as enterprises seek cost-effective computing for AI workloads and data-intensive applications. Desktop and server refurbishment follows the same 21-step process and is sold under the Electronics Bazaar brand with the same warranty.

The company has begun positioning itself for what it calls "infrastructure level refurbishment" – high-end servers and data center hardware that can be sold to large enterprises and data center operators. This is a natural extension of its laptop expertise, leveraging the same sourcing and quality assurance capabilities. While still a smaller share of revenue, management has signaled it expects this segment to grow as AI adoption drives demand for affordable compute power.

Products and business detail

Electronics Bazaar Refurbished Laptops

These are the flagship product. GNG sources used laptops from IT asset disposition partners, leasing companies, corporate buybacks, and recyclers. The 21-step refurbishment covers hardware diagnostics, component replacement (battery, keyboard, screen, etc.), cosmetic restoration including painting and fabrication, and software reinstallation. Final devices are tested to enterprise standards and delivered with original-brand chargers and packaging.

The buying relationship is primarily B2B. Most sales flow through channel partners – distributors, value-added resellers, and system integrators – who in turn sell to end enterprises. GNG works jointly with partners on large institutional deals. The company also maintains direct relationships with some large corporates and government agencies, especially in India and the US.

Switching costs for customers are moderate. Once an enterprise standardizes on refurbished devices, it tends to continue buying from a trusted supplier because of the need for consistent quality, warranty service, and availability of identical configurations. GNG's three-year warranty in India is a significant barrier to switching; competitors typically offer shorter or less comprehensive coverage.

Customer concentration is low. Management states that no single customer accounts for a meaningful percentage of revenue. The customer base is diverse across geographies and sectors, including banks, IT firms, consulting companies, educational institutions, and government bodies.

Electronics Bazaar Refurbished Desktops

Desktops and workstations follow the same refurbishment process. They are sold primarily to enterprises that need standardized, reliable machines for bulk deployments – call centers, schools, government offices, and corporate IT fleets. The value proposition is the same as for laptops: like-new performance at a fraction of new cost.

The desktop segment sees high order volumes from institutional buyers. Management cited an example where a single bank acquired roughly 70,000 units over 4-5 months. Such large orders require consistent supply and reliable after-sales support, which GNG's scale and inventory positioning enable.

Electronics Bazaar Refurbished Servers / Infrastructure Equipment

This is the newest product line, representing the company's move into higher-value hardware. Servers and data center equipment are refurbished to enterprise-grade performance and sold with the same warranty framework. The target customers are large enterprises and data center operators looking for cost-effective AI-ready computing systems.

The opportunity here is driven by the same structural shortage of new hardware that benefits the laptop business. Hyperscalers are consuming a growing share of memory and processor production, leaving less supply for enterprise-grade servers. Refurbished servers from GNG offer a faster, cheaper alternative to long-lead-time new equipment.

Customers

GNG's customer base is almost entirely B2B. The company sells to:

- **Large Indian enterprises**: One of India's largest leasing companies, the second-largest software company, consulting firms, and multiple banks.
- **Global corporations**: Leasing companies in the US and Europe, ITAD (IT asset disposition) providers such as Iron Mountain, and the US Justice Department for disposition services.
- **Institutional buyers**: Educational institutions, government agencies in India and abroad, and SMBs that need affordable computing.
- **Channel partners**: Distributors, value-added resellers, and system integrators who resell GNG's products to end customers. GNG has recently signed strategic distribution agreements with two of India's largest technology distributors – Ingram Micro (second-largest in India) and Supertron (fifth-largest).

The buying decision for an enterprise is usually made by the IT procurement team or the head of IT. Key factors include total cost of ownership, warranty coverage, consistent quality, and the supplier's ability to deliver at scale. GNG's three-year warranty in India is a critical trust signal. The company also holds certifications and has been audited by banks and software companies on privacy and sustainability, which matters for corporate disposal policies.

Customer concentration is low by design. Management emphasizes a "long-tail to long-tail" strategy – diversified suppliers and diversified customers – to insulate the business from the loss of any single account. Contract structures vary: some customers buy on a transactional basis, while larger institutions sign annual or multi-year agreements for regular supply.

Switching costs for a customer who has standardized on GNG's refurbished devices are meaningful. The company provides consistent configurations, a known warranty process, and reliable product availability. A switch to an unorganized refurbisher would expose the customer to quality and service risk, while a switch to new hardware would be significantly more expensive. This creates stickiness, especially for enterprise fleets.

Competitive landscape

The refurbished ICT market is fragmented. It consists of:

- **Unorganized local refurbishers**: Thousands of small shops in India, the Middle East, Africa, and parts of Asia that buy used computers, do basic cleaning and repairs, and sell them without warranty or standardization. They compete on price but lack scale, quality assurance, and after-sales service.
- **Regional organized refurbishers**: Companies that operate in one or a few countries, with some refurbishment capabilities and limited warranty. They may serve local enterprise customers but cannot match GNG's global sourcing and distribution network.
- **Global ITAD firms**: Companies like Iron Mountain, Sims Lifecycle Services, and TES-AMM that focus on IT asset disposition and recycling. Some also sell refurbished equipment, but their primary business is data destruction and material recovery, not high-quality refurbishment. GNG buys from these firms and also competes with them for end-customer sales in some segments.
- **OEM certified refurbishers**: HP and Lenovo operate their own certified refurbishment programs, but these are typically limited in scale and focused on specific geographies. GNG is a certified refurbisher for both HP and

Lenovo in India, meaning it supports their buyback programs – a credential more than a direct competitive threat.

GNG's competitive advantages are:

1. **Scale and global reach**: It is the largest refurbisher in India and one of the largest globally, with facilities in three countries and customers in 46. Most competitors operate regionally. 2. **Full value chain ownership**: GNG does procurement, refurbishment, and sales under one roof, giving it control over quality and cost. Competitors often specialize in one part of the chain. 3. **Warranty as a trust signal**: Three years in India and one year internationally is unmatched in the refurbished segment. This warranty is serviced in-house, keeping costs low (management states warranty cost at 10-12 basis points of revenue). 4. **Aesthetic restoration**: The 21-step process including paint, fabrication, and LCD work makes devices look like new. Most competitors only do functional restoration. 5. **Multi-country distribution network**: Channel relationships built over years provide access to enterprise customers that competitors cannot easily reach.

Where GNG loses is primarily on price against unorganized players. A local shop can undercut GNG on cost but cannot offer the same quality, warranty, or scale. For price-sensitive retail buyers, GNG does not compete directly – its focus is B2B. In developed markets, some regional refurbishers have strong local relationships, but they lack GNG's global sourcing and cost advantage from UAE-based operations.

Management does not name specific listed competitors, but the competitive dynamics are clear. The barrier to replicating GNG's model is high: it requires an integrated procurement network across multiple countries, state-of-the-art refurbishment facilities with skilled technicians, a trusted brand that enterprise buyers rely on, and the working capital to hold inventory. Most entrants cannot assemble all these pieces simultaneously.

Industry

Demand drivers

The global PC refurbishment industry is experiencing a structural demand shift driven by artificial intelligence. AI adoption is pulling memory (HBM) and storage capacity away from PCs toward data centers, causing shortages and price spikes for conventional DRAM, SSDs, and processors. This has made new PCs significantly more expensive and less available.

Management provided specific data points in the Q4 FY26 concall (May 2026): an 8GB DDR5 memory module that cost USD 23.35 in October 2025 rose to approximately USD 120 by April 2026 – more than five times. A 1TB SSD quadrupled in price. A high-end processor rose 45% with lead times stretching to six months. These component price increases flow directly into new PC prices. An entry-level laptop in India that sold for INR 25,500 in December 2025 was selling at close to INR 40,000 six months later – a 57% increase.

According to IDC (as cited by management), global new PC shipments were approximately 285 million units in 2025, and IDC cut its 2026 forecast to an 11% decline. Against the 10% growth that would have been expected from AI PC adoption, the cumulative gap is 55-60 million units of computing demand that brand-new computers cannot fulfill. This unmet demand flows to the refurbished segment.

Management expects component prices to remain elevated through at least January 2028, making the tailwind multi-year.

Market size

The global refurbished PC market is large and growing. Management noted that the organized refurbished market in India alone was approximately USD 1 billion in FY24 (based on industry estimates) and is expected to triple in 3-4 years. The US sells roughly 25 million refurbished computers annually, Europe a similar number. India sells about 5 million refurbished units out of a total PC market of 20 million. GNG's share is still small in each geography, leaving ample room for growth.

India's place in the global supply chain

India is both a sourcing and selling market for GNG. The company procures used devices from Indian corporates and sells refurbished devices back to Indian customers. However, its largest refurbishment hub is in the UAE, which provides cost advantages and proximity to global trade routes. GNG imports used computers from the US, refurbishes them in the UAE, and exports them back to the US, Europe, and Middle East. This triangular flow gives it access to the highest-quality sources (US corporate fleets) while keeping labor and overhead costs lower than in developed economies.

The US tariff situation has minimal impact. HSN 8471 (computers) is largely exempt from Section 301 tariffs. Goods that originate in the US and are returned after refurbishment are only subject to duty on the value addition (approximately USD 15). Management has stated that even baseline 10% tariffs on the value addition would be negligible.

Regulation

Several regulatory trends favor the refurbished PC industry:

- **French government mandate** (announced August 2025): Requires 20% of government procurement to be refurbished devices. Similar policies are being discussed in other European countries.
- **Right to Repair laws**: Enacted in the US, EU, and India, requiring OEMs to make parts and repair information available. This improves parts availability and reduces costs for refurbishers.
- **EPR (Extended Producer Responsibility)**: India is evaluating EPR frameworks that could provide benefits to refurbishers. GNG has not yet factored any EPR benefits into its P&L but is evaluating eligibility.
- **Climate and sustainability push**: COP28 and broader ESG mandates encourage reuse over recycling. GNG's model of "repair over replacement" aligns with these goals. Indian Prime Minister Modi has highlighted e-waste management in his Mann Ki Baat addresses.

Cyclicality

Management describes the business as "recession proof, works in both up cycle and down cycle of economy." The logic: in an up cycle, enterprises refresh their fleets, generating supply of used devices for GNG; in a down cycle, enterprises reduce capex and buy more refurbished. This dual-sided demand-supply dynamic provides some natural hedge. However, the business is not immune to disruptions like geopolitical conflict (e.g., Iran war impacting UAE operations) or sharp inventory price corrections. Management has stated that operations in the UAE have continued normally, with no material impact from the conflict.

Growth triggers

- **AI-driven structural shortage of DRAM, SSDs, and processors** is making new PCs significantly more expensive and harder to get, pushing demand toward refurbished. An 8GB DDR5 module went from USD 23.35 to USD 120 in

six months; entry-level new laptop prices in India rose 57%. IDC cut its 2026 new PC shipment forecast by 11%, creating a cumulative gap of 55–60 million units of computing demand that will be met by refurbished. (Q4 FY26 concall, May 2026)

- **Strategic distribution partnerships with Ingram Micro and Supertron** were formalized in February 2026. These distributors historically handled only brand-new computers; their decision to carry Electronics Bazaar is a strong validation. Early signs are encouraging and full scaling is expected over FY27 and beyond, adding a powerful channel to reach enterprises, SMBs, and education institutions in India. (Q3 FY26 concall, Feb 2026 and Q4 FY26 concall, May 2026)
- **Consumer financing program** launched in Q4 FY26 makes premium refurbished laptops available for ₹1,000 per month through EMI partnerships with consumer finance players in India. Similar tie-ups are being explored internationally. This expands the addressable customer base, especially for first-time buyers, students, and small businesses. (Q4 FY26 concall, May 2026)
- **Geographic expansion to 46 countries** with advanced distributor discussions in Europe and the United States opens new markets. The company now has 4,895 customer touchpoints, up from 4,154 at the start of FY26. Repeat business is growing as the Electronics Bazaar brand gains trust across geographies. (Q4 FY26 concall, May 2026)
- **Global refurbishment capacity of ~150,000 units per month** already in place provides headroom to support 25%+ annual growth without significant capex. The company has taken strategic space positions in UAE (eight facilities), India (two in Navi Mumbai), and the US (Dallas office), and employee strength has grown from 1,194 to 2,148, with the majority being production technicians. (Q4 FY26 concall, May 2026; Q2 FY26 concall, Nov 2025)

Key risks

- **Geopolitical risk from the Iran war** in the Middle East, where the company's largest refurbishment facilities and management hub are located. Management states facilities have been running every day, shipments by air are uninterrupted, and life in the UAE is normal. However, an escalation could disrupt operations, logistics, or personnel availability. (Q4 FY26 concall, May 2026)
- **Inventory risk if component prices decline sharply.** The company held ~₹743 crore of inventory at March 2026, bought at low prices. Management argues prices will stay elevated through at least January 2028 and even a 20-30% correction would not significantly impact margins because input costs are controlled. But a larger or faster-than-expected correction could compress margins and tie up working capital. (Q4 FY26 concall, May 2026)
- **Working capital intensity and high debt levels.** The business requires substantial inventory and receivables to grow. Net debt stood at ~₹300 crore at March 2026 despite the IPO proceeds. Interest costs are meaningful and could strain the balance sheet if growth slows or receivables stretch. Management is confident of managing within cash accruals and expects debt to remain around current levels. (Q4 FY26 concall, May 2026)
- **Competition from unorganized refurbishers and regional players** who may undercut on price. Management differentiates through a 3-year warranty in India, 1-year internationally, a 21-step refurbishment process, and a multi-country presence. But if competitors improve quality or trust, they could pressure margins or slow customer acquisition. (Q4 FY26 concall, May 2026)
- **Regulatory changes** such as import tariffs on refurbished goods, modifications to right-to-repair laws, or stricter e-waste regulations in key markets (US, Europe, India) could erode the cost advantage or increase compliance

costs. Currently, US Section 301 tariffs largely exclude computers (HSN 8471), and the company's model of importing from the US, refurbishing in UAE, and exporting back faces only nominal duty on value addition. But future regulatory shifts remain a risk. (Q1 FY26 concall, Aug 2025; Q2 FY26 concall, Nov 2025)

Walk the talk

The first explicit guidance came in August 2025, when management laid out a multi-year trajectory:

> *"In terms of top line, we see ourselves growing at 25% year-on-year. For bottom line, we see margin of opportunity of 75 bps to 100 bps year-on-year each year for the next few years." – MD, Q1 FY26 concall (Aug 2025)*

By the Q3 FY26 call in February 2026, the company had already seen enough momentum from the AI-driven memory shortage to revise guidance upward:

> *"we are revising it upward to 28% to 30% along with an improvement in profitability of around 150 to 200 basis points" – MD, Q3 FY26 concall (Feb 2026)*

The full year FY26 results, reported in May 2026, exceeded even the revised guidance. Consolidated revenue grew 34% year-on-year (above the 28-30% band), and PAT margin expanded by 209 basis points to 7.0% (above the 150-200 bps range). The MD described it as "our best ever annual performance".

For FY27, management set a more measured tone:

> *"we can give at around 25% revenue growth and PAT margin expansion of around 50 basis points" – MD, Q4 FY26 concall (May 2026)*

This is yet to be reported against. The key promise management has made is consistent delivery on or above guidance, and FY26 demonstrated that its ability to read the market and set achievable targets has been sharp.

Scenarios

Bull case

The AI-driven shortage of memory, storage, and processors deepens through 2027, pushing new PC prices even higher and creating a permanent price ladder that favors refurbished. IDC's forecast of 11% new PC decline in 2026 proves conservative as hyperscalers absorb more capacity. GNG's existing capacity of 150,000 units per month is rapidly filled, and the distribution partnerships with Ingram Micro and Supertron scale quickly, bringing thousands of new channel partners. Consumer financing unlocks a wave of first-time buyers in India. The company adds major distributors in Europe and the US, accelerating international growth to 50+ countries. Margins expand faster than the 50 bps guidance as the trust premium from the Electronics Bazaar brand allows better pricing. Working capital turns more efficiently as scale drives faster inventory turns. The business compounds revenue at 30%+ for several years, establishing itself as the global standard for refurbished enterprise computing.

Base case

The industry dynamics remain favorable but stabilize. Component prices stay elevated through early 2028, sustaining a 20-25% price differential between new and refurbished at current levels. GNG delivers the guided 25% revenue

growth and 50 bps PAT margin expansion in FY27. The new distribution partnerships contribute gradually, adding 10-15% to India volumes over two years. The consumer financing program gains traction but remains a small share. Geographic expansion continues at a measured pace, adding 3-5 new countries per year. Working capital days stay in the 120-130 range, and net debt remains around INR 300 crore. The business grows steadily, proving that the refurbished model can deliver consistent mid-20s growth with improving margins even as the tailwinds from shortages begin to normalize.

Bear case

The geopolitical situation in the Middle East escalates, forcing a temporary shutdown of UAE facilities or disrupting air freight routes. Even if operations resume quickly, customer confidence in supply reliability erodes, and some enterprise customers switch back to new PCs or other refurbishers. Component prices unexpectedly decline in late 2026 as new memory fabrication capacity comes online, compressing the price advantage of refurbished and leaving GNG with high-cost inventory. The working capital strain becomes acute; net debt rises as receivables stretch to support distribution partners. Competition intensifies as unorganized players offer lower prices, and the planned distributor relationships fail to scale because new PC sales recover. Growth slows to 10-12%, margins compress, and the company must raise additional equity to fund working capital, diluting existing holders.

Source coverage note: No annual report was available; business detail leans on concalls. This report is built from 4 concall transcript(s) (May 2026, Feb 2026, Nov 2025, Aug 2025).