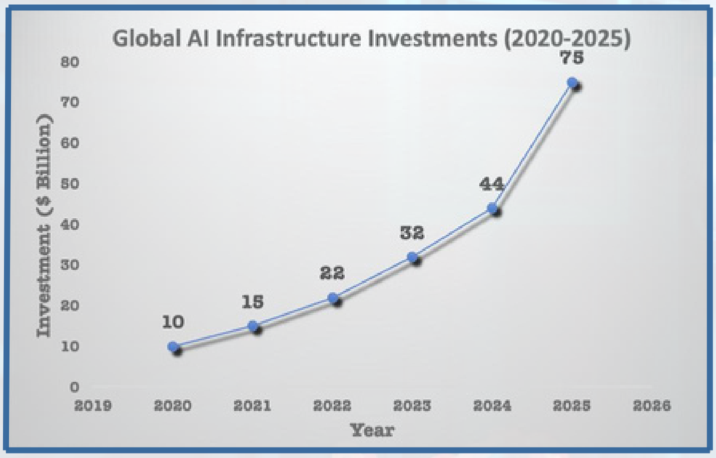
MONETA

A WEEKLY NEWSLETTER BY SYNERGY

SYNERGY

INDIA PLANS TO BUILD 'BIG BANKS' VIA MERGERS

THE INDIAN GOVERNMENT IS MOVING AHEAD WITH PLANS **TO MERGE SEVERAL PUBLIC SECTOR BANKS**, INCLUDING **UNION BANK OF INDIA WITH BANK OF INDIA** TO FORM THE COUNTRY'S **SECOND-LARGEST PSU BANK**, AND I**NDIAN OVERSEAS BANK WITH INDIAN BANK** TO STRENGTHEN SOUTHERN OPERATIONS. SMALLER BANKS LIKE **PUNJAB & SIND BANK** AND **BANK OF MAHARASHTRA** MAY BE CONSIDERED FOR **PRIVATIZATION**. THESE MERGERS AIM TO CREATE **FEWER, LARGER, AND STRONGER BANKS** CAPABLE OF FINANCING INDIA'S **EXPANDING INFRASTRUCTURE** AND **CREDIT NEEDS**, IMPROVING **FINANCIAL STABILITY**, **OPERATIONAL EFFICIENCY**, AND **GOVERNANCE**. THIS INITIATIVE FOLLOWS EARLIER CONSOLIDATION PHASES THAT REDUCED **27 BANKS TO 12** AND ALIGNS WITH LONG-TERM GOALS TO BUILD **GLOBAL-SCALE BANKS** AND STREAMLINE THE BANKING SECTOR BY THE **FISCAL YEAR 2027**, PENDING FINAL GOVERNMENT APPROVAL.



$38B OPENAI–AMAZON CLOUD PARTNERSHIP

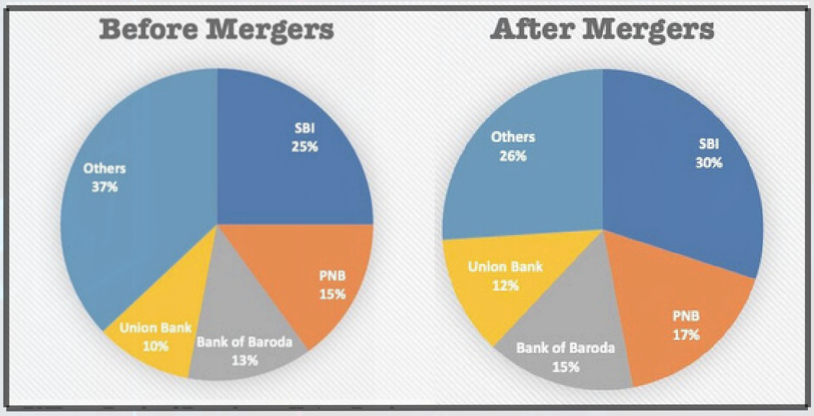
OPENAI HAS ENTERED A LANDMARK **SEVEN-YEAR**, **$38 BILLION DEAL** WITH **AMAZON WEB SERVICES** (**AWS)** TO POWER ITS ADVANCED **AI WORKLOADS**, INCLUDING CHATGPT, THROUGH AWS'S EXTENSIVE CLOUD INFRASTRUCTURE. THIS **STRATEGIC PARTNERSHIP** GIVES OPENAI ACCESS TO **HUNDREDS OF THOUSANDS OF NVIDIA GPUS** AND **SCALABLE CPU COMPUTE**, ENABLING RAPID EXPANSION OF ITS AI CAPABILITIES. THE DEAL, EFFECTIVE IMMEDIATELY**,** MARKS A SIGNIFICANT SHIFT AS OPENAI MOVES BEYOND ITS PREVIOUS **EXCLUSIVE RELIANCE ON MICROSOFT**, AIMING TO DEPLOY ALL CAPACITY BY THE **END OF 2026** WITH **POTENTIAL EXPANSIONS** THEREAFTER. AWS WILL SUPPORT OPENAI'S **GROWING COMPUTATIONAL DEMANDS** WITH **SPECIALIZED DATA CENTERS** AND **OPTIMIZED INFRASTRUCTURE**, ACCELERATING THE **DEVELOPMENT AND ACCESSIBILITY OF CUTTING-EDGE AI TECHNOLOGIES**

SEBI TIGHTENS OVERSIGHT ON SMALL IPOs

THE **SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI)** IS TIGHTENING OVERSIGHT ON **SMALL AND MEDIUM ENTERPRISE (SME) IPOS** AMID CONCERNS OVER **QUESTIONABLE PRACTICES**. SEBI CHAIRMAN **TUHIN KANTA PANDEY** ANNOUNCED THAT STOCK EXCHANGES HAVE BEEN INSTRUCTED TO CONDUCT **PHYSICAL INSPECTIONS** OF SMES PREPARING FOR IPOS TO VALIDATE THEIR BUSINESSES AND OPERATIONS. THE REGULATOR IS ALSO REVIEWING **MERCHANT BANKERS'** ROLES FOLLOWING OBSERVED **"EGREGIOUS BEHAVIOR"** IN SOME SME IPOS. LAST YEAR, SEBI IMPLEMENTED **STRICTER ELIGIBILITY NORMS** REQUIRING SMES TO SHOW **PROFITS OF AT LEAST 10 MILLION RUPEES IN TWO OF THE LAST THREE YEARS**. THESE STEPS AIM TO ENHANCE **TRANSPARENCY**, **TIGHTEN COMPLIANCE**, **PROTECT INVESTORS**, AND **ENSURE CREDIBILITY** IN THE SME IPO ECOSYSTEM

MSCI ADDS INDIAN STOCKS

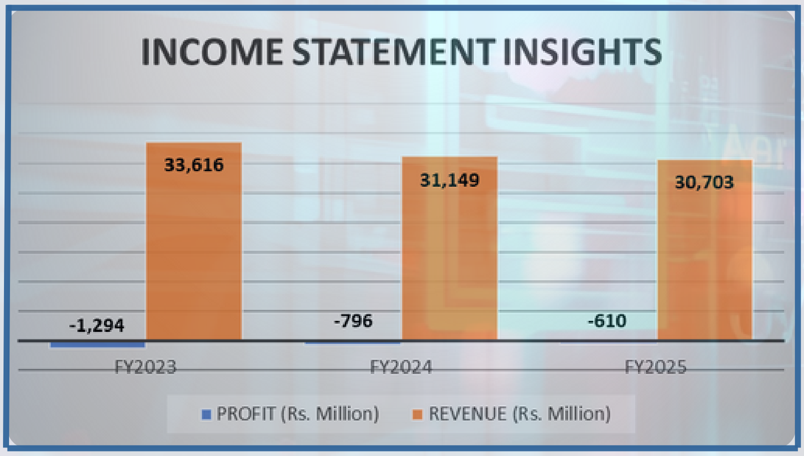
MSCI HAS ANNOUNCED THE **ADDITION OF FOUR INDIAN COMPANIES—PAYTM**, **FORTIS HEALTHCARE**, **GE VERNOVA T&D INDIA, AND SIEMENS ENERGY INDIA**—TO ITS **GLOBAL STANDARD INDEXES**, EFFECTIVE AFTER MARKET CLOSE ON **NOVEMBER 24, 2025**. THIS INCLUSION IS EXPECTED TO ATTRACT SIGNIFICANT **PASSIVE FUND INFLOWS**, WITH FORECASTS OF **OVER $400 MILLION** EACH FOR PAYTM AND FORTIS HEALTHCARE, ENHANCING INDIA'S WEIGHT IN THE MSCI STANDARD INDEX FROM **15.5% TO 15.6%.** MEANWHILE, **TATA ELXSI** AND **CONTAINER CORPORATION OF INDIA** HAVE BEEN **REMOVED** FROM THE INDEX, POTENTIALLY TRIGGERING OUTFLOWS. THE CHANGES REFLECT SHIFTS IN **MARKET CAPITALIZATION**, **LIQUIDITY**, AND **INVESTOR CONFIDENCE**, HIGHLIGHTING **GROWING GLOBAL INTEREST IN INDIA'S HEALTHCARE, FINTECH, AND ENERGY SECTORS**.



IPO ANALYSIS

ABOUT BOAT:

BOAT IS INDIA'S LEADING PERSONAL AUDIO BRAND (**NO.1 BY VALUE & VOLUME IN FY2025**) AND A MAJOR PLAYER IN **WEARABLES AND CHARGING ACCESSORIES**. WITH A STRONG DIGITAL-FIRST PRESENCE, WIDE OMNICHANNEL NETWORK, AND **75%+ DOMESTIC MANUFACTURING**, BOAT IS NOW ENTERING THE CAPITAL MARKETS THROUGH A **₹1,500 CRORE IPO**.



RECENT INFORMAL **GMP INDICATIONS** HOVER AROUND **₹89**, BUT REMAIN **UNRELIABLE AND VOLATILE** UNTIL THE PRICE BAND AND ANCHOR BOOK ARE CONFIRMED, SO THEY SHOULD NOT BE USED FOR INVESTMENT DECISIONS. BOAT ENTERS THE IPO WITH **CATEGORY LEADERSHIP**, **RISING LOCALIZATION**, AND **IMPROVING MARGINS**, SUPPORTED BY Q1 FY2026 PROFITABILITY. HOWEVER, THE COMPANY POSTED **THREE YEARS OF LOSSES**, TRIGGERING **75% QIB ALLOCATION**, AND MUST PROVE SUSTAINED PROFITABILITY ACROSS FY2026–FY2027. **INVENTORY PROVISIONS AND RETURNS** HAVE **IMPROVED** BUT REMAIN IMPORTANT IN A FAST-MOVING ELECTRONICS BUSINESS. **CUSTOMS CLASSIFICATION DISPUTES CONTINUE**, THOUGH NO MAJOR OUTFLOW IS EXPECTED PER DISCLOSURES. OVERALL, THE IPO IS **WORTH TRACKING** IF PRICING IS REASONABLE, BUT TRUE CONVICTION DEPENDS ON CONSISTENT **EBITDA OF 6–7%+** AND **STABLE MARKET SHARE**—NOT ON GREY-MARKET TRENDS.

THE FINANCE ENIGMA

I FOLLOW EVERY INVESTOR,
YET NO ONE WANTS ME.
MANAGE ME WELL, I HELP YOU GROW.
IGNORE ME, I'LL MAKE YOU FALL.
WHAT AM I?

IPO SNAPSHOT

- TOTAL IPO SIZE: ₹15,000 MILLION
- FRESH ISSUE: ₹5,000 MILLION
- OFFER FOR SALE: ₹10,000 MILLION
- KEY SELLERS: AMAN GUPTA, SAMEER MEHTA, QUALCOMM VENTURES, FIRESIDE, SOUTH LAKE
- LISTING: BSE, NSE
- ALLOCATION: 75% TO QIBS (DUE TO PROFITABILITY NORMS)

USE OF PROCEEDS

- ₹2,250M – WORKING CAPITAL
- ₹1,500M – BRAND BUILDING & MARKETING
- REMAINDER – GENERAL CORPORATE PURPOSES

BUSINESS STRENGTHS

- STRONG R&D AND RAPID PRODUCT INNOVATION
- DEEP MARKET PENETRATION: D2C, MARKETPLACES AND 12,000 OFFLINE STORES
- YOUTH-DRIVEN BRAND & COMMUNITY OF 20M "BOATHEADS"
- DOMINANT MARKET SHARE IN AUDIO (26% VALUE SHARE; 34% VOLUME SHARE)

PROFITABILITY TURNED POSITIVE BECAUSE MARGINS RECOVERED, MIX SHIFTED BACK TO HIGHER-MARGIN AUDIO, INVENTORY WRITE-DOWNS AND WARRANTY COSTS FELL, FINANCE COSTS DROPPED SHARPLY, AND LOCALIZATION LIFTED GROSS-TO-EBITDA CONVERSION DRIVING EBITDA TO 6.62% AND NET PROFIT OF ₹213.53 MILLION IN Q1 FY2026 AFTER THREE LOSS-MAKING YEARS

KEY RISKS

- LOSS-MAKING OVER FY23–FY25
- CUSTOMS CLASSIFICATION DISPUTES
- INTENSE COMPETITION (NOISE, REALME, SAMSUNG, ONEPLUS, BOULT)
- INVENTORY RISK AND HEAVY OFS OVERHANG

ANALYST OUTLOOK

BOAT ENTERS THE IPO MARKET AS A STRONG, YOUTH-DRIVEN BRAND WITH UNDENIABLE LEADERSHIP IN INDIA'S AUDIO SPACE. THE COMPANY HAS NAILED AFFORDABILITY, DESIGN, AND RAPID INNOVATION—THREE THINGS THAT KEEP ITS PRODUCTS CULTURALLY RELEVANT. WHILE RECENT PROFITABILITY IN Q1 FY26 IS A POSITIVE SIGN, INVESTORS SHOULD REMEMBER THAT BOAT STILL OPERATES IN A LOW-MARGIN, HIGHLY COMPETITIVE ENVIRONMENT WHERE SUSTAINABLE PROFITS MUST BE PROVEN OVER MULTIPLE QUARTERS.

LOOKING AHEAD, THE REAL STORY LIES IN HOW BOAT EVOLVES. THE COMPANY'S PUSH TOWARD DOMESTIC MANUFACTURING, PREMIUM AUDIO, SMART RINGS, AND LIFESTYLE WEARABLES COULD MEANINGFULLY EXPAND MARGINS IF EXECUTED WELL. BOAT ALSO HAS AN OPPORTUNITY TO TRANSFORM FROM A GADGET BRAND INTO A BROADER "YOUTH TECH LIFESTYLE" ECOSYSTEM SOMETHING NO INDIAN BRAND HAS FULLY ACHIEVED YET.

HOWEVER, SUCCESS DEPENDS ON DISCIPLINED COST CONTROL, RESOLVING CUSTOMS DISPUTES, AND AVOIDING PRICE WARS. IF BOAT MANAGES TO SHIFT FROM VOLUME-DRIVEN GROWTH TO MARGIN-DRIVEN GROWTH, FY26–FY28 COULD SEE A MORE STABLE, PROFITABLE BUSINESS EMERGE.