

IPO Note

SUNSHINE PICTURES LIMITED

Aug 18th, 2026

Sunshine Pictures Limited

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Details of the Issue	
Price Band	₹ 342 - ₹ 360
Issue Size	₹ 282 Cr
Market Cap	₹ 1,121.4 Cr
Face Value	₹ 10
Bid Lot	41
Listing on	BSE,NSE
Investment Range	₹ 14,022 - ₹ 14,760

Important Indicative Dates (2026)	
Opening	18 - Aug
Closing	20 - Aug
Basis of Allotment	21 - Aug
Refund Initiation	24 - Aug
Credit to Demat	24 - Aug
Listing Date	25 - Aug

Lead Manager
GYR Capital Advisors Pvt Ltd

Offer Details	
Offer Size	₹ 282 Cr
Fresh Issue	₹ 173 Cr
OFS	₹ 109 Cr

Type	In Rs Cr	No of Shares (Mn)		% of Issue
		Upper	Lower	
QIB	141	3.9	4.1	50
NII	42.3	1.2	1.2	15
Retail	98.7	2.7	2.9	35
Em-ploy.	-	-	-	-
Total	282	7.8	8.2	100

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Company Profile

Incorporated in 2007, Sunshine Pictures Ltd is a technology-driven content production house engaged in the origination, creation, development, production, marketing and distribution of films, television serials and web series. Over the years, the company has established a strong presence in modern Indian cinema, producing and distributing commercially successful and socially relevant projects. The company made its production debut with Force, which emerged as a box-office success. Since then, it has delivered several prominent titles, including Commando: A One-Man Army, Holiday: A Soldier Is Never Off Duty, Force 2, Commando 2: The Black Money Trail and The Kerala Story. Notably, The Kerala Story emerged as one of the highest return-on-investment blockbusters of 2023, highlighting Sunshine Pictures' ability to combine strong commercial appeal with socially relevant storytelling.

GEPL's Insights & Investment Thesis:

- Sunshine Pictures Ltd reported weak revenue growth between FY24-26. Further, the company has also reported negative operating cash flow in FY2026 due to higher working capital requirements.
- The company faces intense competition from established players such as Yash Raj Films, Dharma Productions, and Maddock Films Pvt Ltd, which have expansive portfolios, significant budget, and advanced production capabilities.
- Based on the FY26 earnings, relative to the company's paid-up capital, the issue is priced at a P/E ratio of 33x. The company faces intense competition from established players, weak financials, and high working capital requirements. Therefore, we recommend a "**Avoid**" rating for issue.

Business Highlights & Services

Sunshine Pictures follows a technology-led approach to content creation and specializes in multi-format commercial projects, with a strong emphasis on innovation in storytelling and production techniques. The company operates a fully digitized workflow spanning script development to post-production, enabling seamless integration of creative and technical processes. It leverages industry-standard digital tools for script breakdown, budgeting, scheduling and production planning, helping improve execution efficiency, optimize costs and enhance overall project management. The company leverages advanced post-production technologies, including digital intermediate (DI) color grading, high-resolution editing suites, Dolby Atmos sound mixing and sophisticated visual effects (VFX) pipelines. These capabilities enable the company to deliver cinematic quality comparable with leading global studios while maintaining consistency, efficiency and scalability across projects.

The company also follows a data-driven approach to project evaluation and content selection. Its greenlighting decisions are supported by audience analytics, genre-specific performance trends, regional and linguistic viewing preferences and OTT consumption patterns. This analytical framework enables the company to assess the commercial viability and potential audience alignment of projects before commencing development, thereby improving decision-making, optimizing resource allocation and enhancing the predictability of project outcomes.

Since its inception, Sunshine Pictures has steadily expanded its presence in motion picture production. As of the date of the Red Herring Prospectus, the company has produced 13 commercial films, comprising seven co-productions with reputed studios and six self-produced films, along with two web series, three television serials and one short commercial film. The company is further expanding its content pipeline. It is currently co-producing Hisaab with Jio Studios, which is in the post-production stage and is scheduled for release in FY27. In addition, Sunshine Pictures is independently producing a commercial film tentatively titled Samuk and a web series titled Nanavati vs Nanavati, both scheduled for release in FY27. The company also has six films and two web series in its production pipeline. To diversify its content offerings and strengthen its digital presence, Sunshine Pictures has recently launched two new verticals—Sunshine Music and Sunshine Digital (Originals). The company currently has 36 original music videos live on its YouTube channel, along with its maiden digital web series, Bawra Mann, and Ankahee. These initiatives further strengthen its presence across music, digital and long-form entertainment formats, while broadening its content monetization opportunities.

Sunshine Pictures follows a structured, end-to-end approach to content production, beginning with the conceptualization of an idea and development of the script, including the story, screenplay, dialogues and overall narrative structure. Once the script is finalized, the company determines the key creative and technical requirements, including the selection of cast and crew. A comprehensive production budget is then prepared covering pre-production, production and post-production expenses. Separately, a Print and Advertising (P&A) budget is formulated to account for marketing and distribution-related costs. The company generally undertakes editing in-house to retain greater creative control, while specialized activities such as dubbing, sound design and mixing, and visual effects (VFX) are outsourced to experienced studios and professionals under close supervision. Sunshine Pictures has developed cordial and longstanding relationships with its production partners, enabling it to access quality services while maintaining cost efficiency.

The company follows a prudent and disciplined approach to filmmaking, with a strong focus on maintaining tight control over end-to-end project costs without compromising its creative vision. It has adopted a no-cash/minimum-cash payment policy, with payments, including day-to-day shooting expenses for films and web series, routed primarily through banking channels. On-set accountants are deployed to manage payments, monitor daily expenditure and facilitate expense tracking and auditing. This cost-conscious operating model enables the company to produce projects at viable budgets, thereby reducing financial exposure and mitigating the impact of underperformance at the box office. Sunshine Pictures has also established a growing presence across major social media platforms, including YouTube, Instagram and Facebook. As of date, its YouTube channel has approximately 196,000 subscribers and over 193.9 million cumulative views, while its Instagram and Facebook pages have around 132,000 and 106,000 followers, respectively. The company also monetizes its digital content through the streaming of short-form and other original content across these platforms, providing an additional avenue for revenue generation and audience engagement.

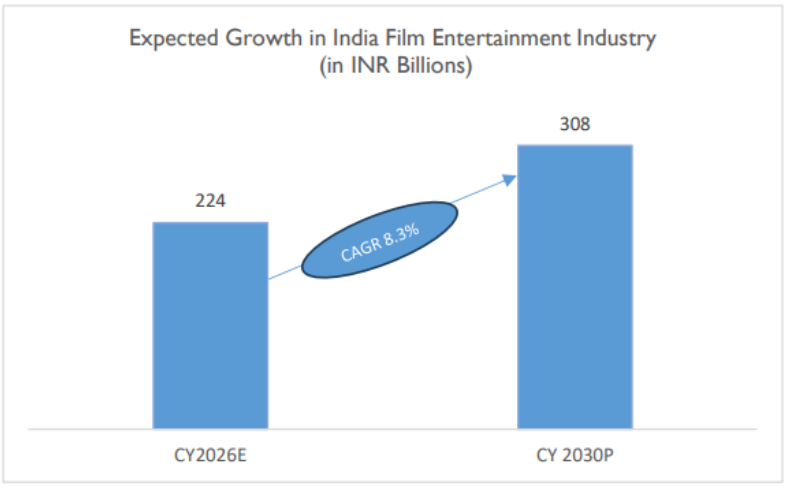
Operational Metrics

Particular (in Cr.)	FY26		FY25		FY24	
	Revenue (Standalone)	% of Total Revenue	Revenue (Consolidated)	% of Total Revenue	Revenue (Consolidated)	% of Total Revenue
Production and distribution of Films and associated rights	67	90%	54	52%	131	98%
Production and distribution of web series/TV serials and associated rights	1	1%	50	48%	3	2%
Others (Music rights exploitation, Talent management social media platforms such as Youtube, Instagram and music label and etc.)	7	9%	0	0%	0	0%
Total	**74**	**100%**	**103**	**100%**	**134**	**100%**

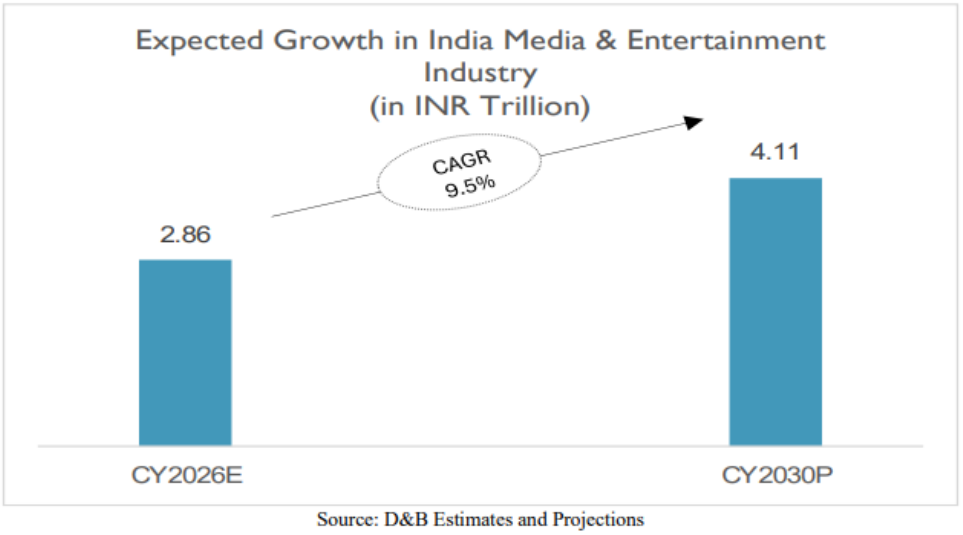
Revenue generated from top customers

Particular	FY26		FY25		FY24	
	Revenues (INR in Cr)	% of Total Revenue	Revenues (INR in Cr)	% of Total Revenue	Revenues (INR in Cr)	% of Total Revenue
Top 1 Customers	20	27%	50	48%	38	29%
Top 3 Customers	39	53%	102	98%	79	59%
Top 5 Customers	56	75%	103	100%	111	83%
Top 10 Customers	65	88%	103	100%	131	98%

Industry Outlook



Source: D&B Estimates and Projections



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Name of the company	Face Value (₹)	Total Revenue (₹ Cr)	EPS	NAV (₹)	P/E (x)	RoNW(%)
Sunshin Pictures Ltd	**10**	**76.27**	**15.19**	**55.1**	**NA**	**27.58**
Peers Group						
Panorama Studios International Ltd	2	317.35	0.6	8.47	81	7.10
Baweja Studios Ltd	10	69.51	3.29	59.73	8.68	5.52
Balaji Telefilms Ltd	2	221.16	-4.09	51.22	NA	-7.96

Company's Competitive Strength

- Experienced Promoters supported by Senior Management team.
- Established Track Record and long-standing relationships in the industry.
- Differentiated and Robust Business Model.

Key Strategies Implemented by Company

- Increase production capacity .
- Diversify the portfolio.
- Launch new businesses.
- Embrace new age media.

Particular (INR in Cr)	FY26	FY25	FY24
Equity Capital	26	26	0
Reserves and Surplus	119	79	70
Net Worth	145	105	71
Revenue	74	103	134
Growth (%)	-28%	-23%	
EBITDA	57	48	68
EBITDAM (%)	77%	47%	51%
PAT	40	34	53
PATM (%)	53.7%	33.3%	39.9%
ROE (%)	32.0%	39.2%	109.0%
ROCE (%)	36.2%	41.2%	82.1%

Notes

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