



IPO Report

22nd July '25

Snapshot

Company is India’s largest refurbisher of laptops and desktops and among the largest refurbishers of ICT Devices overall, both globally and in India with significant presence across India, USA, Europe, Africa and UAE, in terms of value, as of March 31, 2025. Company follow a repair-over-replacement approach, which provides cost advantages and helps achieve true sustainability by reducing carbon footprint. Company is India’s largest Microsoft authorised refurbisher, in terms of refurbishing capability, as of Fiscal 2025. Company also serve as an IT asset disposal partner for India’s second - largest software company, in terms of market capitalisation as of Fiscal 2025, procuring their used IT assets.

VALUATION

Company is bringing the issue at price band of Rs 225-237 per share at p/e multiple of approx. 39x on post issue FY25 PAT basis.

Company is India’s largest refurbisher of laptops and desktops and among the largest refurbishers of ICT devices overall, both globally and in India. Company has strong global supply chain, established sourcing base with long tail of vendors and wide customer base. Also, company has well - established refurbishing capabilities and state - of - art infrastructure, with focus on quality. Company is well positioned to harness global shift to sustainability and growing focus on ESG & has experienced management team and qualified personnel with significant industry experience; and has track record of profitability and consistent financial performance.

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Price Band (Rs./Share)	225-237
Opening date of the issue	23 rd July '2025
Closing Date of the issue	25 th July '2025
No of shares pre issue	9,71,33,880 Eq Shares
Issue Size	Rs 457- 460.43 Cr
Fresh issue	Rs 400 Cr
Offer For Sale	Rs 60.44 Cr
Offer For Sale	25,50,000 Eq Shares
Face Value (Rs/ share)	Rs 2/share
Bid Lot	63

BIDDING DETAILS

QIBs (Including Anchor)	50% of the offer (Approx 97,13,819 Eq Shares)
Non-Institutional	15% of the offer (Approx 29,14,146 Eq Shares)
Retail	35% of the offer (Approx 67,99,673 Eq Shares)
Lead managers	Motilal Oswal Investment Advisors, IIFL Capital Services, JM Financial
Registrar to the issue	Bigshare Services

WHAT WE LIKE

India’s largest refurbisher of laptops and desktops and among the largest refurbishers of ICT Devices overall, both globally and in India

Company is India’s largest refurbisher of laptops and desktops and among the largest refurbishers of ICT Devices overall, both globally and in India with significant presence across India, USA, Europe, Africa and UAE, in terms of value, as of March 31, 2025. The electronics refurbishment industry is uniquely placed to grow even in downcycles of economic growth as it serves the replacement demand of new devices with affordable solutions

Well positioned to harness global shift to sustainability and growing focus on ESG

Since commencement of refurbishing operations in 2014, company have established a strong foothold in the ICT Devices industry, driven by a management team with a vast experience in this industry. Company’s expertise allows it to navigate the complexities of the market and consistently deliver high-quality products.

Well - established refurbishing capabilities and state – of - art infrastructure, with focus on quality

Company operate five refurbishing facilities with one facility located in Navi Mumbai, India; three in Sharjah, UAE; and one in Texas, USA having a cumulative area of 58,127.82 sq. ft. Company have one of the largest facilities among Indian ICT refurbishes, with a high-level of integration .Company’s facility in Sharjah, UAE is located in Sharjah Free Zone which offers several benefits including in house accommodation to the employees. All company’s facilities are equipped with round-the-clock surveillance, emergency alarm systems and advanced anti-theft sensors.



COMPANY BACKGROUND

Company operate under the brand “*Electronics Bazaar*”, with presence across the full refurbishment value chain *i.e.*, from sourcing to refurbishment to sales, to after - sale services and providing warranty. Company solve customers’ requirement of affordable, reliable and premium ICT Devices which are as good as new devices, both functionally and aesthetically, and are backed by proven warranty. Company also provide tailor - made solutions for its customers. Company’s comprehensive process of refurbishment of ICT Devices such as laptops, desktops, tablets, servers, premium smartphones, mobile workstations and accessories ensures that such devices are similar to new, in terms of both performance and aesthetics, and able to offer laptops at one-third price of new devices and other devices like desktops, tablets, servers, premium smartphones, mobile workstations and accessories at 35-50% price of new devices .Company is one of the few companies which pioneered the concept of warranty for the refurbished ICT Devices to provide comfort and trust to customers and are still industry leading the warranty terms. Devices refurbished by company sell at a premium compared to other players in the industry due to superior quality of product and its ability to provide proven and reliable warranty solution.

Company is also a certified refurbishment partner with Lenovo and HP, which are top two global brands, in terms of market share of 26% and 22%, respectively, as of CY 2024. Additionally, company serve as IT asset disposition (“**ITAD**”) partners for leasing companies, IT consulting companies and banks as company meet their sustainability and data privacy requirements.

Company offer other value - added services such as ITAD and e - waste management services, warranties, doorstep service, on-site installation, flexible pay options, easy upgrades, assured buyback programmes and buyback programmes for refurbished ICT Devices. Company provide tailored buyback solutions for laptops and desktops to help large format retail stores such as Vijay Sales (India) Private Limited (“**Vijay Sales**”) and OEM brand stores such as HP India Sales Private Limited (“**HP**”) and Lenovo Global Technology (India) Private Limited (“**Lenovo**”) to run efficient, customer - friendly buyback programs facilitating sale of new devices. Company also offer other categories of ICT Devices such as open - box and brand new ICT Devices, providing customers with a range of options that cater to different needs and budgets. In addition, company also offer ICT Devices customised to the customer specifications and requirements. Moreover, company offer a wide range of stock keeping units (“**SKUs**”) and as of March 31, 2025, company’s portfolio included 5,840 SKUs.

Company have sales network with its refurbished ICT Devices being sold in 38 countries as of March 31, 2025. Company’s sales network comprises 4,154 touchpoints, in India and globally, as of March 31, 2025. These touchpoints include sale of ICT Devices through IT Solutions Providers/ Value Added Resellers, System Integrators, E-Tailers, Rental and Leasing Companies and Distributors/Aggregators. Company even supply to global refurbishment companies including US based companies such as Joy Systems Inc, HUBX LLC, PlanITROI LLC, and Europe based companies such as PhoenixRM Ltd (Trading as GreenIT), ATX Computers Group, who procure from company on account of company’s quality, skill set and cost advantages. Additionally in India, among other prominent names, company supply to HP India Sales Private Limited, Lenovo Global Technology (India) Private Limited and Vijay Sales (India) Private Limited.

Company has domestic and international operations, with five refurbishing facilities located across India, USA and UAE. Company have one facility in Navi Mumbai, Maharashtra, India, one facility in Dallas, Texas, USA and three facilities in Sharjah, UAE, aggregating to 58,127.82 sq. ft. Each of its facilities is equipped with extensive refurbishing capabilities which includes not only screening and parts repair (L1 and L2 activities) but also motherboard repairs (L3 activities) along with laser keyboard reprinting, paint, fabrication and cosmetic work. Company is amongst a few companies globally specialising in LCD repairs including repolarisation and light guide plate (“**LGP**”) correction

Company also have an office in Netherlands housed in one of company’s Subsidiaries, Electronics Bazaar BV. Company’s facilities are strategically located to cater to regional markets while maintaining a global reach across India, Middle East, Europe, Africa and USA. Company’s facility in India adheres to internationally recognized quality management standards, including ISO 9001:2015 for quality management, ISO 27001:2013 for information security, ISO 14001:2015 for environmental management and ISO 45001:2018b for occupational health and safety. Additionally, company have “*Extended Producer Responsibility*” certification from Central Pollution Control Board and “*Responsible Recycling Version 3*” certification from Sustainable Electronics Recycling International (“**SERI**”). Such certifications highlight that company’s processes are not only efficient but also aligned with global industry practices.

Company’s Promoter and founder, Sharad Khandelwal, has 29 years of experience in the information and communication technology industry, playing a pivotal role in shaping its vision for affordable and reliable refurbished ICT Devices. Company have expanded towards modern technology and sustainable practices under his leadership and guidance.



INVESTMENT RATIONALE

<p><i>Strong global supply chain, established sourcing base with long tail of vendors and wide customer base</i></p>	<p>Company’s depth in procurement, refurbishment and sales puts it at a definite advantage. The pricing strength comes from its ability to “<i>buy better, refurbish better and sell better</i>” . Company have Value Added Reseller network, with its refurbished ICT Devices being sold in 38 countries as of March 31, 2025. Company’s sales network comprises, 4,154 touchpoints in India and globally, as of March 31, 2025. This reach is further supported by VAR partners who sell to corporates and others. Company is one of the preferred partners to Value Added Resellers, distributors and other customers alike.</p>
<p><i>Well - established refurbishing capabilities and state – of - art infrastructure, with focus on quality expertise</i></p>	<p>Company operate five refurbishing facilities with one facility located in Navi Mumbai, India; three in Sharjah, UAE; and one in Texas, USA having a cumulative area of 58,127.82 sq. ft. Company have one of the largest facilities among Indian ICT refurbishes, with a high-level of integration .Company’s facility in Sharjah, UAE is located in Sharjah Free Zone which offers several benefits including in house accommodation to the employees. All company’s facilities are equipped with round-the-clock surveillance, emergency alarm systems and advanced anti-theft sensors. The strategic positioning of these facilities near major markets provides company with significant cost and logistical advantages, allowing for efficient operations and timely delivery. These advanced facilities are equipped with technology and manpower, enabling company to handle high volumes of products efficiently while ensuring quality control throughout the refurbishment process. This global presence allows company to serve customers in multiple countries with ease and reliability, and also exploit huge global market opportunities.</p>
<p><i>Well positioned to harness global shift to sustainability and growing focus on ESG</i></p>	<p>Since commencement of refurbishing operations in 2014, company have established a strong foothold in the ICT Devices industry, driven by a management team with a vast experience in this industry. Company’s expertise allows it to navigate the complexities of the market and consistently deliver high-quality products. The countries around the world are placing greater focus on Environmental, Social, and Governance (“ESG”) standards as sustainability becomes a global priority. One pressing issue is the growing volume of electronic waste (e-waste), with only a small portion currently being recycled .Refurbishing electronics offers a pricing coupled with extension of useful life solution, helping to reduce e-waste by extending the life of devices . Company’s refurbished ICT Devices, priced up to one third lower of new devices and backed by a one to three years warranty, provide consumers with an option that is both environmentally responsible and economically advantageous. By refurbishing and reintroducing electronics into the market, the demand for raw materials is reduced, and electronic waste is diverted from landfills. This contributes to more sustainable consumption and production practices, aligning with the broader goals of the circular economy. Through refurbishment, the environmental footprint of electronics is lessened, and valuable resources are kept in use, supporting the shift away from a disposable culture. The refurbished electronics market offers a value proposition for ESG wherein the environmental value is created by reusing and re-cycling parts which avoids emissions and material extraction. Target-based approach for implementation of extended producer responsibility (“EPR”) has been adopted in the EWaste (Management) Rules, 2022, which stipulate phase-wise collection target to producers for the collection of e-waste, either in number or weight, which shall be 60% of the estimated quantity of waste generation during FY23-24 and FY24-25, followed by 70% during FY25-26 and FY26-27, 80% during FY27-28. This progressive approach aims to steadily improve recycling rates and foster sustainable practices in e-waste management.</p>



OBJECTS OF OFFER

The Offer comprises a Fresh Issue of Equity Shares, aggregating up to ₹ 4,000.00 million by Company and an Offer for Sale of up to 2,550,000 Equity Shares by the Selling Shareholders.

Requirements of funds and utilization of Net Proceeds

The Net Proceeds of the Fresh Issue are proposed to be utilised in the following manner:

1. Prepayment and/or repayment, in full or in part, of all or a portion of certain outstanding borrowings availed by Company and its Material Subsidiary namely, Electronics Bazaar FZC; and
2. General corporate purposes.

RISKS

As of Fiscal 2025, Fiscal 2024 and Fiscal 2023, company derived 75.59%, 67.87% and 79.97%, respectively, of company's operational revenue from only sales of laptops and therefore its continued success is necessary for company's business and prospects. Any decline in the demand for such product may have an adverse impact on company's business, revenue and profitability.

Source:RHP

INDUSTRY OVERVIEW

Refurbishment Industry

3.1. Global used & refurbished electronics market grew at a CAGR of 4.9% during CY18-24 reaching a value of US\$ 212.1B in CY24 and is projected to increase at a CAGR of 10.7% to reach US\$ 352.4B in CY29. The global used and refurbished electronics market comprises of electronics that are either resold 'as-is' (which are classified as used for the purposes of this report) or after being refurbished. Unlike electronics that are sold 'as-is', refurbished electronics undergo thorough inspection and repairs, ensuring they meet certain standards before resale.

This market spans a range of electronics, from smartphones, laptops, and desktops to home and kitchen appliances, televisions, office equipment, cameras, and video game consoles. The Electronics refurbishment industry is uniquely placed to grow even in downcycles of economic growth as it serves the replacement demand of new devices with affordable solutions.

In CY24, used & refurbished electronics market in USA was valued at US\$ 54.8B and is expected to grow at a CAGR of 6.3% during CY24-29.

The used and refurbished electronics market in the USA grew from US\$ 44.8B in CY18 to US\$ 54.8B in CY24, expanding at a CAGR of 3.4%. It is expected to reach US\$ 74.4B by CY29, continuing its steady growth. As refurbished devices become more widely accepted for their quality and performance, they are increasingly seen as a smart alternative to buying new, contributing to the market's sustained momentum.

Used & refurbished electronics market in India

The secondary electronics market in India comprises of electronics that are either resold 'as-is' (which are classified as used for the purposes of this report) or after being refurbished. Unlike electronics that are sold 'as-is', refurbished electronics undergo thorough inspection and repairs, ensuring they meet manufacturer / OEM's standards before resale. This market spans a range of electronics, from smartphones, laptops, and desktops to home and kitchen appliances, televisions, office equipment, cameras, and video game consoles. As a result, refurbished electronics offer advantages such as brand / refurbisher-backed warranties, close-to-new performance, improved battery life, and other such benefits.



Consolidated Financials		(Rs in Mn)	
Financials	FY23	FY24	FY25
Total Revenue (A)	6595.42	11381.38	14111.10
Total Expenditure (B)	6127.46	10588.93	12942.22
EBIDTA	467.96	792.45	1168.88
EBIDTA Margin	7.10	6.96	8.28
Other Income	32.44	56.59	92.56
Depreciation	27.80	36.54	94.51
EBIT	472.60	812.50	1166.93
Interest	118.41	239.27	383.50
PBT	354.19	573.23	783.43
Share of profit in Asso	0.00	0.00	0.00
PBIT	354.19	573.23	783.43
Exceptional	0.00	0.00	0.00
PBT	354.19	573.23	783.43
Tax	29.91	50.18	93.10
PAT	324.28	523.05	690.33
NPM	4.92	4.60	4.89
ROE%	28.97	31.96	30.40
EPS	3.33	5.37	7.09
Eq Cap	0.39	0.39	194.27
Net Worth	1,118.27	1,635.80	2,271.83

(Source: RHP)

Peer Comparison

Company Name	Face Value	EPS	P/E	ROE %	NAV
<i>Company</i>	<i>2.00</i>	<i>7.09</i>	<i>---</i>	<i>30.40</i>	<i>23.31</i>
Peers					
Newjaisa Technologies Limited	5.00	(0.32)	--	(1.45)	22.09

(Source: RHP)



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