SUNSHINE PICTURES LIMITED

SMC Ranking

★★☆☆☆ (2/5)

Issue Highlights

Industry	Media & Entertainment
Offer for sale (Shares)	3,037,157
Fresh Issue (Shares)	4,800,034
Net Offer to the Public	78,37,191
Issue Size (Rs. Cr.)	268-282
Price Band (Rs.)	342-360
Offer Date	18-Aug-26
Close Date	20-Aug-26
Face Value	10
Lot Size	41

Issue Composition

	In shares
Total Issue for Sale	7,837,191
QIB	3,918,596
NIB	1,175,579
Retail	2,743,017

Shareholding Pattern (%)

Particulars	Pre-issue	Post -issue
Promoters & promoters group	100.00%	74.84%
QIB	0.00%	12.58%
NIB	0.00%	3.77%
Retail	0.00%	8.81%
Total	**100.00%**	**100.00%**

*calculated on the upper price band

Objects of the Issue

The Company proposes to utilise the Net Proceeds from the Issue towards the following objects:

1. Funding the working capital requirements of the Company
2. General Corporate Purposes

Book Running Lead Manager

- GYR Capital Advisors Private Limited

Name of the registrar

- Bigshare Services Private Limited

About the company

Sunshine Pictures Limited, incorporated in 2007, is a technology-driven content production company engaged in originating, creating, developing, producing, marketing and distributing films, television serials and web series. The company focuses on commercial and innovative content across the entire value chain, including script development, production, intellectual property creation, rights monetisation and distribution. It has produced commercially successful and socially relevant films such as Force, Commando, Holiday, Force 2, Commando 2 and The Kerala Story. To date, Sunshine Pictures Limited has produced ten commercial films, including six co-productions, two web series, two television serials and one short film. It currently co-produces two films with Jio Studios and is producing one web series for Doordarshan. The company follows a flexible production model, undertaking projects independently as well as in partnership with established studios, thereby balancing investment requirements, production risks and potential revenue opportunities, particularly for high-budget projects. It also leverages digital platforms such as YouTube, Instagram and Facebook to expand audience engagement and monetise content. As of June 30, 2026, the company had 28 full-time employees.

Strength

Experienced Promoters supported by Senior Management team: Sunshine Pictures Limited is led by Promoter and Managing Director Vipul Amrutlal Shah, who has over 25 years of experience in the film industry as a producer and director. His notable works include Aankhen, Waqt: The Race Against Time, Namastey London, London Dreams and Singh Is Kinng. The Company is further supported by Promoter and Whole Time Director Shefali Vipul Shah and Whole Time Directors Aryaman Vipul Shah and Maurya Vipul Shah. Their collective industry expertise supports content selection, production, technology adoption, marketing and distribution. The Company is also backed by experienced senior management professionals with strong operational and creative capabilities.

Established Track Record and long-standing relationships in the industry: Incorporated in 2007, Sunshine Pictures Limited is a production house engaged in producing and distributing films and web series. Over 18 years, the Company has delivered notable titles including Force, Commando: A One-Man Army, Holiday: A Soldier Is Never Off Duty, Force 2, Commando 2, Human and The Kerala Story. As of the date of the Red Herring Prospectus, it has produced 13 commercial films, two web series, three television serials and one short commercial film. The Company is also developing upcoming films and web content while expanding into music and digital originals, supported by industry relationships and access to established creative talent.

Differentiated and Robust Business Model: Sunshine Pictures Limited originates, creates, develops, produces and markets motion pictures and audio-visual content in a manner that maximises monetisation potential while controlling costs across the value chain, thereby reducing commercial risk and optimising profit. Unlike the traditional perception that profitability depends solely on a film being a “hit” or “flop,” the Company employs innovative structures that lower risk and support positive top-line and bottom-line outcomes. At the core is a de-risked portfolio of standalone productions and co-produced content across formats that deliver both growth and predictable cash flows.

Prudential Approach In standalone productions Sunshine Pictures Limited bears the full risk and retains all revenues, financing the entire project and executing end-to-end production, marketing and promotion. It remains the sole owner of the asset, retaining all rights, titles, copyrights and ancillary interests. Notable successes include The Kerala Story, made on a modest budget and delivering one of the highest returns on investment among Hindi films of 2023. Recognising that audience tastes change and even well-crafted films may underperform, the Company maximises revenue potential and optimises costs on every production to increase the likelihood of profitability.

Maximising revenue potential Films produced by Sunshine Pictures Limited constitute intellectual property that can be monetised through OTT, satellite, music and other exploitation rights. Music and associated videos often generate incremental revenue with limited additional cost once integrated into the original budget. Successful titles further open downstream opportunities such as remakes, sequels, prequels, spin-offs, dubbing, stage adaptations, web series, television productions, books, games and merchandising. The strength of the original franchise reduces risk and improves earnings predictability.

Reining in the cost of talent Traditional film-making allocates a large share of budgets to upfront fees for star actors and directors. Sunshine Pictures Limited mitigates this by negotiating partnerships that combine a lower-than-market upfront fee with a profit share. This aligns talent incentives with commercial success throughout production, marketing and promotion, keeping creative-talent costs among the lowest in the industry as a percentage of total production cost.

Optimising other costs Sunshine Pictures Limited maintains a lean corporate structure and tight end-to-end budget control without compromising creative vision. It prioritises in-house story development for financially viable concepts that resonate with target audiences, treats cast and crew professionally while avoiding star extravagances, and deploys on-set accountants to track daily expenses. Post-production editing is handled in-house for creative reasons, while dubbing, sound, VFX and video post are outsourced under close supervision. Locations offering subsidies or tax credits are preferred when narratively suitable. Advances in generative AI are expected to further reduce location, post-production and time-to-market costs. This prudential approach ensures that even films that underperform theatrically can still generate profit, while successful titles retain the full upside from theatrical, OTT, television and music revenues.

De-risking the Portfolio For larger-scale projects Sunshine Pictures Limited adopts a co-production model, partnering with reputable studios and producing the film for a

fixed fee against an agreed budget. Distribution and exploitation remain the studio's responsibility. Adherence to the pre-agreed budget provides assured stage-wise revenues and a contractually guaranteed minimum consideration irrespective of box-office results. The Company retains a share of intellectual property, profit above a threshold, and downstream OTT and television income. This structure enhances earnings predictability and supplies the financial foundation for independent projects. Sunshine Pictures Limited maintains a balanced portfolio of co-produced and standalone titles, limiting exposure to any single project to 30 per cent of its total annual budget.

High-quality standards: Sunshine Pictures Limited is a technology-driven content creator that specialises in multi-format commercial films, with a clear emphasis on innovation in storytelling and production techniques (Source: D&B Report). The Company's strong commitment to quality, supported by the effective use of technology—particularly in post-production—has produced a high-quality filmography recognised by peers and industry talent. This reputation has established Sunshine Pictures Limited as the preferred production house for several of the country's leading studios, reflecting its consistent ability to deliver polished, professionally executed content across formats.

Strategy

Increase production capacity: Growth in Sunshine Pictures Limited's business is directly linked to producing more content. The Company currently maintains a pipeline of new films and web series planned for the coming years, comprising a balanced mix of low-, medium- and big-budget productions, and intends to gradually increase this number over the medium and longer term. To support higher output, Sunshine Pictures Limited will expand its organisational sourcing and production capacity. Sourcing capacity will be strengthened by enlarging the writer pool and commissioning a greater volume of story ideas to create a larger funnel of candidates suited to different formats. Production capacity will be grown by hiring young talent, grooming them and building a creative leadership bench. This additional capacity will enable the concurrent execution of multiple projects across formats, extending the revenue pipeline and improving medium-term business visibility. Over time, the strategy of fostering in-house talent and providing creative space for skill development is expected to strengthen the Company's brand and position it as a preferred workplace for talented youngsters seeking careers in content direction and production across multiple formats.

Diversify the portfolio: To respond to rapidly changing audience tastes and the emergence of new demographic cohorts and regional consumption patterns, Sunshine Pictures Limited intends to produce a more diverse mix of films spanning different genres and multiple formats. This expansion will include categories such as drama, thriller, comedy, biopics, historical fiction, socially relevant cinema and family entertainment. A diversified content portfolio is expected to broaden audience reach, improve revenue predictability and strengthen the Company's brand. Sunshine Pictures Limited is exploring and developing content for theatrical films, direct-to-OTT releases, web series, short films and television serials to address varied preferences across urban, semi-urban and regional markets. It has recently launched two

verticals—Sunshine Music and Sunshine Digital (Originals)—and is currently live on YouTube with thirty-six original music videos and its maiden digital web series Bawra Mann. This multi-format, multi-genre approach aims to capture both mass and niche audiences, including younger digital-first viewers, family-centric audiences and regional language consumers. The strategy is designed to broaden the audience base, reduce over-dependence on any single format or genre, improve monetisation across platforms and bring greater consistency and predictability to revenue streams. Sunshine Music, the in-house music label, will be grown through acquisition and distribution of music rights, creation of original audio content and leveraging of digital platforms for additional revenue and brand visibility.

Launch new businesses: Sunshine Pictures Limited plans to leverage its skills and knowledge across all aspects of movie-making, together with its extensive industry network, to continually identify business opportunities and make the necessary investments to enter those areas. Potential avenues include segments within the movie production value chain such as studios and outsourced VFX and post-production services. Opportunities may also arise in related adjacencies, including further strengthening of the music label. In this segment the Company's core competencies and relationships with leading industry talent can support the building of a robust content library over a three-to-five-year period, generating a steady revenue stream.

Embrace new age media: Sunshine Pictures Limited believes that digital convergence, rapid technological developments in Augmented Reality and Virtual Reality, unprecedented penetration of mobile devices across India and the popularity of mobile content driven by low-cost data plans present significant growth opportunities. The Company plans to hire the necessary talent, build appropriate partnerships and leverage its content library to participate fully in these opportunities. Beyond driving growth and profitability through operating leverage, embracing new-age digital media is expected to help Sunshine Pictures Limited connect with younger generations, collect data on audience tastes and preferences, and use those insights to refine content and further enhance the audience experience.

Key Risk Factors

- Sunshine Pictures Limited's success depends mainly on audience acceptance of its films, web series and TV serials. Audience taste is hard to predict. This makes every project inherently risky.
- The Company relies heavily on Indian box-office success for a large share of its revenue. Its ability to monetise projects is limited to the rights it retains or owns.
- Most of Sunshine Pictures Limited's revenue comes from its top five customers—studios and independent distributors. Loss of any of these customers, or a drop in revenue from them, could seriously harm the Company's business, finances, results and cash flow.
- Successful completion of productions, co-productions and content acquisition depends on maintaining good relations with creative talent and industry partners.
-

Peer Comparison

Company	Total Sales	PAT	EPS	P/E	P/BV	BV	FV	Price	Mcap
Balaji Telefilms	210.84	-49.10	0.00	0.00	1.77	51.19	2	90.74	1106.14
Panorama Studios	308.51	15.66	0.60	79.10	5.60	8.47	2	47.46	1236.50
Sunshine Pictures Limited	74.44	40.02	12.85	28.02	3.53	102.07	10.00	360.00	1121.36

*Peer companies financials are TTM based

*** Sunshine Pictures Limited financials are based on FY26

Valuation:

Considering the P/E valuation, on the upper end of the price band of Rs.360, the stock is priced at pre issue P/E of 23.70x on FY2026 EPS of Rs.15.19. Post issue, the stock is priced at a P/E of 28.02x on its EPS of Rs. 12.85. Looking at the P/B ratio at Rs.360 pre issue, book value of Rs.55.08 of P/Bvx 6.54x. Post issue, book value of Rs.102.07 of P/Bvx 3.53x.

Considering the P/E valuation, on the lower end of the price band of Rs.342, the stock is priced at pre issue P/E of 22.52 x on FY 2026 EPS of Rs. 15.19. Post issue, the stock is priced at a P/E of 26.62x on its EPS of Rs. 12.85. Looking at the P/B ratio at Rs.342 pre issue, book value of Rs. 55.08 of P/Bvx 6.21x. Post issue, book value of Rs.102.07 of P/Bvx 3.35x.

Industry Overview

India's Media & Entertainment (M&E) industry is undergoing rapid transformation, driven by digitalisation, rising smartphone and internet penetration, affordable data and changing consumer preferences. The sector is expected to reach approximately ₹3.3 trillion by 2028, with digital media emerging as the largest revenue contributor. OTT platforms are expanding rapidly, supported by increasing demand for on-demand and regional-language content. In 2025, around 500 films were released on OTT platforms, while regional content accounted for 56% of OTT consumption. The film industry also continues to benefit from strong theatrical performance and expanding overseas markets, creating multiple monetisation opportunities for content producers.

Outlook

Sunshine Pictures Limited is well positioned for medium-term growth, supported by experienced promoters, an established industry track record, a diversified content pipeline and a prudent production model that balances standalone and co-produced projects. Expansion across films, web series, music and digital content, along with new-age media opportunities, could broaden revenue streams and improve monetisation. However, earnings remain exposed to unpredictable audience preferences, box-office performance, customer concentration and dependence on creative talent and industry relationships.

An Indicative timetable in respect of the Issue is set out below:

EVENT	INDICATIVE DATE (On or about)
IPO Open Date	Tue, Aug 18, 2026
IPO Close Date	Thu, Aug 20, 2026
Tentative Allotment	Fri, Aug 21, 2026
Initiation of Refunds	Mon, Aug 24, 2026
Credit of Shares to Demat	Mon, Aug 24, 2026
Tentative Listing Date	Tue, Aug 25, 2026

Annexure

Consolidated Financials

Profit & Loss

Rs. in Cr.

Particulars	Period ended 31-Mar-26 (12 Months)	Period ended 31-Mar-25 (12 Months)	Period ended 31-Mar-24 (12 Months)
Revenue from operations	74.44	103.33	133.80
Total expenditure	17.41	55.05	65.49
Operating Profit	**57.03**	**48.28**	**68.31**
OPM%	76.61	46.72	51.06
Other Income	1.84	2.47	5.66
Total Net Income	**58.86**	**50.75**	**73.97**
Interest	1.76	1.75	0.69
PBDT	**57.10**	**48.99**	**73.29**
Depreciation	2.72	2.78	2.22
Profit/(loss) before Exceptional items & tax	**54.38**	**46.22**	**71.07**
Exceptional Items	-0.32	0.01	0.00
PBT	**54.06**	**46.23**	**71.07**
Tax	14.04	11.76	17.72
Profit & Loss	**40.02**	**34.46**	**53.35**

Balance sheet is on next page

Balance Sheet

Rs. in Cr.

Particulars	As on 31-Mar-26	As on 31-Mar-25	As on 31-Mar-24
Non-current assets			
Property Plant & Equipment	10.40	12.92	12.28
Right-of-Use Assets	0.35	0.28	0.22
Capital work-in-progress	0.00	0.00	12.73
Financial assets			
Investments	0.00	0.00	0.00
Other Financial Assets	1.80	4.31	9.91
Deferred Tax Assets (net)	0.43	0.00	0.00
Total non-current assets	**12.98**	**17.51**	**35.14**
Current asset			
Inventories	75.06	24.08	24.32
Financial Assets			
Investments	0.00	26.16	20.42
Trade receivables	66.51	28.39	7.97
Cash and cash equivalents	0.48	11.64	1.33
Loans	3.83	3.67	4.53
Other financial assets	3.00	3.01	0.26
Other Current Assets	2.70	2.07	3.30
Current tax Assets (Net)	0.12	0.12	0.12
Total current assets	**151.68**	**99.13**	**62.24**
Asset classified as held for sale	**14.98**	**14.64**	**0.00**
Total Assets	**179.64**	**131.28**	**97.38**
Non-current liabilities			
Financial liabilities			
Borrowings	1.66	2.18	0.00
Lease Liabilities	0.20	0.18	0.08
Provisions	0.47	0.22	0.00
Deferred Tax Liabilities (Net)	0.00	0.15	0.15
Total Non- Current liabilities	**2.33**	**2.73**	**0.24**
Current liabilities			
Financial Liabilities			
Borrowings	7.44	8.98	16.67
Lease Liabilities	0.16	0.10	0.15
Trade Payables			
- Total outstanding dues of MSME	1.63	1.15	0.31
- Total outstanding dues of creditors other than MSME	5.75	3.68	6.99
Other financial liabilities	0.04	0.02	0.00
Other current liabilities	7.30	5.91	1.98
Provisions	0.30	0.06	0.03
Current tax liabilities (net)	9.56	3.59	0.42
Total - Current Liabilities	**32.18**	**23.48**	**26.55**
Total Liabilities	**34.50**	**26.21**	**26.78**
Net worth represented by:			
Equity share capital	26.35	26.35	0.12
Other equity	118.79	78.72	70.47
Total Equity	**145.13**	**105.07**	**70.60**

RANKING METHODOLOGY

WEAK	★
NEUTRAL	★ ★
FAIR	★ ★ ★
GOOD	★ ★ ★ ★
EXCELLENT	★ ★ ★ ★ ★

E-mail: smc.care@smcindiaonline.com

Corporate Office:
11/6B, Shanti Chamber,
Pusa Road, New Delhi - 110005
Tel: +91-11-30111000
www.smcindiaonline.com

Mumbai Office:
Lotus Corporate Park, A Wing 401 / 402 , 4th Floor , Graham Firth Steel Compound, Off Western Express Highway, Jay Coach Signal, Goreagon (East) Mumbai - 400063
Tel: 91-22-67341600, Fax: 91-22-67341697

Kolkata Office:
18, Rabindra Sarani, Poddar Court, Gate No-4,
5th Floor, Kolkata - 700001
Tel.: 033 6612 7000/033 4058 7000
Fax: 033 6612 7004/033 4058 7004

SMC Global Securities Ltd. (hereinafter referred to as "SMC") is regulated by the Securities and Exchange Board of India ("SEBI") and is licensed to carry on the business of broking, depository services and related activities. SMC is a registered member of National Stock Exchange of India Limited, Bombay Stock Exchange Limited, MSEI (Metropolitan Stock Exchange of India Ltd) and M/s SMC Comtrade Ltd is a registered member of National Commodity and Derivative Exchange Limited and Multi Commodity Exchanges of India and other commodity exchanges in India. SMC is also registered as a Depository Participant with CDSL and NSDL. SMC's other associates are registered as Merchant Bankers, Portfolio Managers, NBFC with SEBI and Reserve Bank of India. It also has registration with AMFI as a Mutual Fund Distributor.

SMC is a SEBI registered Research Analyst having registration number INH100001849. SMC or its associates has not been debarred/ suspended by SEBI or any other regulatory authority for accessing /dealing in securities market. SMC or its associates or its Research Analyst or his relatives do not hold any financial interest in the subject company interest at the time of publication of this Report. SMC or its associates or its Research Analyst or his relatives do not hold any actual/beneficial ownership of more than 1% (one percent) in the subject company, at the end of the month immediately preceding the date of publication of this Report. SMC or its associates its Research Analyst or his relatives does not have any material conflict of interest at the time of publication of this Report.

SMC or its associates/analyst has not received any compensation from the subject company covered by the Research Analyst during the past twelve months. The subject company has not been a client of SMC during the past twelve months. SMC or its associates has not received any compensation or other benefits from the subject company covered by analyst or third party in connection with the present Research Report. The Research Analyst has not served as an officer, director or employee of the subject company covered by him/her and SMC has not been engaged in the market making activity for the subject company covered by the Research Analyst in this report.

The views expressed by the Research Analyst in this Report are based solely on information available publicly available/internal data/ other reliable sources believed to be true. SMC does not represent/ provide any warranty expressly or impliedly to the accuracy, contents or views expressed herein and investors are advised to independently evaluate the market conditions/risks involved before making any investment decision. The research analysts who have prepared this Report hereby certify that the views /opinions expressed in this Report are their personal independent views/opinions in respect of the subject company.

Disclaimer: This Research Report is for the personal information of the authorized recipient and doesn't construe to be any investment, legal or taxation advice to the investor. It is only for private circulation and use. The Research Report is based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such. No action is solicited on the basis of the contents of this Research Report. The Research Report should not be reproduced or redistributed to any other person(s)in any form without prior written permission of the SMC. The contents of this material are general and are neither comprehensive nor inclusive. Neither SMC nor any of its affiliates, associates, representatives, directors or employees shall be responsible for any loss or damage that may arise to any person due to any action taken on the basis of this Research Report. It does not constitute personal recommendations or take into account the particular investment objectives, financial situations or needs of an individual client or a corporate/s or any entity/s. All investments involve risk and past performance doesn't guarantee future results. The value of, and income from investments may vary because of the changes in the macro and micro factors given at a certain period of time. The person should use his/her own judgment while taking investment decisions. Please note that SMC its affiliates, Research Analyst, officers, directors, and employees, including persons involved in the preparation or issuance if this Research Report: (a) from time to time, may have long or short positions in, and buy or sell the securities thereof, of the subject company(ies) mentioned here in; or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company(ies) discussed herein or may perform or seek to perform investment banking services for such company(ies) or act as advisor or lender/borrower to such subject company(ies); or (c) may have any other potential conflict of interest with respect to any recommendation and related information and opinions. All disputes shall be subject to the exclusive jurisdiction of Delhi High court.