प्रबंधक Manager
निगम वित विभाग Corporation Finance Department
निर्गम एवं सूचीबद्धता प्रभाग -3 Division of Issues and Listing – 3
Tel. (Direct):022 – 2644 9848
E-mail: amanulh@sebi.gov.in

SEBI/HO/CFD/RAC-DIL3/P/OW/2025/15999/1
June 13, 2025

GYR Capital Advisors Private Limited
428, Gala Empire, Near JB Tower,
Drive in Road, Thaltej,
Ahemdabad, Gujarat,
India - 380 054

Kind Attention: Mr. Mohit Baid / Ms. Maitri Thakkar

महोदय / महोदया,
Dear Sir / Madam,

विषय / Sub: Proposed IPO of Sunshine Pictures Limited (SPL/the Company/Issuer)

उपरोक्त से संबंधित प्रारूप प्रस्ताव दस्तावेज (ड्राफ्ट ऑफर डॉक्यूमेंट), भारतीय प्रतिभूति और विनिमय बोर्ड (सेबी) द्वारा मांगे गए स्पष्टीकरणों और उसके संबंध में दिए गए उत्तरों के संदर्भ में, यह सूचित किया जाता है कि इनकी जाँच करने पर यह पाया गया है कि इनमें कमियाँ हैं / भारतीय प्रतिभूति और विनिमय बोर्ड [पूँजी का निर्गमन (इश्यू) और प्रकटीकरण अपेक्षाएँ] विनियम, 2018 [सेबी (इश्यू ऑफ कैपिटल एंड डिस्क्लोज़र रिक्वायरमेंट्स) रेग्यूलेशन्स, 2018] के प्रावधानों और दिए गए अनुदेशों का पालन नहीं किया गया है, और आपके लिए यह जरूरी है कि आप स्टॉक एक्सचेंज और / या कंपनी रजिस्ट्रार के पास प्रस्ताव दस्तावेज दाखिल करने से पहले उन कमियों को दूर करें और संबंधित प्रावधानों तथा दिए गए अनुदेशों का पालन करें। उपरोक्त के संबंध में की गई टिप्पणियों का और जिन शर्तों आदि का पालन किया जाना है, उनका जिक्र संलग्नक 'I' और संलग्नक 'II' में किया गया है। कृपया यह भी नोट करें कि संलग्नक में जो कमियाँ बताई गई हैं / कुछ और प्रकटीकरण (डिस्क्लोज़र) करने की बात कही गई है, यह सब आपको केवल उदाहरण के तौर पर ही बताया गया है। यह सुनिश्चित करने की जिम्मेदारी आपकी है कि सभी और सही प्रकटीकरण किए जाएं।

With reference to the draft offer document in respect of captioned issue, clarifications sought by SEBI and the replies submitted therein, it is stated that on scrutiny of the same, deficiencies / instances of non-compliance of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (hereinafter referred to as SEBI (ICDR) Regulations, 2018) and instructions have been observed, which are required to be rectified / complied with by you before filing the offer document with the Stock Exchange and/ or ROC. Observations on the captioned issue and other conditions to be complied with are indicated in Annexure 'I' and 'II'. It may be noted that the deficiencies / requirement of additional disclosures listed in the Annexure are merely illustrative and not exhaustive. It is your responsibility to ensure full and true disclosures.

1. बुक रनिंग लीड मैनेजर होने के नाते, आप यह सुनिश्चित करेंगे कि स्टॉक एक्सचेंज / कंपनी रजिस्ट्रार के पास प्रस्ताव दस्तावेज दाखिल करने से पहले संलग्नक में दी हुई टिप्पणियों / शर्तों आदि के अनुसार प्रस्ताव दस्तावेज में बदलाव कर लिए जाएं। कंपनी रजिस्ट्रार / स्टॉक एक्सचेंज के पास अंतिम प्रस्ताव दस्तावेज दाखिल करने से पहले आपको हमें एक

पत्र भेजकर इस बात की पुष्टि करनी होगी कि अपेक्षानुसार बदलाव कर लिए गए हैं और साथ ही यह भी बताना होगा कि प्रत्येक टिप्पणी / शर्त आदि के अनुसार बदलाव कैसे किए गए हैं । इसके अलावा और कोई भी बदलाव सेबी से लिखित सहमति लिए बिना नहीं किए जाएंगे ।

As Book Running Lead Manager **(BRLM/LM)**, you shall ensure that all changes are effected based on the observations/ conditions contained in the Annexure before you file the offer document with the stock Exchange/ ROC. A letter confirming these changes and explaining, in seriatim, the manner in which each observation / condition has been dealt with along with your comments should be submitted to us, before filing the final offer document with ROC / Stock Exchange. **NO FURTHER CHANGES SHOULD BE EFFECTED WITHOUT SPECIFIC WRITTEN CONSENT OF SEBI.**

2. यह स्पष्ट किया जाता है कि भारतीय प्रतिभूति और विनिमय बोर्ड (सेबी) के पास प्रस्ताव दस्तावेज (ऑफर डॉक्यूमेंट) दाखिल करने का अर्थ किसी भी तरह से यह न लगाया जाए कि सेबी द्वारा इसे मंजूरी प्रदान कर दी गई है । सेबी न तो इस बात की कोई जिम्मेदारी लेता है कि जिस स्कीम या परियोजना (प्रोजेक्ट) के लिए निर्गम (इश्यू) लाए जाने का प्रस्ताव है उसकी वित्तीय स्थिति अच्छी है और न ही इस बात की जिम्मेदारी लेता है कि प्रस्ताव दस्तावेज में दी गई जानकारी या व्यक्त की गई राय सही है । अग्रणी प्रबंधकों (लीड मैनेजर्स) ने यह प्रमाणित किया है कि प्रस्ताव दस्तावेज में जो प्रकटीकरण (डिस्क्लोज़र) किए गए हैं वे मोटे तौर पर पर्याप्त हैं और जो प्रकटीकरणों (डिस्क्लोज़र) तथा निवेशक संरक्षण के संबंध में उस समय लागू सेबी के विनियमों के प्रावधानों के अनुसार किए गए हैं । अग्रणी प्रबंधक यह भी सुनिश्चित करेंगे कि ऐसा भारतीय प्रतिभूति और विनिमय बोर्ड [पँजी का निर्गमन (इश्यू) और प्रकटीकरण अपेक्षाएँ] विनियम, 2018 [सेबी (इश्यू ऑफ कैपिटल एंड डिस्क्लोज़र रिक्वायरमेंट्स) रेग्यूलेशन्स, 2018] के अनुसार भी किया जाए । ऐसा करना इसलिए जरूरी है, ताकि निवेशक प्रस्तावित निर्गम (इश्यू) में निवेश करने के संबंध में सोच-समझकर निर्णय ले सकें ।

It is to be distinctly understood that submission of offer document to SEBI should not in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the issue is proposed to be made or for the correctness of the statements made or opinions expressed in the offer document. The LMs have certified that the disclosures made in the offer document are generally adequate and are in conformity with SEBI regulations for disclosures and investor protection in force for the time being. The LMs are advised to ensure the same with respect to SEBI (ICDR) Regulations, 2018. This requirement is to facilitate investors to take an informed decision for making investment in the proposed issue.

3. यह भी पूरी तरह से स्पष्ट किया जाता है कि यद्यपि इस बात की जिम्मेदारी मुख्य रूप से निर्गमकर्ता (इश्युअर) कंपनी की होती है कि प्रस्ताव दस्तावेज में समस्त जरूरी जानकारी प्रकट की जाए और जो सही और पर्याप्त हो, फिर भी अग्रणी प्रबंधकों (लीड मैनेजर्स) से अपेक्षित है कि वे यह सुनिश्चित करने के लिए पूरी तत्परता (ड्यू डिलिजेंस) बरतें कि कंपनी अपनी जिम्मेदारियाँ सही ढंग से निभाए, और इसी उद्देश्य से अग्रणी प्रबंधकों ने भारतीय प्रतिभूति और विनिमय बोर्ड (इश्यू ऑफ कैपिटल एंड डिस्क्लोज़र रिक्वायरमेंट्स) रेग्यूलेशन्स, 2018 के अनुसार सेबी के पास पूरी तत्परता बरते जाने के संबंध में तारीख December 31, 2024 का प्रमाणपत्र (ड्यू डिलिजेंस सर्टिफिकेट) प्रस्तुत किया है ।

It should also be clearly understood that while the Issuer Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the offer document, the LMs are expected to exercise Due Diligence to ensure that the Company discharges its responsibility adequately in this behalf and towards this purpose, the LMs have furnished to SEBI a Due Diligence Certificate dated December 31, 2024 in accordance with SEBI ICDR Regulations, 2018.

4. हालाँकि, कंपनी प्रस्ताव दस्तावेज दाखिल कर देने से ही कंपनी अधिनियम, 2013 की धारा 34 के तहत दी गई किसी भी बाध्यता से मुक्त नहीं हो जाती या वह कानूनी प्रावधानों के अनुसार ली जाने वाली मंजूरी या ऐसी कोई अन्य मंजूरी लेने से मुक्त नहीं हो जाती, जो प्रस्तावित निर्गम के संबंध में लेनी जरूरी हो। हालाँकि, सेबी प्रस्ताव दस्तावेज में कोई अनियमितता या कमी पाए जाने पर कभी भी अग्रणी प्रबंधकों के खिलाफ कार्रवाई कर सकता है।

The filing of offer document does not, however, absolve the company from any liabilities under Section 34 of the Companies Act, 2013 or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed issue. SEBI further reserves the right to take up, at any point of time, with the LMs any irregularities or lapses in offer document.

5. किसी भी प्रचार सामग्री या विज्ञापन में ऐसा कुछ भी उल्लेख नहीं किया जाएगा, जो प्रारूप प्रस्ताव दस्तावेज (ड्राफ्ट ऑफर डाक्यूमेंट) में दी गई जानकारी से भिन्न हो। इस संबंध में आपका ध्यान विशेष रूप से कंपनी अधिनियम, 2013 की धारा 36 के प्रावधानों की ओर आकर्षित किया जाता है।

Any publicity materials / advertisements should not contain matters extraneous to the information contained in the draft offer document. **Attention is specifically drawn to the provisions of Section 36 of the Companies Act, 2013.**

6. अग्रणी प्रबंधक यह सुनिश्चित करें कि भारतीय प्रतिभूति और विनिमय बोर्ड [पूँजी का निर्गमन (इश्यू) और प्रकटीकरण अपेक्षाएँ] विनियम, 2018 के विनियम 25(1) और अनुसूची- III के अनुसार उपरोक्त निर्गम (इश्यू) के संबंध में फाइलिंग फीस की गणना किस प्रकार की गई है उसका एक विस्तृत विवरण, यथास्थिति, कंपनी रजिस्ट्रार के यहाँ प्रॉस्पेक्टस दाखिल किए जाने के सात दिनों के भीतर / स्टॉक एक्सचेंज के पास प्रस्ताव-पत्र (लेटर ऑफ ऑफर) दाखिल किए जाने के सात दिनों के भीतर, सेबी के पास प्रस्तुत कर दिया जाए और साथ ही अब तक अदा की गई फाइलिंग फीस का ब्यौरा भी दिया जाए।

The LMs are advised to ensure that a detailed calculation of filing fees in relation to the captioned issue in terms of regulation 25(1) and Schedule III of the SEBI (ICDR) Regulations, 2018 is submitted to SEBI <u>within seven days</u> of filing the Prospectus with ROC/ <u>within seven days</u> of filing the Letter of Offer with the stock exchange, as the case may be, along with <u>details of filing fees paid till date</u>.

आपने जो फीस अदा की है, यदि वह वास्तव में अदा की जाने वाली फीस से कम हो, तो ऐसे में अग्रणी प्रबंधक यह सुनिश्चित करेंगे और इस बात की पुष्टि करेंगे कि सेबी को शेष फीस अदा किए जाने के संबंध में इन विनियमों की अनुसूची-III के प्रावधानों का पालन किया गया है।

If filing fees paid by you is less than the actual fees required to be paid, the LMs are advised to ensure and confirm compliance with the provisions of Schedule III of the said Regulations in regard to payment of the balance fees to SEBI.

आपने जो फीस अदा की है, यदि वह वास्तव में अदा की जाने वाली फीस से अधिक हो, तो ऐसे में आप सेबी को सूचित करेंगे कि कितनी फीस लौटाई जानी है, साथ ही आप यह भी बताएंगे कि आपने लौटाई जाने वाली फीस की रकम की गणना कैसे की है और सेबी को किसके नाम पर भुगतान करना होगा।

If filing fees paid by you are more than the actual fees required to be paid, you are advised to inform SEBI about the amount to be refunded, along with detailed calculation of amount refundable and name of the person in whose favour, the payment may be made by SEBI.

7. प्रस्तावित निर्गम (इश्यू) इस अभिमत पत्र के जारी होने की तारीख से 12 महीनों के भीतर पैसा लगाने (अभिदान करने / सब्स्क्रिप्शन) के लिए खोला जा सकता है।

The proposed issue can open for subscription within a period of 12 months from the date of issuance of this observation letter.

8. आपसे अनुरोध है कि इस पत्र की प्राप्ति के 15 । करें प्रस्तुत उत्तर अपना भीतर के दिवस

You are requested to submit your response within 15 days of the receipt of this letter.

Amanul

Place: Mumbai **Md. Amanul Haque**

Annexure I

OBSERVATIONS

1. Please refer to our email/letter dated February 11, 2025 and the response received from Book Running Lead Managers **(BRLM / LM)** vide email/letter dated February 18, 2025 and all other correspondences exchanged ending with your email/letter dated June 13, 2025. LM is advised to ensure compliance with the same.

2. The LM is advised to ensure that the language used in the Draft Red Herring Prospectus (**DRHP**) is lucid, usage of abbreviations is limited, abbreviations to be used in the para, if already quoted in the same page / heading; any expressions, jargons or nomenclatures from other languages or not commonly used, are explained clearly at all relevant places.

3. LM is advised to ensure that the Risk Factors provide adequate explanation of risk, are placed based on materiality and provide cross-reference to the exact page no. of the DRHP/UDRHP, wherein further information has been disclosed.

4. LM is advised to disclose the face value of the shares at all relevant places in the UDRHP.

5. LM is advised to incorporate all the certificates issued by the Chartered Accountants under the section Material Contracts and Documents for Inspection.

6. In case the company is contemplating issuance of Equity Shares through pre-IPO placement:

   6.1 LM is advised to confirm and disclose that the Pre-IPO allottees have been appropriately informed that there is no guarantee that the IPO may come through or listing will happen and the investment is being done solely at the risk of the investor. Such information shall be provided to the investors prior to the allotment of shares.

   6.2 LM is advised to disclose that the amount of Pre-IPO placement is to be used for the object of the Issue as disclosed in the draft offer document.

   6.3 The Pre-IPO placement undertaken by the company, if any, to be disclosed as a risk to the investors applying in IPO, and whether the Pre-IPO was at a price higher / lower than the IPO price. Further, such Risk Factor to be included in the price band advertisement.

7. **Section I – General**

   7.1 Page 10- No circular dated October 14, 2012 is available on SEBI website. LM is advised to recheck the date, ref. no. of the said circular and check whether such circular is still in force.

7.2 The DRHP suffers from numerous grammatical/language errors such as 'Decmeber', 'Centeral Processing Center', 'restated conslodidated' and incomplete words/statements/figures. LM is advised to proof read the entire DRHP and remove these errors.

8. **Summary of The Offer Document**

8.1 Page 27: Please refer the para, "…….*have bagged various awards such as*….." LM is advised to delete the references to any awards across the DRHP.

8.2 Page 28 and Page 137- LM is advised to disclose the period during which the M&E sector achieved the growth.

8.3 Please refer Summary of Related Party Transactions.

8.3.1 LM is advised to include a Risk Factor (RF) for the rent paid to promoter. Further, LM is advised to disclose that the rent is paid on the prevailing market rates or more.

8.3.2 LM is advised to disclose the reason for payment of professional fees being paid to Promoter/Promoter Group. Further, LM is advised to disclose the nature of services being rendered by the Promoter/Promoter Group in lieu of the said professional fees along with relevant provisions of Companies Act under which such payment has been made.

8.3.3 LM is advised to disclose that the interest rate being paid to the promoter is as per prevailing market rate or more. If more, disclose this as a separate RF.

8.3.4 LM is advised to elaborate and disclose the reasons for the payment of marketing expenses to DeNovo Hospitality Private Limited.

8.4 Page 35: LM is advised to include a Risk Factor that investors should not expect bonus issuance in the future or future bonus issuance in large ratios etc.

9. **RISK FACTORS (RF)**

9.1 RF 1: LM is advised to justify and substantiate the said RF through cost incurred, revenue and profit made. Further, Criteria, if any, on Page 39, for stating that the project was commercially successful may be disclosed.

9.2 RF 2: Page 40- Revenue stream and revenue from year to year is volatile. LM is advised to incorporated this suitably as a risk factor.

9.3 RF 6: LM is advised to update the said RF after incorporating the information sought earlier w.r.t. related party transaction.

9.4 RF 13: LM is advised to disclose whether the lessor is connected to the Company/Promoter/Promoter Group or their relatives in any manner.

9.5 RF 18: Please refer "*our Company made certain inadvertent clerical errors in the past in the filing…..*". LM is advised to write to MCA/RoC with full details and disclose the same here.

9.6 Please refer "*In past, we have also been subject to inspection by office of Regional Director …..*". LM is advised to disclose the implications of the same.

9.7 RF 4- Page 42- LM is advised to disclose if any project was abandoned in the last 3 years.

9.8 RF 10- Page 46- LM is advised to disclose the instances of ban, if any, on any film, web series etc. in the past.

9.9 RF 19- Page 52- to be brought under top 10 risk factors.

9.10 RF 26- Page 55- to be brought under top 15 risk factors. Also non-compete agreement, if any, with the promoter group entity and if no such agreement, reasons for the same, may be disclosed.

9.11 RF 31- Page 57- please refer Statement regarding fluctuation in financial position and results of operations. LM is advised to see if cross references are required in RF 2 and RF 31 and do the needful.

9.12 RF 34- Page 58- to be brought under top 15 risk factors.

9.13 RF 35- Page 58- LM is advised to clearly disclose that the issue proceeds will not be utilized for repayment of any loans from the promoters.

9.14 RF 38- Page 59- to be brought under top 20 risk factors. Further, LM is advised to redraft the title stating that the promoters will retain majority shareholding and control over the issuer company post issue.

9.15 RF 39- Page 60- Please refer " *you may not be able to seek legal recourse……*". LM is advised to clearly state that the statement is applicable only to those parts of the DRHP where the 'D&B Report' has been specifically mentioned as a source for the information which has been relied upon by the investor.

9.16 RF 42- Page 60- to be brought under top 20 risk factors. LM is advised to redraft the title to reflect that the issuer's operations are concentrated to India.

9.17 RF 45- Page 61- may be merged with RF 38 and included in top 20 risk factors.

9.18 RF 46- Page 62- LM is advised to disclose the rate of interest for the loan taken from the promoter, director. Also RF 46 and 47 may be included in top 25 risk factors.

9.19 RF 50 - Page 63- Statement that the promoters, directors will exercise their rights as shareholders to the benefit and best interest of the issuer company may be mentioned in RF 38 also.

10. THE OFFER

10.1 Page 73- LM is advised to disclose that the majority portion of the shares being offered for sale consist of bonus shares issued to the promoters on December 25, 2024 i.e. just a week before filing of the DRHP with SEBI. Further, LM is advised to clarify how the consent of the selling shareholders is prior to the date of the issuance of these shares.

11. GENERAL INFORMATION

11.1 Page 82: Legal Counsel to the Offer: LM is advised to disclose the signing partner at the law firm along with the partner's email.

12. CAPITAL STRUCTURE

12.1 Page 92: LM is advised to disclose the reasons for buy back done by the company.

12.2 Page 92: LM is advised to disclose whether the bonus shares issued to the promoters are eligible for

12.2.1 lock-in under Minimum Promoter Contribution

12.2.2 Offer for Sale

12.3 Page 96: Please refer "Transfer of Equity Shares to Sudhakar Shesu Shetty by way of gift, Transfer of Equity Shares to Shobha Sudhakar Shetty by way of gift". LM is advised to disclose the relation of the said persons with Company/Promoter/Promoter Group.

12.4 Page 96: Please refer "Transfer of Equity Shares to MAVS Trust by way of gift". LM is advised to disclose the details of the Trust if it is related to the Promoter/Promoter Group.

12.5 Page 96- LM is advised to disclose the reason for issuance of bonus shares in such a huge ratio just 6 days before filing of the DRHP.

13. OBJECTS OF THE OFFER

13.1 Page 106: Please refer: "*we fund our working capital requirements from internal accruals and financing facilities from various banks, financial institutions..*" LM is advised to disclose the past working capital financed by the Banks / financial institutions.

13.2 Page 109: Please refer: repayment of the borrowings, as may be required. LM is advised to clearly disclose that the proceeds from IPO funds shall not be used for repayment to Promoter/Promoter Group.

13.3 Page 110: LM is advised to disclose that all the expenses shall be shared on pro rata basis between the selling shareholder and the company even if the Offer is withdrawn or unsuccessful or if the Offer fails to open during the period of validity of the final observations issued by SEBI.

13.4 Page 111: Interim use of Net Proceeds: LM is advised to disclose that no lien shall be created in any manner.

13.5 Page 112: LM is advised to modify the heading 'Monitoring Utilization of Funds' to 'Monitoring Utilization of Funds both in terms of period and amount' and 'Variation in objects' to 'Variation in objects for period and amount'.

13.6 Page 109- point 2(d)- LM is advised to clearly disclose that the repayment of the borrowings will not include repayment of loans taken from the promoters.

14. BASIS FOR OFFER PRICE

14.1 Page 115: LM is advised to check and disclose the updated table in case other comparable peers are included.

14.2 Page 116: LM is advised to disclose the detail reason for choosing the said peers and comparable parameters and for not choosing other peers.

15. INDUSTRY OVERVIEW

15.1 Page 153, 161: Please refer: Key challenges & risks associated with film Production and Distribution Aspect in Film Industry. LM is advised to bring all the challenges as Risk Factors.

15.2 Page 168- LM is advised to disclose the source for making the statement that the company maintains a strong digital presence.

15.3 Page 169, 170: Please refer: Weaknesses: Areas Requiring Strategic Attention, Threats: Navigating Complex Industry Challenges. LM is advised to bring all these as Risk Factors.

16. OUR BUSINESS

16.1 Page 171 & 185: Please refer: "*we are technology driven content creator…*". LM is advised to substantiate and elaborate the same.

16.2 Page 172: Please refer: "*…co-produced with reputable studios…*". LM is advised to disclose the terms and conditions along with costs, profit sharing and other arrangements associated with such co-production.

16.3 Page 172-173: Please refer: "*…who is a national award-winning actress with a career spanning over 25 years……she was nominated for International Emmy's Award in 2023 for her performance in the category of 'Best Actress' for the web show(OTT) Delhi Crime*". LM is advised to delete these details.

16.4 Page 173 and other relevant sections: Revenue for Operations: LM is advised to disclose the audited figures as at March 31, 2025 in filing subsequent documents.

16.5 Page 176- Please refer the foot note: #Co-produced with reputed studios. LM is advised to disclose the names of these studios along with agreement details.

16.6 Page 176- Please refer: "*The Kerala Story: Marketed as a true story, the film was released in May 2023. Honourable Prime Minister Shri Narendra Modi endorsed the film at his rally ahead of the Karnataka Elections 2023 and said that "The Kerala Story" is trying to "expose the new form of terrorism in the society*". LM is advised to delete such details.

16.7 Page 177- Please refer: "*Human: The series is among the Top 10 Most Popular Indian Web Series on IMDB. At the 2022 Filmfare OTT Awards, Human received 3 nominations, including Best Actress in a Drama Series (Shefali Vipul Shah) and Best Supporting Actor in a Drama Series (Vishal Jethwa)*". LM is advised to delete such details.

16.8 Page 182- Please refer the para starting with: "*We are also guided by our individual Promoterand Whole Time Director, Shefali Vipul Shah*"*….and ending* *with "Best Actress for the web show Delhi Crime*". LM is advised to delete such details.

16.9 Page 183- LM is advised to remove or modify the word 'guaranteed'.

16.10 Page 184- point 2(a)- LM is advised to suitably explain and elaborate the statement "*....there may not be a corresponding cost...*".

16.11 Page 185- LM is advised to disclose the names of some of the top studios which prefer the issuer company as a production house.

16.12 Page 186: Please refer: "*we plan to produce a more diverse mix of films catering to different genres, and across multiple formats to meet different preferences...*". LM is advised to elaborate the same.

17. OUR MANAGEMENT

17.1 Page 227- LM is advised to disclose where Mr. Sunil Karda was working between the years 2016 to 2024 and in which capacity.

18. OUR MANAGEMENT / OUR PROMOTERS AND PROMOTER GROUP

18.1 Page 232- LM is advised to disclose the reasons for resignation of Mr Vipul Shah from the Screenwriters Rights Association of India.

18.2 Page 233- LM is advised to disclose the relation, if any, of Sudhakar Sesu Shetty and Ms Shobha Sudhakar Shetty with the independent director Manmohan Ramanna Shetty.

19. RESTATED FINANCIAL STATEMENTS

19.1 Page 280- LM is advised to disclose the components of remuneration to KMPs.

19.2 Page 284- LM is advised to disclose the specific details of the contingent liabilities along with the impact of the same on the operations of the issuer company, if any.

19.3 Page 290- LM is advised to suitably elaborate the Statement that customer credit risk is managed by the entities' established policy.

19.4 Page 293- error in recognizing correct depreciation for earlier years- LM is advised to confirm that there are no other errors in the financial statements presented in the DRHP.

20. **Management's Discussion and Analysis of Financial Condition and Results of Operations**

20.1 Page 315-316- Details of each of the awards may be disclosed in a tabular form indicating the project/entity/person winning the award and the year in which the award was won. It may also be indicated if the award was won with regard to any project of the issuer company.

21. **OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS**

21.1 Page 345- LM is advised to disclose in brief statement, the exact regulatory requirements alleged to have been violated in the notice received from Regional Director, Western Region.

21.2 Page 346, 347- Please refer: *Energetic Films Private Limited.(currently known as Sunshine Picture Limited) vs. Headstart Films Private Limited –Case no. 212/SS/2017* and *Sunshine Picture Private Limited vs. Ms. Hemlata Budhadev Rabada and Mr. Pradeep Pillai –S.C/6303230/2023.* LM is advised to disclose the reasons for giving loans to individuals by the company along with business relations, other connections between them.

22. **OTHER REGULATORY AND STATUTORY DISCLOSURES**

22.1 Page 357- Statement that the equity shares being offered for sale in the IPO have been held for a period of at least one year may be modified to exclude the bonus shares which have been issued on December 25, 2024.

22.2 Page 364- No past issue by LM on the main board- LM is advised to disclose this as a risk factor

22.3 LM is advised to disclose SmartODR registration in lines with the disclosure made for SEBI SCOREs.

23. **Related Party Transactions (RPT)**

23.1 LM is advised to confirm: (i) all RPT are done at arm's length price and (ii) all RPT should be in compliance with the Companies Act, 2013, SEBI (LODR) Regulations, relevant Accounting Standards and other statuary compliances.

24. LM is advised to confirm and disclose that the AoA does not confer special rights to any person in any manner.

25. At 'Industry overview': Clause 24 (3) of SEBI (ICDR) Regulations, 2018, requires that the LM shall exercise due diligence and satisfy himself about all aspects of the issue including the veracity and adequacy of disclosure in the draft offer document and the offer document. In view of the same, LM is advised to ensure that:

   a. The draft offer document and the offer document, shall not contain any information where no responsibility is taken by the LMs or the issuer company/ Expert.
   b. The "Industry Overview" section represents a fair and true view of the comparable industry scenario and the same is neither exaggerated nor have any underlying assumptions been omitted for investors to make an informed decision.
   c. LM is further advised to include industry report in the list of material documents for inspection and also provide a link in the offer document for online access of industry report.

26. LM is advised to ensure that the processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

27. LM is advised that reference to name of any place mentioned in the offer document may be followed by name of City / State, as the case may be.

28. With respect to all the complaints received by LM / company / forwarded by SEBI, LM is advised to ensure that there is adequate redressal of the complaint and relevant disclosures of the same are made in the Red Hearing Prospectus and other Offer related material along with the disclosures of the financial impact of the same, if any.

29. LM is advised to ensure that the disclosure of details of all the criminal matters initiated by or against the company, group, directors, promoters, subsidiaries which are at FIR stage and no / some cognizance has been taken by court, is incorporated in the UDRHP / RHP along with appropriate Risk Factors in this regard.

30. LM is advised to ensure following disclosures in the Issue advertisement for announcement of Price Band and all further advertisements as a box item below the price band:

   "Risks to Investors:

   i. The [to be disclosed] Merchant Bankers associated with the issue have handled [to be disclosed] public issues in the past three years out of which [to be disclosed] issues closed below the issue price on listing date."

ii. *Any adverse data in the basis for issue price should be disclosed. For example:*

- *"The Price/Earnings ratio based on diluted EPS for [latest full financial year] for the issuer at the upper end of the Price band is as high as [to be disclosed] as compared to the average industry peer group PE ratio of [to be disclosed]."*

  [if average industry peer group PE ratio is not available, then P/E of Nifty Fifty may be disclosed]

- *"Average cost of acquisition of equity shares for the selling shareholders in IPO is [to be disclosed] and offer price at upper end of the price band is [to be disclosed]."*

- *"Weighted Average Return on Net Worth for [last three full financial years] is [to be disclosed]%."*

The data on above disclosures shall be updated and disclosed prominently (in the same font size as the price band) in advertisements of Price Band and all further advertisements, website of the company and the stock exchange. Further, any adverse ratio / data in basis for issue price should be disclosed.

31. LM shall submit the draft advertisement for announcement of Price Band with SEBI before its publication in the newspapers for our comments, if any.

*****

Annexure II

General Observations

1. LM is advised to ensure that prior to filing of RHP with Registrar of Companies, the Issuer Company has received crucial clearances / licenses / permissions / approvals from the required competent authority which are necessary for commencement of the activity for which the issue proceeds are proposed to be utilized.

2. LM is advised to ensure that the 'Observation Letter' issued by SEBI is included among the material contracts and documents for inspection.

3. LM is advised to ensure that prior to proceeding with the issue, "No Objection Certificates" are obtained from all the lenders with whom the company has entered into an agreement and the terms of such agreement require an approval to be taken.

4. LM is advised to ensure that adequate disclosures are made to disclose any material development which may have a material effect on the Issuer Company between the date of registering final prospectus or the RHP or the letter of offer, with the Registrar of Companies or designated stock exchange, as the case may be, and the date of allotment of specified securities, while ensuring compliance with Regulation 42 and Schedule IX of SEBI (ICDR) Regulations, 2018.

5. LM is advised to ensure that exact cross-referencing of page numbers is provided in the offer document instead of general cross-referencing.

6. In terms of SEBI Circulars No. SEBI/CIR/ISD/03/2011, No. SEBI/CIR/ISD/05/2011 and SEBI/CIR/ISD/01/2012 dated June 17, 2011, September 30, 2011 and March 30, 2012 respectively, LM is advised to ensure that 100% promoter holding is in demat form prior to listing.

7. LM is advised to ensure that SCORES authentication is taken by the issuer company prior to listing.

8. In pursuance of Regulation 25 Sub-Regulation 9(a) of SEBI (ICDR) Regulations, 2018, LM is advised to certify while submitting the in-seriatim reply that all amendments, suggestions and observations advised by SEBI have been complied with and duly incorporated in the offer document, while also indicating the page number for the same.

9. **ASBA:**

9.1 LM is advised to ensure that sufficient number of Physical ASBA forms are printed and dispatched directly to all designated branches of SCSBs which are located in places of mandatory collection centers as specified in Schedule XII of SEBI (ICDR) Regulations, 2018, Syndicate Members and Registered Brokers of Stock Exchanges, the Registrars to an Issue and Share Transfer Agents (RTAs) and Depository Participants (DPs) registered with SEBI, at least two days before the opening of the issue. This shall be in addition to ASBA forms which shall be sent to controlling branch of SCSBs for sending to designated branches other than those located in mandatory collection center.

9.2 LM is advised to ensure that the ASBA mode of payment is highlighted in bold in all the advertisement / communication informing about the issue. Further, LM is also advised to ensure that the following is suitably incorporated in all advertisements / communications regarding the issue issued by the issuer:

a. The following may appear just below the price information of the issue as shown below:

"PRICE BAND: RS. xx TO RS. xx PER EQUITY SHARE OF FACE VALUE OF RS. xx EACH

THE FLOOR PRICE IS xx TIMES OF THE FACE VALUE AND THE CAP PRICE IS xx TIMES OF THE FACE VALUE

BID CAN BE MADE FOR A MINIMUM OF xx EQUITY SHARES AND IN MULTIPLES OF xx EQUITY SHARES THEREAFTER.

ASBA *

(APPLICATION SUPPORTED BY BLOCKED AMOUNT)

Simple, Safe, Smart way of Application !!!

Mandatory in public issue .No cheque will be accepted

UPI UNIFIED PAYMENTS INTERFACE ***now available in ASBA for retail individual investors.***

** ASBA is a better way of applying to issues by simply blocking the fund in the bank account.*

For further details check section on ASBA below."

b. The following paragraph on ASBA may be inserted in the advertisement/Communications:

"ASBA has to be availed by all the investors except anchor investors. UPI may be availed by Retail Individual Investors.

For details on the ASBA and UPI process, please refer to the details given in ASBA form and abridged prospectus and also please refer to the section "Issue Procedure - Issue Procedure of ASBA Bidders" beginning on page xxx of the Red Herring Prospectus. The process is also available on the website of AIBI and Exchanges in the General Information Document."

*ASBA bid-cum application forms can be downloaded from the websites of Bombay Stock Exchange and National Stock Exchange and can be obtained from the list of banks that is displayed on the website of SEBI at www.sebi.gov.in.** List of banks supporting UPI is also available on the website of SEBI at www.sebi.gov.in**.*

*****