



## IPO Note

# FlySBS Aviation Limited

Recommendation: **APPLY!**

**Business - FlySBS Aviation Limited** is engaged in the business of providing private, non-scheduled air charter services from India, focusing on delivering seamless air travel solutions to elite clientele.

### Objects of the Issue -

Particulars	Amount
Capital Expenditure towards acquisition of six pre-owned aircraft on long term dry lease basis	Rs. 80.47 Cr.
Repayment of certain outstanding borrowings availed by company	Rs. 7.28 Cr.
General Corporate Purposes	

### Promoters Name -

Ambashankar, Capt. Deepak Parasuraman, Kannan Ramakrishnan, Bastimal Kishanraj and Shreshtha Business Solutions LLP

Promoter Share Holding Pattern	
Pre Issue 44.08%	Post Issue 32.47%

### Rationale for recommendation -

**FlySBS Aviation Limited** was incorporated on Aug-07, 2020 and has a limited operating history. The company's total aircraft flying hours have increased from 522 in FY23 to 2,600 in FY25, with 70%-78% of those hours attributed to international operations. It derives over 76% of revenue from wet lease arrangements and 94% from corporate clients, indicating dependence on a niche customer base. Top 2 customers contribute over 76% of revenue, while top 2 suppliers account for up to 90% of direct operating expenses, highlighting high concentration risk. Revenue from operations grew significantly by 212.21% in FY24 and 82.08% in FY25, driven by increased aircraft utilization. EBITDA and PAT margins improved to 20.59% and 14.65% respectively by FY25, supported by lower operating and finance costs. RoCE and RoE have been strong but volatile between 21%-39% and 16%-30% respectively. Operating cash flows remain positive though declining due to higher working capital requirements. The company has a low debt-to-equity ratio, with improving current and quick ratios, reflecting healthy short-term liquidity. Contingent liabilities stand at Rs. 59.92 Lakhs as of Mar-25. The aviation sector has high regulatory oversight and entry barriers. With a post-issue P/E of 13.71, the IPO appears **fairly priced**. We recommend **APPLY** for the IPO considering growing demand for business aviation, increasing flying hours, strong corporate client base and sector tailwinds.

### IPO Details

Opening Date	Aug 01, 2025
Closing Date	Aug 05, 2025
Allotment Date	Aug 06, 2025
Listing Date	Aug 08, 2025
Stock Exchange	NSE SME
Lot Size	600 Shares
Issue Price Per Share	₹210 - ₹225
Issue Size	₹102.53 Cr.
Fresh Issue	₹102.53 Cr.
Offer for Sale	-
Application Amt	₹ 2,70,000 (1,200 shares)

KPI's	KPIs (In Lakhs)		
	FY 23	FY 24	FY 25
Revenue	3,410.72	10,648.69	19,389.56
EBITDA	465.31	1,475.44	3,992.41
Net Profit	344.07	1,124.93	2,840.62
RoCE	38.61%	21.22%	24.78%
ROE	29.35%	16.93%	18.89%
P/E	39.89	15.61	8.83

Particulars	Valuation Parameters	
	Pre-Issue	Post Issue*
EPS	25.47	16.42
BVPS	117.97	86.90
P/E	8.83	13.71
P/BV	1.91	2.59
Mkt Cap (In Cr)	286.80	389.33

\*Annualized

### Lead Managers -

**Vivro Financial Services Private Limited**

### Registrar -

**MUFG Intime India Private Limited**

## Industry Overview –

The civil aviation sector plays a crucial role in driving economic growth, contributing significantly to the economy by amplifying overall output and employment through its multiplier effect, while enhancing logistical efficiency. India's civil aviation industry has rapidly ascended, becoming the 3rd largest in the world for domestic traffic. India's aviation growth is largely fueled by rising middle class, improved regional connectivity through schemes like RCS UDAN and significant investments in infrastructure through the development of greenfield airports and the modernization of existing brownfield airports.

The private jet industry in India is witnessing rapid growth, driven by increasing demand from high-net-worth individuals (HNWIs), corporate executives and a growing preference for personalized, flexible travel options. Factors such as the expansion of business operations, time efficiency and concerns over commercial aviation delays have contributed to the rise in private jet usage.

**Market Size** - The market size of Indian Aviation stands at around \$15 billion as of FY23. The industry has grown at a CAGR of 10.3% from FY19-FY23. Furthermore, the industry is expected to grow at a CAGR of 7-9% to reach until \$22- 27 billion until FY29. The private jet industry in India has experienced significant growth, expanding from a market size of \$187 million in FY19 to \$274 million in FY24, reflecting a healthy compound annual growth rate (CAGR) of 8%. The private jet industry market in India is expected to continue growing at a CAGR of 13-15% over the next five years.

**Government Initiatives** – NCAP 2016, RCS UDAN, the Drone Policy, NABH Nirman, Aircraft Leasing under IFSC and the recent helicopter policy

**Outlook** - India's private aviation industry is poised for strong growth driven by rising ultra-high-net-worth individuals (UHNIs), increasing corporate and medical charter demand and poor commercial connectivity in Tier 2/3 cities. Government-led infrastructure expansion under UDAN and investment in 400+ airports by 2047 further supports this growth. Emerging business models like jet-sharing and app-based charters are democratizing access and enhancing adoption.



(source : RHP)

## Business Overview -

**FlySBS Aviation Limited** is engaged in the business of providing private, non-scheduled air charter services from India, focusing on delivering seamless air travel solutions to elite clientele. They are DGCA approved Non-Scheduled Airline Operator holding a valid Air Operator Permit. Their customer base includes entrepreneurs, senior corporate executives, politicians, diplomats, celebrities and other VIPs, all of whom require tailored services to meet their specific travel needs. These demands often encompass flexible flight schedules, access to exclusive destinations, premium luxury amenities, privacy and stringent security protocols. Their charter services cater to a range of specific travel needs, such as direct travel convenience, multi-destination within tight timeframes or access to locations lacking commercial flight connectivity. Additionally, their services are frequently sought for critical purposes like medical emergencies, key business meetings, promotional events and other high-priority engagements. The company was originally incorporated as 'FlySBS Aviation Private Limited' on Aug-07, 2020.

**Company's Lease Arrangements** – i. Dry Lease – 13 seater Embraer Legacy 600 and ii. Wet Lease – Dassault Falcon 2000, Bombardier Challenger 605, Bombardier Global 6000 or any equivalent aircraft



- The company's total aircraft flying hours were 522 hours, 1,486 hours and 2,600 hours in FY23, FY24 and FY25 respectively.
- The company has 71.74%, 78.43% and 69.69% of international flying hours out of total flying hours in FY23, FY24 and FY25 respectively.
- The company has 80.54%, 86.25% and 76.96% of total revenue in FY23, FY24 and FY25 respectively from international travel.
- The company has 100.00%, 90.52% and 76.96% of total revenue in FY23, FY24 and FY25 respectively from wet lease arrangement and remaining from dry lease arrangement.
- The company's majority of revenue is contributed by corporate clients, contributing 86.98%, 94.74% and 94.48% of total revenue in FY23, FY24 and FY25 respectively.

## Business Strategies -

- The company plans to grow through fleet expansion under dry lease model.
- The company aims to capitalise on growth opportunities in private air chartering service industry.

FINANCIAL SNAPSHOT							
Key Performance Indicators				Key Ratios			
(Amt in Lakhs)							
Particulars	FY23	FY24	FY25	Particulars	FY23	FY24	FY25
P&L Statement				Per Share Data			
Total Income	3,468.25	10,672.11	19,538.38	Diluted EPS	5.64	14.41	25.47
Total Expenses	3,056.72	9,280.50	15,638.59	BV per share	54.53	206.97	117.97
EBITDA	465.31	1,475.44	3,992.41	Operating Ratios			
EBIT	464.02	1,448.14	3,960.84	EBITDA Margins	13.64%	13.86%	20.59%
PBT	411.53	1,391.61	3,899.79	PAT Margins	10.09%	10.56%	14.65%
Tax Expenses	67.46	266.68	1,059.17	Inventory days	-	23.08	16.82
Net Profit	344.07	1,124.93	2,840.62	Debtor days	48.70	22.68	39.40
Balance Sheet				Creditor days	-	20.74	359.33
Total Equity	1,172.47	6,644.16	15,037.67	Return Ratios			
Liabilities				RoCE	38.61%	21.22%	24.78%
Non-Current Liabilities	29.28	179.67	949.07	RoE	29.35%	16.93%	18.89%
Current Liabilities	809.81	891.55	3,196.84	Valuation Ratios (x)			
Total Liabilities	839.09	1,071.22	4,145.91	EV/EBITDA	2.70	4.11	2.97
Assets				Market Cap/Sales	1.42	0.68	1.48
Non-Current Assets	772.36	4,483.08	7,291.01	P/E	39.89	15.61	8.83
Current Assets	1,239.18	3,232.30	11,892.57	Price to Book Value	4.13	1.09	1.91
Total Assets	2,011.54	7,715.38	19,183.58	Solvency Ratios			
Cashflow Statement				Debt/Equity	0.29	0.04	0.12
Operating Cashflow	349.93	118.95	1.14	Current Ratio	1.53	3.63	3.72
Investing Cashflow	-247.50	-3,728.66	-2,760.19	Quick Ratio	1.53	2.87	3.44
Financing Cashflow	147.42	4,189.65	6,908.12	Asset Turnover	1.70	1.38	1.01
				Interest Coverage Ratio	4.22	18.11	18.87

## Financial Analysis -

- **Revenue from Operations** - The company's top line increased by 212.21% in FY24 and 82.08% in FY25, primarily attributed to increased flying hours.
- **EBITDA and PAT Margins** - The company's EBITDA margin has improved from 13.64% in FY23 to 20.59% in FY25 and PAT margin from 10.09% to 14.65% over the same period, primarily contributed by decrease in direct operating expense and finance cost as a percentage of revenue.
- **RoCE and RoE** - The company's RoCE and RoE have been volatile between 21% to 39% and 16% to 30% respectively from FY23 to FY25. This indicates volatility in return ratios, highlighting the need for greater stability to ensure consistent financial performance.
- **Operating cashflow** - The company has maintained positive operating cashflow over the years, though there is reduction over years primarily due to trade receivables and other working capital items.
- **D/E ratio** - The company's debt-to-equity ratio has been low indicating lower financial leverage.
- The company's current and quick ratios have improved significantly, indicating enhanced short-term liquidity and financial stability.
- **Net profit** - The company's net profit has been increasing due to increase in revenue from operations which is attributed by increase in the aircraft operation and growth in total chargeable flying hours.

**Outlook** - The overall financials of the company appears stable and sustainable in the long run with slight improvement required in working capital management and need to be considered that the current revenue growth may not be sustainable in the long run.

## Lead Manager -

The lead manager of the issue is Vivro Financial Services Private Limited. The lead manager has managed 6 IPOs in last 3 years, among them 5 IPOs have opened in premium and 1 IPO has opened in discount to its issue price on their respective listing date.

## Risk Factors -

- The company's top 2 customers contribute majority of revenue, contributing 79.83%, 86.25% and 76.96% of total revenue in FY23, FY24 and FY25 respectively indicating customer concentration.
- The company's top 2 suppliers contribute majority of direct operating expenses, contributing 89.73%, 84.22% and 72.62% of total expenses in FY23, FY24 and FY25 respectively.
- The aviation industry is extensively regulated and any non-compliance with safety, environmental or operational regulations can lead to severe penalties, operational disruptions, grounding of aircraft or even loss of license, posing significant business and reputational risks.
- The company has contingent liabilities amounting to Rs. 59.92 Lakhs as of Mar-25.

## Key Management

- Capt. Deepak Parasuraman is the Managing Director of the company. He has 26 years of experience in airlines and air cargo industry.
- Ambashankar is the Wholtime Director and Chief Executive Director of the company. He has over 23 years of experience in the luxury automotive industry.
- The Non-Executive and Independent Directors have significant experience and are qualified in their respective fields.
- The company's Chief Financial Officer possess 36 years of experience in accountancy and Company Secretary and Compliance Officer brings 27 years of experience in legal and compliance.

**Outlook** – The overall management of the company is satisfactory.

## Peer Analysis

As per RHP, the company has mentioned that there are no listed comparable companies whose business operations and size are similar to that of the company.

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