

## Company Business

FlySBS Aviation Limited is primarily engaged in the business of providing **private, non-scheduled air charter services from India**. Here are the key aspects of their business:

- ✦ **Core Services** : They focus on delivering seamless air travel solutions.
- ✦ **Clientele** : Their customer base includes elite individuals and entities such as:
  - Entrepreneurs
  - Politicians and diplomats
  - Celebrities and other VIPs
  - Senior corporate executives and high-ranking corporate leaders
  - High Net Worth Individuals (HNIs) and Ultra High Net Worth Individuals (UHNIs).
- ✦ **Operational Status** : FlySBS Aviation Limited is a **DGCA approved Non-Scheduled Airline Operator** holding a valid Air Operator Permit.
- ✦ **Service Offerings** : They connect clients with a wide array of global destinations, fulfilling unique travel requirements. Their services are designed to ensure every aspect of international travel is handled with professionalism and attention to detail. They offer customized solutions, allowing clients to experience the benefits of private jet ownership without the burdens of maintenance, management, and high capital investment.
- ✦ **Evolution of Business Model**:
  - During their initial years, they operated through a **wet lease or quasi charter model**, where the lessor provided the aircraft along with the crew, maintenance, and insurance.
  - As the company matured, they transitioned to a **dry lease arrangement** on a long-term basis, where the lessor provides only the aircraft. Under this model, FlySBS Aviation Limited assumes full operational control and responsibility, including providing the necessary crew, aircraft maintenance, and securing all required licenses and regulatory approvals. This shift is aimed at achieving better operational control and improving profitability, operational efficiency, and flexibility.
- ✦ **Fleet** : They operate a fleet of three aircraft, each equipped with the latest technology and amenities to ensure a seamless travel experience. They are also in the process of inducting additional aircraft on long-term dry lease.
- ✦ **Operational Expertise** : The company benefits from experienced promoters and a senior management team with extensive industry knowledge, including Capt. Deepak Parasuraman (Managing Director), Kannan Ramakrishnan (Non-Executive Director), and Ambashankar (Whole Time Director and CEO). They also have strong synergies with their group company, Afcom Holdings Limited, an international cargo airline.
- ✦ **Market Position** : FlySBS Aviation Limited states they are strategically positioned in an industry with high entry barriers and aim to maintain and expand their leadership in the private air-chartering market.

### Total Aircraft Flying Hours

Particulars	FY'25	FY'24	FY'23
Total Aircraft Flying Hours	2,600	1,486	522
Out of Above International Flying Hours are	1,812	1,166	375

- ✦ Revenue from corporate clients for the fiscal 2025, 2024 and 2023 accounted for 94.48%, 94.74% and 86.98%, respectively, of total revenue from operations.

## IPO Details

- ✦ Total Issue Size : **45,57,000 shares** (Rs. **102.53 Cr.**)
- ✦ Fresh issue : **45,57,000 shares** (Rs. **102.53 Cr.**)
- ✦ Issue Price Band : **₹210 to ₹225 per share**
- ✦ Lot Size : **600 shares**
- ✦ IPO Date : **Aug 1, 2025 to Aug 5, 2025**
- ✦ Pre IPO Promoters Holding : **44.08%**
- ✦ Post IPO Promoters Holding : **32.47%**

## Objects of the issue

- ✦ Funding capital expenditure towards acquisition of six pre-owned aircraft on long term dry lease basis (**₹80.47 crore**)
- ✦ Repayment/prepayment, in full or part, certain outstanding borrowings availed by our Company (**₹7.27 crore**)
- ✦ General Corporate Purposes.

## Valuation

- ✦ Market Cap (Post IPO) : **Rs. 389.33 Cr.**
- ✦ PAT FY 25 : **28.40**
- ✦ P/E Ratio (Post IPO) : **13.71**



## Short Summary of the Industry

- Market Size and Growth** : The private jet industry in India has experienced significant expansion. Its market size grew from **\$187 million in Fiscal Year 2019** to **\$274 million in Fiscal Year 2024**, demonstrating a healthy Compound Annual Growth Rate (CAGR) of 8%. This growth is anticipated to continue, with projections estimating a **CAGR of 13–15% over the next five years**.
- Driving Factors** : Key factors contributing to this growth include the **increasing number of HNIs and UHNIs** in India.
- Industry Structure and Competition** : It is characterized as a **niche industry with high entry barriers** due to extensive experience, significant time, and substantial investment required to meet stringent regulatory requirements and establish infrastructure. As of November 15, 2024, there were **116 entities holding a Non-Scheduled Air Operator Permit (NSOP) in India**. The market is fragmented and competitive, with existing players and new entrants vying for market share.
- Regulatory Environment** : The industry is **extensively regulated** by the Directorate General of Civil Aviation (DGCA), which oversees aircraft registration, certification, licensing, and safety standards. FlySBS Aviation Limited itself is a DGCA approved Non-Scheduled Airline Operator with a valid Air Operator Permit.

## Financials of the company

(Fig. in Cr)

Particulars	March 31, 2025	March 31, 2024	March 31, 2023
Revenue from Operations	193.89	106.48	34.10
EBITDA	41.41	14.98	5.22
EBITDA Margins	21.20%	14.04%	15.07%
PAT	28.4	11.24	3.44
PAT Margins	14.54%	10.54%	9.92%
ROCE	41.80%	45.58%	45.00%
Debt to Equity Ratio(In Times)	0.14	0.05	0.3
Operating Cash Flows	0.01	1.22	3.5

## Comparison with Peers

As per RHP no listed peers of the company.



## Pros and Cons

### Pros (Strengths & Opportunities)

- ✦ Experienced Promoters and Management
- ✦ Strategic Positioning in a High Entry Barrier Industry
- ✦ Growing Market
- ✦ **In-house Fleet and Operational Control** : The Company has transitioned from a wet lease/quasi-charter model to operating aircraft under a **dry lease arrangement**, allowing for **better operational control** over ancillary costs like maintenance, crew, and insurance, leading to improved profitability, efficiency, and flexibility in flight schedules.
- ✦ **Synergies with Group Company** : FlySBS benefits from its association with Afcom Holdings Limited, an international cargo airline, which provides **economies of scale** and advantages in fuel procurement, leasing, MRO services, and ground handling, as well as shared industry and operational knowledge.
- ✦ **Positive Financial Performance** : The company has demonstrated **consistent growth in revenue and profitability**.
- ✦ **Clear Objects of the Issue** : The IPO proceeds are intended for **funding capital expenditure** to acquire six pre-owned aircraft on long-term dry lease.

### Cons (Weaknesses & Threats & Risks)

- ✦ **Potential Conflicts of Interest** : Some **Promoters and Group Companies** have similar **business objects** (e.g., Afcom Holdings Limited, Flyaeon Aviation Private Limited, Flyaster Aviation Private Limited), which could lead to **conflicts of interest** in allocating business opportunities and affect profitability.
- ✦ **Reliance on Pre-owned Aircraft** : Both the existing fleet and the aircraft proposed for acquisition are **pre-owned**, which, while offering lower upfront costs, comes with **inherent risks** such as a **limited useful life** and the potential for **higher maintenance and fuel costs** due to age and potential obsolescence.
- ✦ **Regulatory and Compliance Risks** : The airline industry is **extensively regulated** by authorities like DGCA. Failure to obtain or renew necessary approvals, licenses, and registrations in a timely manner, or non-compliance with conditions, could **adversely affect business prospects and financial conditions**.
- ✦ **Operating Cash Flows** : Operating cash flow is very low, and the cash conversion ratio is also quite poor.
- ✦ **Litigation involving Promoter Group** : One member of the Promoter Group, P Karthik Iyer Parasuraman, is involved in **certain legal proceedings** that, while unrelated to the company's operations, could generate adverse publicity and potentially impact the company's reputation.





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