IPO REVIEW

Sunshine Pictures IPO

By **Dilip Davda** · SEBI Registered Research Analyst · Reg. No. INH000003127 Reviewed on 17 August 2026

- The company is a production house engaged in the business of originating, creating, developing, producing, marketing and distribution films, TV serials, web series and related services.
- The company posted declining trends in its top lines with inconsistency in its bottom lines for the reported periods.
- The company follows derisking strategy for its projects and thus ensuring positive returns.
- Based on its recent financial data, the issue appears aggressively priced.
- Well-informed/cash surplus/risk seekers may park funds for medium to long term.

About the Company

Sunshine Pictures Ltd. (SPL) is a production-house engaged in the business of originating, creating, developing, producing, marketing and distribution of films, TV serials and web series (“Projects”). Since its incorporation, the company has produced various prominent works in modern Indian cinema. Its debut production ‘Force’, under its banner was a box office hit. Since then, it has produced and distributed prominent, commercial and socially relevant films such as ‘Commando: A One-Man Army’, ‘Holiday: A soldier is never off duty’, ‘Force 2’, ‘Commando 2: The black money trail’, ‘The Kerala Story’, etc. Its production, ‘The Kerala Story’ emerged as the highest return-on-investment blockbuster in 2023, reflecting the company’s ability to balance commercial appeal with critical acclaim (Source: D&B Report).

SPL is a technology-driven content creator and specialize in multi-formats commercial films, emphasizing innovation in storytelling and production techniques (Source: D&B Report). The Company leverages a fully digitized workflow from script development to post-production, ensuring seamless integration of creative and technical processes. It adopts industry-standard digital tools for script breakdown, budgeting, scheduling, and production planning, which enhances project efficiency and cost control. In the post-production phase, it utilizes advanced technologies including digital intermediate (DI) color grading, high-resolution editing suites, Dolby Atmos sound mixing, and sophisticated visual effects (VFX) pipelines. These tools enable it to achieve cinematic quality standards comparable to leading global studios, while ensuring consistency and scalability across projects.

Furthermore, its project evaluation process is supported by a data-driven approach. It incorporates insights from audience analytics, genre-specific performance trends, regional and linguistic viewership preferences, and OTT consumption data to inform greenlighting decisions. This analytical

framework helps it assess commercial viability and audience alignment prior to content development, thereby improving the predictability of success and optimizing resource allocation. Its technology-first approach not only enhances production quality but also positions it to respond dynamically to evolving industry demands.

As its business process, the company engages in research & development of scripts, end-to-end production of content, intellectual property creation, monetization of rights and distribution. Its proven track record of producing high-quality and commercially successful content has earned its credibility and repeat collaborations with major industry players (Source: D&B Report). It believes the Company has cultivated strong relationships with top studios, talent agencies, and creative professionals. It strives to continuously deliver high quality multi-faceted content to the industry and its audience at large, as well as promote newcomers, actors, composers, directors and others who have the potential to contribute to the Indian film industry.

The Company has been progressively growing in the field of motion picture production since its inception. As on the date of this Red Herring Prospectus, it has produced; (i) thirteen (13) commercial films out of which seven (7) were co-produced with reputable studios and six (6) were self-produced; (ii) two (2) web series; (iii) three (3) TV serials; and (iv) one (1) short commercial film. Further, as on date, it is co-producing its film “Hisaab” with Jio Studios, which is under post production stage and scheduled for release in Fiscal 2027 and it is solely producing one (1) commercial film tentatively titled “Samuk”, and producing a web series tentatively titled “Nanavati vs Nanavati which are both scheduled to release in Fiscal 2027. It has recently launched two verticals, namely Sunshine Music and Sunshine Digital (Originals). Presently, it is live on its YouTube channel with thirty-six (36) original music videos and its maiden digital web series "Bawra Mann" as well as "Ankahee". Additionally, it also has six (6) films and two (2) web series in the pipeline for production.

SPL engages in the production of its Projects, as sole producer or co-producer with reputable studios. It strives to maintain a business portfolio that has a healthy mix of co-produced and standalone Projects, with the former providing certainty in earnings thereby derisking the proposed Project and cashflows and the latter delivering the upside revenue.

The company adopts a co-production approach especially when the proposed Project requires a big budget. In a co-production model, it partners with a reputable studio and produce the Project for a fixed fee; a share of the intellectual property and profits from the Project with such studios; whereas under the sole production, it finances the entire Project and execute the end-to-end production while retaining all the rights including intellectual property, titles, distribution rights and other interests in the Projects. The sole production approach allows it to retain the entire up-side revenue from the theatrical releases and monetize its rights through sale of Over-the-Top content (“OTT”), music rights, downstream derivatives such as remakes, sequels and/or prequels, spin offs, local language dubbings, foreign language renditions, stage plays, web-series and television production, etc.

As of June 30, 2026, it had 28 employees on its payroll. It engages 150 – 300 skilled professionals and unskilled labour as required during the entire production journey.

Promoters and Promoters Group

Mr. Vipul Amrutlal Shah: Chairman and Managing Director

Vipul Amrutlal Shah, Shefali Vipul Shah, Aryaman Vipul Shah and Maurya Vipul Shah: Promoter and Wholetime Director

Issue Details / Capital History

The company is coming out with its maiden book building route combo IPO of 7837191 equity shares (worth Rs. 282.14 cr.at the upper cap). The IPO consists of 4800034 fresh equity shares (worth Rs. 172.80 cr. at the upper cap) and an Offer for Sale (OFS) of 3037157 equity shares (worth Rs. 109.34 cr. at the upper cap). The company has announced a price band of Rs. 342 – Rs. 360 per equity shares of Rs. 10 each. The issue opens for subscription on August 18, 2026, and will close on August 20, 2026. The minimum application to be made is for 41 shares and in multiples thereon, thereafter. Post allotment, shares will be listed on BSE and NSE. The issue constitutes 25.16% of the post-IPO paid-up equity capital. From the net proceeds of the fresh equity issue, the company will utilize Rs. 112.50 cr. for working capital, and the rest for general corporate purposes.

The sole Book Running Lead Manager (BRLM) to this issue is GYR Capital Advisors Pvt. Ltd., while Bigshare Services Pvt. Ltd. is the registrar to the issue. GYR Capital Advisors Pvt. Ltd., Choice Equity Broking Pvt. Ltd., are the syndicate members.

After issuing initial equity shares at par value, the company has issued/converted further equity shares at a fixed price of Rs. 21333.34 per share in April 2009. It has also issued bonus shares in the ratio of 213 for 1 in December 2024. The average cost of acquisition of shares by the promoters/selling stakeholders is Rs. NA, Rs. 0.44, and Rs. 0.87 per share.

Post-IPO, its current paid-up equity capital of Rs. 26.35 cr. will stand enhanced to Rs. 31.15 cr. Based on the upper cap of the price band, the company is looking for a market cap of Rs. 1121.36 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted a total income/net profit, of Rs. 139.46 cr. / Rs. 53.35 cr. (FY24), Rs. 105.80 cr. / Rs. 34.46 cr. (FY25), and Rs. 76.27 cr. / Rs. 40.02 cr. (FY26). The company posted declining trends in its top and inconsistency in bottom line for the reported periods. Its contingent liability stood at Rs. 31.73 cr. as of March 31, 2026.

According to the management, it is operating on a derisking model where it has positive returns on its projects. This protects in earning profits on all ongoing and proposed projects.

For the last three fiscals, the company has posted an average EPS of Rs. 15.33 and an average RoNW of 37.32 %. The issue is priced at a P/BV of 6.54 based on its NAV of Rs. 55.08 as of March 31, 2026, and at a P/BV of 3.53 based on its post-IPO NAV of Rs. 102.07 per share at the upper cap.

If we attribute FY26 super earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at P/E of 28.02. Based on FY25 earnings, the P/E stands at 32.55. The issue appears aggressively priced based on its recent average performance.

For the reported periods, the company has reported PAT Margins of 39.87% (FY24), 33.35% (FY25), 36.20% (FY26), and RoCE margins of 82.08%, 41.23%, 36.20%, respectively for the referred periods.

Dividend Policy

The company has paid a dividend of 50% for FY24 and thereafter it skipped. It has already adopted a dividend policy in September 2024, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown Panorama Studios, Baweja Studios, Balaji Telefilms, as its listed peers. They are currently trading at a P/E of 51.2, 7.12, and NA (as of August 14, 2026). However, they are not truly comparable on an apple-to-apple basis. This comparison appears to be an eyewash.

Merchant Banker's Track Record

The sole BRLM associated with this issue has handled 44 IPOs in the last three fiscals out of which NIL issues closed below the issue price on the listing date.

Conclusion / Investment Strategy

SPL is a production house engaged in the business of originating, creating, developing, producing, marketing and distribution films, TV serials, web series and related services. The company posted declining trends in its top lines with inconsistency in its bottom lines for the reported periods. The company follows de-risking strategy for its projects and thus ensuring positive returns. Based on its recent financial data, the issue appears aggressively priced. Well-informed/cash surplus/risk seekers may park funds for medium to long term.

About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

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