IPO Note
5th Aug 2026

Optimystix Entertainment India Ltd

Subscribe for Long Term

Rating: Subscribe for Long Term

Issue Offer

Total issue size: 62.0 Lakh shares (Fresh Issue 50.0 Lakh; OFS 12.0 Lakh)

Issue Summary	
Price Band (INR)	166-175
Face Value (INR)	10
Implied Mkt Cap (INR Mn)*	4,072.1
Market Lot	800
Issue Opens on	7 Aug, 2026
Issue Close on	11 Aug, 2026
No. of share pre-issue	18,268,900
No. of share post issue	23,268,900
Listing	NSE Emerge

Issue Break-up (% of Net Offer)	
QIB Portion	Not more than 50
Retail Portion	Not less than 35
NII Portion	Not less than 15

Book Running Lead Managers

LSI FINANCIAL SERVICES PVT LTD & NEXGEN FINANCIAL SOLUTIONS PVT LTD

Registrar

MAASHITLA SECURITIES PRIVATE LIMITED

Shareholding Pattern	Pre-Issue	Post-Issue
Promoter & Promoter Group	77.61%	55.77%
Public & Others	22.39%	44.23%

Objects of the Issue

- Working capital requirements; general corporate purposes.

Deepali Kumari
Deepali.kumari@arihantcapital.com
022-42254873

Abhishek Jain
abhishek.jain@arihantcapital.com
022-67114871

Optimystix Entertainment India Ltd (OEIL), incorporated in 2001 and promoted by Vipul D. Shah and Rajesh Bahl, is among India's largest independent content studios, with 150+ TV shows and 7,500+ hours of prime-time programming delivered across Sony, Colors, Zee, Star and SAB. It is the only Indian house scaled across all three foundational genres - comedy, crime and fiction - through franchises such as Comedy Circus, Crime Patrol (1,100+ episodes) and Baalveer (2,000+ episodes). Since 2020 it has forayed in Film & OTT business and since then have added 6 feature films and 2 web series of high quality and scale including OMG 2, The Diplomat and Khel Khel Mein. T-Series is both film-slate strategic partner and a strategic investor with 8.79% shareholding. The company is debt-free.

Investment Rationale:

TV + OTT Cash Engine Is Predictable, renewal based and Consolidating: TV and OTT/web series together delivered 76.9% of FY26 revenue (INR 1,038.3 Mn) on cost-plus commissioning that carries no content risk. OEIL is a top-three Hindi GEC producer by volume and the only one scaled in both fiction and non-fiction, programming which is why broadcasters return for repeat cycles for their hit shows and IP. For example, Comedy Circus ran for 8+ years, Crime Patrol ran for 8+ years and has been renewed again this year after a long gap, Baalveer ran for 2000+ episodes. The INR 650-700 Bn television industry has stabilised, and commissioning is consolidating toward established houses like Optimystix.

Strategic Shift to High-Margin IP Ownership with a De-Risked Film Production Model: Optimystix is strategically shifting from a traditional commissioned production model to a high-margin IP ownership model through its partnership with T-Series. Under T-Series' pre-sale studio model, the studio funds 100% of production costs and green-lights films only after 90–100% of the budget is secured through pre-sold digital, satellite, and music rights. In this model Optimystix earn a fixed producer fee of the budget and uses in houses team, and they execute a certain percentage of their budget. and another 4-5% of allocation cost, recover around 95% of production costs to budget is rely before production of film and 5% after delivery of film, retain upto 50% ownership of the IP and lifetime profits, and avoid downside risk from film losses. The transition from a cost-plus production model to IP ownership creates a recurring asset base with monetisation opportunities through syndication, digital platforms, and international licensing, while leveraging T-Series' extensive distribution network. Reflecting this strategic shift, the films segment's contribution to revenue increased sharply from 2.8% in FY24 to 45.8% in FY25 and 23.1% in FY26, with OTT/web series adding a further 32.4%.

Regional Films, Animation business & Non-Fiction YT channels are the Compounding Layer: OEIL owns animation rights to the hit child superhero show Baalveer and has built 35 animation characters for an Indian superhero universe. Early access to Google Veo-3, run over a proprietary in-house CMS, collapses animation cost from a traditional INR 2.5-2.7 Mn per episode to a fraction of that and reduces the time dramatically to produce each episode. Distribution will ride on YouTube to start with and shall be monetised across platforms including animation film, OTT series, TV series and merchandising, licensing and gaming. Kids and animation content drive roughly half the top-10 global YouTube channels - a gap India has not filled. OEIL is also extending into regional films on 100% owned IP across five languages, and into proprietary non-fiction YouTube channels and a Gen Z micro-drama app.

Valuation & Outlook: Optimystix Entertainment is strategically transitioning from a commissioned production model toward intellectual property ownership to secure long-term monetization and recurring revenue. Leveraging a 25-year legacy in Indian television and a major strategic partnership with T-Series, the company is scaling its presence across films, OTT, tv, animation, YouTube and regional markets such as Gujrati, Tami, Telugu & Malyalam. A central pillar of its future outlook is technology transformation, including a first-mover advantage with Google's Veo-3 generative AI platform to produce cost-efficient animation and micro-dramas for Gen Z. This integrated approach, supported by an in-house content management system built on top of generative media technology, aims to drive operational efficiency and reach a broader global audience through diverse digital and streaming platforms. At the upper band of INR 175, the issue is valued at 17.0x FY26 post-issue EPS of INR 10.30. We are recommending a "Subscribe for long term" for this issue.

Business Model – Three Engines, Three Risk Profiles

Television and OTT Commissioning - The Cash Engine

OEIL produces prime-time Hindi general entertainment content on a cost-plus commissioning model. The broadcaster funds production and retains the IP; OEIL earns a contracted margin plus TRP-linked incentives above threshold ratings, with no exposure to a show's commercial outcome. Television programming contributed INR 601.5 Mn (44.6%) of FY26 revenue and OTT/web series a further INR 436.8 Mn (32.4%) - together INR 1,038.3 Mn or 76.9% of revenue, against INR 673.7 Mn (54.2%) in FY25 and INR 532.4 Mn (97.2%) in FY24. The base has held while films scaled on top of it.

The company has produced 150+ shows and 7,500+ hours across Sony, Colors, Zee, Star and SAB. It operates only in prime-time slots and does not chase regional television. OTT originals for Netflix, Amazon Prime Video, Amazon MX Player, SonyLIV, JioStar and ZEE5 run on the same commissioning economics.

The moat in non-fiction is key comedy talent incubation like Kapil Sharma, Krushna Abhishek, Bharti Singh, Sudesh Lehri and much of India's current comedy bench were discovered and scaled through Comedy Circus. Broadcasters return to the originator when a any successful franchise/IP is renewed or revived.

Films - Pre-Sold, Co-Owned, Downside-Capped

OEIL entered films in 2020 through its film division , wakaoo film and signed a seven-film slate with T-Series in 2022, which subsequently converted into a strategic equity investment in oeil (8.79% pre-issue). Under a deed of assignment and acquisition agreement, the studio takes up to 50% of the IP and 50% of profits and funds 100% of the cost of production and film marketing; OEIL retains up to other 50% ip and 50% profit in perpetuity and does not participate in any potential losses.

The agreed cost of production film budget is collected ahead of delivery on a milestone schedule - 20% on signing, 20% at start of shoot, 25% at 50% completion, 20% on completion of shoot and the balance on start of post-production, censor certification and final DCP delivery - with roughly 95% realized before the film is delivered. Optimystix earn a fixed producer fee of the budget and uses in houses team, and they execute a certain percentage of their budget. and another 4-5% of allocation cost, recover around 95% of production costs to budget is rely before production of film and 5% after delivery of film. Critically, film production does not start until 90-100% of the cost of production is underwritten by pre-sold digital, satellite and music rights.

The second monetisation cycle – Digital/Streaming rights & satellite /cable rights, are licensed for a fixed period for 9-11 years window, so a franchise hit re-prices on renewal. Six films and two web series have been delivered in 3.5 years. The future pipeline includes the commercial release of the international film Dear Jassi, franchise extensions under development including Diplomat 2, OMG 3, hit Gujrati film Lalo-2 and a regional slate across Tamil, Telugu, Malayalam, Gujarati and Punjabi.

Digital and Animation – 100% Owned IP

This is the vertical the IPO is really about. OEIL owns animation and other ancillary rights to the hit show Baalveer and has created 35 animation characters for an interconnected Indian superhero for universe rooted in domestic mythology and ethos and value systems. It is one of a small set of global partners with early access to Google's Veo-3 generative video platform, running it under a proprietary in-house CMS that spans ideation, scripting, storyboard, asset creation, edit, QC and publishing.

Traditional animation cost roughly INR 2.5-2.7 Mn per 25-30 minute episode; the AI-assisted pipeline takes that to a fraction and reduces the time dramatically to produce each episode. Distribution will ride on YouTube to start with and shall be monetised across platforms including animation film, OTT series, TV series and merchandising, licensing and gaming.

Planned deployment of INR 350-400 Mn on the digital and animation build is being capitalised as content assets rather than expensed. Targeted monetisation mix is roughly 60% advertising, 30% sponsorship and in-video branding and 10% syndication and licensing, with merchandising, gaming and subscription as optionality. A parallel ambition is to build India's number-one non-fiction YouTube channel.

Management & Leadership

Vipul D. Shah (Founder, Promoter & Chairman is the creative force behind Comedy Circus, Crime Patrol and Baalveer. Rajesh Bahl (Co-Founder, Co-Promoter & Group CEO) partnered with Optimystix roughly seven years ago with a mandate to transform a successful television production house into an IP-owning content media company operating across multi-platform ecosystem, following CEO & CXO roles at Disney Star, Eros International, Sony Music, Universal Music and the Times of India Group. The bench includes Hemant Kevani (Head, Fiction), Nazar Ali Abbas (Head, Non-Fiction & Comedy), Animesh Bhaya (Creative Head) and Paresh Parekh (CFO, CA 1999, with OEIL since 2011). Headcount is deliberately asset-light at 25 employees on roll and 13 consultants, with 150-170 professionals engaged per project depending on the project type.

Industry – INR 3.06 Trn by 2027, Digital Doing the Heavy Lifting

The Indian media & entertainment sector expanded at a 5.7% CAGR from INR 1.92 Trn to INR 2.68 Trn and is expected to compound at 7% to INR 3.06 Trn (USD 37.1 Bn) by 2027. Growth is unevenly distributed: filmed entertainment grew from INR 72 Bn in 2020 to INR 187 Bn in 2024 (~27% CAGR) and is projected at INR 213 Bn by 2027, digital advertising rose 17% to INR 700 Bn in a single year, and OTT is expected to compound at 14.9% through FY29.

Television is the misunderstood leg. It has stabilised at INR 650-700 Bn rather than collapsed and still reaches 891 Mn viewers, the largest single reach pool in the country. Connected TV, catch-up viewing and broadcaster YouTube channels have moved consumption rather than destroyed it. For a producer paid on a cost-plus basis, a stable pie held by fewer credible suppliers is a favourable structure.

Financial Performance

Revenue from operations compounded at 57.0% over FY24-26, from INR 547.6 Mn to INR 1,349.9 Mn, as films and OTT went from 2.8% to 55.4% of the mix. EBITDA rose from INR 44.8 Mn (8.2%) to INR 311.0 Mn (23.0%) and PAT from INR 66.9 Mn to INR 240.4 Mn. FY26 revenue grew 8.5% on FY25 while PAT grew 39.5%, as the mix shifted toward higher-margin OTT and owned IP.

The balance sheet is clean - net worth of INR 1314.7 Mn, debt-equity of 0.00x, current ratio of 4.34x and receivable days is 94, and payable days is 96.

Financial Snapshot (INR Mn)	FY24	FY25	FY26
Revenue from Operations	547.6	1,243.9	1,349.9
Growth (% YoY)	-	*127.2%*	*8.5%*
EBITDA	44.8	239.3	311.0
EBITDA Margin (%)	*8.19%*	*19.24%*	*23.04%*
PAT	66.9	172.4	240.4
PAT Margin (%)	*12.13%*	*13.86%*	*17.81%*
RoNW (%)	11.21%	17.74%	18.23%
RoCE (%)	6.68%	24.42%	23.05%

Against listed comparables the pricing is undemanding. On FY26 numbers Panorama Studios trades at 83.2x on a slate-dependent, film-only model; Cinevista at 14.2x on a thin 11.0% RoNW; Balaji Telefilms is loss-making at the EPS line. OEIL is the only one combining a cost-plus TV annuity, downside-capped co-owned film IP and a fully owned digital vertical, on an 18.2% RoNW. We recommend Subscribe for Long Term, with the caveat that the animation build is a two-to-three year payoff, not an FY27 earnings event.

Peer Comparison (FY26, Consolidated)	EPS - Diluted (INR)	P/E (x)	RoNW (%)	NAV/share (INR)
Optimystix Entertainment India Ltd	13.36	16.94	18.23	71.97
Panorama Studios International Ltd	0.60	83.20	4.52	8.48
Balaji Telefilms Ltd	(4.09)	NM	7.99	5.19
Cinevista Ltd	1.06	14.19	11.00	9.80

Management Meeting – Key Takeaways

On the television business

commissioning by broadcaster based on cost plus model, the broadcaster carries content risk. OEIL operates only in prime-time Hindi GEC and has deliberately stayed out of regional television. The company models TV as flat to modestly growing and treats it as the cash engine that funds everything else.

On films

No project is committed until pre-sales cover 90-100% of the cost of production; standalone production risk is not taken. The T-Series relationship is a first-call blanket understanding rather than an exclusivity, and OEIL is free to take projects to other studios. Regional films across five languages will be produced on 100% owned IP because ticket sizes are small enough that dilution is not worth it.

On digital and animation

INR 350-400 Mn of planned deployment, treated as capitalised content rather than P&L expense. The company was explicit that this vertical is not valued in the current numbers - incremental FY27 growth is expected from TV, films & OTT business rather than from digital or animation business because it will be in early stage of launch.

On customer concentration

Top-5 customers were 85.05% of FY26 revenue against 78.91% in FY25 and 99.93% in FY24, even as the customer count rose to 20 from 15 and 8. Concentration therefore rose again in FY26. The largest customer in FY26 was JioStar India at 36.21% of revenue; Super Cassettes Industries (T-Series), the largest in FY25 at 25.97%, remains a concentration that is also an alignment given its 8.79% equity holding.

Key Risks

Customer concentration: the top five customers accounted for 85.05% of FY26 revenue and the largest, JioStar India, for 36.21%. Contracts are project-by-project with no renewal certainty.

Hit dependency: revenue is skewed to a small number of successful properties, audience preferences shift quickly, and a broadcaster can pull a show within two months of launch.

The IP pivot cuts both ways. Moving from commissioned work to owned IP raises capital intensity and transfers commercial risk from the broadcaster and studio onto OEIL's own balance sheet.

Dependence on T-Series for film financing. The arrangement is non-exclusive and carries no obligation to fund future projects; a withdrawal would slow the slate materially.

Key-man risk on Vipul D. Shah and Rajesh Bahl, and continued access to writers, directors and lead talent in a market where costs are escalating.

Negative operating cash flows have been reported in prior years and working capital intensity rises with a larger concurrent slate - the reason the entire fresh issue is earmarked for working capital.

Execution risk on animation and micro-drama: category economics are unproven for the company and depend on YouTube discovery, algorithm and platform policy outside its control.

NSE Emerge listing brings lot-size driven trading and a limited free float, alongside content controversy, regulatory and litigation risk that can affect release timelines and monetisation.

Segment Revenue (INR Mn)	FY24	FY25	FY26
Films and associated rights	15.3 (2.8%)	570.3 (45.8%)	311.6 (23.1%)
Television programming	441.3 (80.6%)	673.7 (54.2%)	601.5 (44.6%)
OTT / web series content	91.1 (16.6%)	-	436.8 (32.4%)
Total revenue from operations	547.6	1,243.9	1,349.9

What Would Change Our View

Upgrade triggers: the animation and non-fiction slate monetising on YouTube ahead of the FY28 plan; a second studio relationship on T-Series-style terms that reduces single-partner dependence; top-five customer concentration falling below 60%; and a regional film on 100% owned IP recovering its cost of production within the first monetisation cycle.

Downgrade triggers: a final price at the INR 175 upper band or above, which takes the issue to about 17x FY26 post-issue earnings and removes the valuation cushion; slippage in the FY27 film slate; the digital build extending beyond FY28 without revenue against capitalised content on the balance sheet; or a step-down in the T-Series funding commitment.

Arihant Research Desk

Email: instresearch@arihantcapital.com

Tel. : 022-42254800

Head Office	Registered Office
#1011, Solitaire Corporate Park	
Building No. 10, 1st Floor	Arihant House
Andheri Ghatkopar Link Road	E-5 Ratlam Kothi
Chakala, Andheri (E)	Indore - 452003, (M.P.)
Mumbai – 400093	Tel: (91-731) 3016100
Tel: (91-22) 42254800	Fax: (91-731) 3016199
Fax: (91-22) 42254880	

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%

Research Analyst Registration No.	Contact	Website	Email Id
INH000002764	SMS: 'Arihant' to 56677	www.arihantcapital.com	instresearch@arihantcapital.com

Arihant Capital Markets Ltd.
1011, Solitaire Corporate park, Building No. 10, 1st Floor,
Andheri Ghatkopar Link Road, Chakala, Andheri (E)
Tel. 022-42254800Fax. 022-42254880

Disclaimer: This disclosure statement is provided in compliance with the SEBI Research Analyst Regulations, 2014. Arihant Capital Markets Limited (ACML) is a registered stockbroker, merchant banker, and research analyst under SEBI, and is also a Point of Presence with the Pension Fund Regulatory and Development Authority (PFRDA). ACML is registered with SEBI with Research Analyst Registration Number INH000002764, Stock Broker Registration Number INZ000180939, and is a Trading Member with NSE, BSE, MCX, NCDEX, and a Depository Participant with CDSL and NSDL.

ACML and its associates may have business relationships, including investment banking, with companies covered by its Investment Research Department. The analysts of ACML, and their associates, are prohibited from holding a financial interest in securities or derivatives of companies they cover, though they may hold stock in the companies they analyze. The recommendations provided by ACML's research team are based on technical and derivative analysis and may differ from fundamental research reports.

ACML confirms that neither it nor its associates have a financial interest or material conflict concerning the companies covered in the research report at the time of publication. Furthermore, ACML, its analysts, and their relatives have no ownership greater than 1% in the subject companies as of the month prior to publication. ACML guarantees that the compensation for its research analysts is not influenced by specific securities or transactions.

ACML affirms that neither the analyst nor the company has served as an officer, director, employee, or engaged in market-making activities for any of the subject companies. Additionally, the research report does not reflect any conflict of interest and is not influenced by specific recommendations made. Neither ACML nor its analysts have received compensation for investment banking or brokerage services from the subject companies in the last 12 months.

The views expressed in this report are those of the analysts and are independent of the proprietary trading desk of ACML, which operates separately to maintain an unbiased stance. Analysts comply with SEBI Regulations when offering recommendations or opinions through public media. The report is intended for informational purposes only and is not an offer or solicitation for the purchase or sale of securities.

This report, which is confidential, may not be reproduced or shared without written consent from ACML. It is based on publicly available data believed to be reliable but has not been independently verified, and no guarantees are made about its accuracy. All opinions and information contained in the report are subject to change without notice.
ACML disclaims liability for any losses resulting from reliance on this report. The report does not constitute an offer to buy or sell securities, and ACML is not responsible for the risks involved in investments. ACML and its affiliates may have positions in the securities discussed or hold other financial interests in them.

The distribution of this report in certain jurisdictions may be restricted by law, and the report is not intended for distribution where it would violate local laws. Investors are advised to consider their financial position, risk tolerance, and investment objectives before engaging in transactions, particularly in high-risk financial products such as derivatives.

ACML reserves the right to modify this disclosure statement without prior notice. The report has been prepared using publicly available information and internally developed data, though ACML does not guarantee its completeness or accuracy. Historical price data for securities can be accessed via official exchanges like NSE or BSE.
ACML and its affiliates may conduct proprietary transactions or investment banking services for the companies mentioned in this report. In compliance with SEBI regulations, ACML maintains comprehensive records of research reports, recommendations, and the rationale for those recommendations, which are preserved for at least five years. An annual compliance audit is conducted by a member of the ICAI or ICSI to ensure adherence to applicable regulations. This report is issued in accordance with applicable SEBI regulations and does not guarantee future performance or returns.

Arihant Capital Markets Ltd.
1011, Solitaire Corporate park, Building No. 10, 1st Floor,
Andheri Ghatkopar Link Road, Chakala, Andheri (E)
Tel. 022-42254800

Abhishek Jain
Head of Research
Abhishek.jain@arihantcapital.com

Abhishek Chhajed Jain
Digitally signed by Abhishek Chhajed Jain
Date: 2026.08.05 10:45:15 +05'30'