

Date: February 13, 2026

To,
The Manager- Listing Department,
National Stock Exchange of India Limited,
Exchange Plaza, 5th floor,
Plot No. C/1, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai - 400 051

Trading Symbol: FLYSBS

Subject: Monitoring Agency Report for the quarter ended December 31, 2025

Dear Sir/Ma'am,

Pursuant to Regulation 32(6) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 41(4) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, please find enclosed the Monitoring Agency Report issued by CARE Ratings Limited, the Monitoring Agency, for the quarter ended December 31, 2025 in respect of Utilization of IPO proceeds of the company.

The Company will also host this report on the website at <https://sbsaviation.in/>

Kindly take the same on your records.

Thanking you,

For FLYSBS AVIATION LIMITED

Name : Saptharishi N
Designation : Company Secretary and Compliance Officer

www.sbsaviation.in

FlySBS Aviation Limited

REGISTERED OFFICE

Plot No.16 (NP), 3rd Floor, IndiQube Palmyra, SIDCO Industrial Estate, Ekkatuthangal, Guindy Industrial Estate, Chennai, Chennai City Corporation, Tamil Nadu, India, 600032.

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CIN:
L62200TN2020PLC136959

GST:
33AAECF1762D1Z3

No. CARE/CRO/GEN/2025-26/1025

The Board of Directors
FlySBS Aviation Limited
3rd Floor, IndiQube Palmyra,
Ekkattuthangal, SIDCO Industrial Estate,
Guindy, Chennai, Tamil Nadu 600032

February 13, 2026

Dear Sir/Ma'am,

Monitoring Agency Report for the quarter ended December 31, 2025 - in relation to the IPO issue of FlySBS Aviation Limited ("the Company")

We write in our capacity of Monitoring Agency for the IPO Issue for the amount aggregating to Rs. 102.53 crore of the Company and refer to our duties cast under section 262 of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations.

In this connection, we are enclosing the Monitoring Agency Report for the quarter ended December 31, 2025 as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated July 23, 2025

Request you to kindly take the same on records.

Thanking you,

Yours faithfully,



Ali Monish PE
Assistant Director
AliMonish.P@careedge.in

Report of the Monitoring Agency

Name of the issuer: FlySBS Aviation Limited

For quarter ended: December 31, 2025

Name of the Monitoring Agency: CARE Ratings Limited

(a) Deviation from the objects: Nil. However, the Company has transferred the IPO proceeds from Monitoring account to CC account and utilized funds from the CC accounts towards the objects stated in the offer document. Since there are several other debits and credits in the CC account, there is a co-mingling of funds and hence we are not able to exactly verify the end use of funds and have relied on CA certificate and management certificate.

Also, Company has spent Rs 18.94 crore on the object of funding capital expenditure towards the acquisition of six pre-owned aircraft on long term dry lease basis. However, there are deviations less than 10% in utilization across certain sub-heads within the said object: -

- Rs. 1.55 crore has been utilized towards aircraft painting expenses, as against the allocation of Rs. 1.52 crore specified in the Offer Document, resulting in an excess utilization of Rs. 0.03 crore.
- Rs. 5.30 crore utilized towards SATCOM equipment and satellite data, which was Rs. 0.14 crore higher than the originally allocated amount.
- Rs. 0.83 crore towards software and data subscriptions as compared to the allocated amount of Rs. 0.80 crore as per the offer document, resulting in excess utilization of Rs. 0.03 crore.
- Rs. 10.41 crore has been utilized towards mandatory tools and equipment, exceeding the allocated amount as per offer document by Rs. 0.32 crore. Details including comments of board of directors of FlySBS Aviation Limited are given in the tables below.

It is noted that the prospectus entails the company to reschedule or revised the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the management. Board may please take note of it.

The company has Fixed Deposit receipts amounting to Rs. 17 crore as on December 31, 2025, of which Rs. 16.29 crore is represented as unutilized funds and the remaining amount was deployed from the cash credit account. Please refer note (a) for further details.

(b) Range of Deviation: NA

Declaration:

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report



pertains and may receive separate compensation for its ratings and certain credit related analyses. We confirm that there is no conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer, or while undertaking credit rating or other commercial transactions with the entity.

We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title “Comments of the Board of Directors”, that shall be captured by the Issuer’s Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer’s Management/Board.



Signature:

Ali Monish PE
Assistant Director
AliMonish.P@careedge.in

1) Issuer Details:

Name of the issuer : FlySBS aviation limited
 Name of the promoter : Ambashankar, Capt. Deepak Parasuraman, Kannan Ramakrishnan, Shreshtha Business Solutions LLP and Bastimal Kishanraj
 Industry/sector to which it belongs : Aviation

2) Issue Details

Issue Period : August 01, 2025 to August 05, 2025
 Type of issue (public/rights) : Public
 Type of specified securities : Not applicable
 IPO Grading, if any : SME IPO
 Issue size (in crore) : Rs. 102.53 crore

3) Details of the arrangement made to ensure the monitoring of issue proceeds:

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	No	Bank Statement, CA Certificate*and Management confirmation.	The Company has transferred the IPO proceeds from Monitoring account to CC account and utilized funds from the CC account towards the objects stated in the offer document. Since there are several other debits and credits in the CC account, there is a co-mingling of funds and hence we are not able to exactly verify the end use of funds.	There has been no variation of the purpose of issue. The Monitoring Account is not linked to a forex platform and, therefore, the Company had to move amounts to the CC account in order to meet the forex related payments.
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	Not applicable	CA Certificate* and Management confirmation.	Nil	No comments
Whether the means of finance for the disclosed objects of the	No	CA Certificate* and Management	Nil	No comments

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
issue have changed?		confirmation.		
Is there any major deviation observed over the earlier monitoring agency reports?	Yes	Previous monitoring agency reports, CA Certificate* and Management confirmation.	The previous monitoring agency report (Q2FY26) was qualified on account of deviation in the stated objects and same can be referred to for further details.	No comments
Whether all Government/statutory approvals related to the object(s) have been obtained?	In Process	CA Certificate* and Management confirmation	Nil	No comments
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Yes	CA Certificate* and Management confirmation	Nil	No comments
Are there any favorable/unfavorable events affecting the viability of these object(s)?	No	CA Certificate* and Management confirmation	Nil	No comments
Is there any other relevant information that may materially affect the decision making of the investors?	Yes	Prospectus	Litigation against one of the members of promoter group. Details are in footnote below^	All relevant information was disclosed, and relevant documents were filed at the time of exchange approval. In the absence of any nexus between the utilization of funds and this observation, we believe this is not warranted and exceeds the mandate of a monitoring agency.

*Chartered Accountant certificate from A. John & Morris & Co. dated February 10, 2026.

#Where material deviation may be defined to mean:

- a) Deviation in the objects or purposes for which the funds have been raised
- b) Deviation in the amount of funds actually utilized by more than 10% of the amount projected in the offer documents.

^As per the RHP and prospectus filed for the IPO on July 24, 2025 and on August 05, 2025 respectively, there is a disclosure regarding Mr. P.Karthik Iyer as part of the promoter group. He is the brother of Mr.Deepak Parasuram. However, he is not a Director or shareholder in the company. Following is the disclosure in the RHP and prospectus:

“P Karthik Iyer Parasuraman, a member of the promoter Mr Deepak Parasuraman is involved in certain legal proceedings and these proceedings are pending at different levels of adjudication before various courts. The brief details of legal proceedings are set out below:

Sr. No	Particulars
1	CBI ACB versus P Karthik Iyer Parasuraman & Others CC 1/2008
2	CBI Bangalore versus P Karthik Iyer Parasuraman Others CC 45/ 2019
3	CBI Mumbai versus P Karthik Iyer Parasuraman & Others CC 1052 /2016
4	CBI, Hyderabad versus P Karthik Iyer Parasuraman & Others CC 1161/2019
5	Director of Enforcement versus P Karthik Iyer Parasuraman & Others ECIR/02/HYZO/2015/1592
6	IDBI Bank Ltd. Versus Ms Deccan Chronicle Holdings Limited and others CC 805/2018
7	Kotak Mahindra Bank Versus Ms Deccan Chronicle Holdings Limited and others CC/1078
8	Canara Bank Versus Ms Deccan Chronicle Holdings Limited and others CC 151/2013
9	Ms. Canara Bank Versus Ms Deccan Chronicle Holdings Limited and others CC 29/2013
10	Ms ICICI Bank Versus Ms Deccan Chronicle Holdings Ltd and others CC39/2013
11	Unilazer Ventures Limited versus Ms Deccan Chronicle Holdings Limited and others SS/2800202/2013
12	Securities and Exchange Board of India versus Deccan Chronicle Holding Limited and 6 others 100071/2016



4) Details of objects to be monitored:

(i) Cost of objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Original cost (as per the Offer Document) in Rs. Crore	Revised Cost in Rs. Crore	Comments of the Monitoring Agency	Comments of the Board of Directors		
						Reason for cost revision	Proposed financing option	Particulars of -firm arrangements made
1	Funding capital expenditure towards acquisition of six pre-owned aircraft on long term dry lease basis Funding capital expenditure towards acquisition of six pre-owned aircraft on long term dry lease basis	CA Certificate*, Bank Statement & Offer Document	80.47	80.47	Not applicable	NA	NA	NA
2	Repayment/prepayment, in full or part, certain outstanding borrowings availed by our Company	CA Certificate*, Bank Statement & Offer Document	7.27	7.27		NA	NA	NA
3.	General Corporate Purposes	CA Certificate*, Bank Statement & Offer Document	9.79	9.79		NA	NA	NA
4.	Issue Expenses	CA Certificate*, Bank Statement & Offer Document	4.99	4.99	Nil	NA	NA	NA
Total			102.53	102.53				

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(ii) Progress in the objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount utilised in Rs. Crore			Total unutilised amount in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
1	Funding capital expenditure towards acquisition of six pre-owned aircraft on long term dry lease basis Funding capital expenditure towards acquisition of six pre-owned aircraft on long term dry lease basis	CA Certificate*, Bank Statement & Offer Document	80.47	45.94	18.94	64.88	15.59	Since there are several other debits and credits in the CC account, there is a co-mingling of funds and hence we are not able to exactly verify the end use of funds • Rs. 1.55 crore has been utilized towards aircraft painting expenses, as against the allocation of Rs. 1.52 crore specified in the Offer Document, resulting in an excess	The Monitoring Account is not linked to a forex platform and, therefore, the Company had to move amounts to the CC account in order to meet the forex related payments. We have provided CA certificate and management certificate confirming the end-use. The fund flow from monitoring account to the CC account and to the final end-use would be net zero and this would be evident. This is on account of escalation of Rs. 3 lakhs in price from the earlier quote given during IPO. This is on account of passage of	No comments

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount utilised in Rs. Crore			Total unutilised amount in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
								<ul style="list-style-type: none"> utilization of Rs. 0.03 crore. Rs. 5.30 crore utilized towards SATCOM equipment and satellite data, which was Rs. 0.14 crore higher than the originally allocated amount. Rs. 0.83 crore towards software and data subscriptions as compared to the allocated amount of Rs. 0.80 crore as per the offer document, resulting in excess utilization of Rs. 0.03 crore. 	<p>time since IPO and these are subject to market variations.</p> <p>The increased spend of 14 lakhs against this item exceeded the estimate on account of exchange rate fluctuation only</p> <p>The additional amount of Rs. 3 lakhs spend against this item exceeded the estimate due to exchange rate fluctuation only.</p> <p>The additional amount of Rs. 32 lakhs spend against this item exceeded the estimate due to exchange rate fluctuation only.</p> <p>We are utilizing the fund for IPO objectives, sourced from</p>	

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount utilised in Rs. Crore			Total unutilised amount in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
								<ul style="list-style-type: none"> Rs. 10.41 crore has been utilized towards mandatory tools and equipment, exceeding the allocated amount as per offer document by Rs. 0.32 crore. <p>It is noted that the prospectus entails the company to reschedule or revised the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the management.</p>	<p>Monitoring account for the reason mentioned above.</p> <p>With regard to your observation that there are other transaction to the “same vendors”, we are unclear as to purpose of such observation. There is no restriction on the Company from engaging with the same vendors for other transactions.</p> <p>The Vendors mentioned in our CC account are the industry vendors and we are utilizing their services / products for our current operations as well for the expansion / IPO objective purposes.</p>	

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount utilised in Rs. Crore			Total unutilised amount in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
								Please take note of it. IPO funds transferred from monitoring account to CC account and all the expenses spent from CC account. CARE also notes that as per the CC account statement there are other transaction to the same vendors as well which have not been represented as utilisation of IPO proceeds		
2	Repayment/prepayment, in full or part, certain outstanding borrowings availed by our Company	CA Certificate*, Bank Statement & Offer Document	7.27	-	7.27	7.27	-	The Company has transferred the proceeds from Monitoring account to CC	As clarified above and is not being repeated for the sake of Brevity.	No comments

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount utilised in Rs. Crore			Total unutilised amount in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
								account and utilized funds from the CC account towards the expense. Since there are several other debits and credits in the CC account, there is a co-mingling of funds and hence we are not able to exactly verify the end use of funds The company has transferred Rs. 7.56 crore towards the part prepayment from the CC account of which Rs. 7.27 crore is represented as utilization of IPO proceeds.	Foreclosure value always contains the FC charges also hence company has borne the cost of difference from its Own funds.	

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount utilised in Rs. Crore			Total unutilised amount in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors		
				As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action	
3	General Purposes	Corporate	CA Certificate*, Bank Statement & Offer Document	9.79	9.10	-	0.69	Nil	NA	NA	
4	Issue Expenses		CA Certificate*, Bank Statement & Offer Document	4.99	4.99	-	-	Nil	NA	NA	
Total			102.53	60.03	26.21	86.24	16.29				

(iii) Deployment of unutilized proceeds:

Sr. No.	Type of instrument and name of the entity invested in	Amount invested	Maturity date	Earning	Return on Investment (%)	Market Value as at the end of quarter
1	Fixed deposit – ICICI Bank	Rs. 10.00 crore	April 11, 2026	-	5.00%	Rs. 10.26 crore
2	Fixed deposit – ICICI Bank	Rs. 5.00 crore	May 03, 2026	-	5.00%	Rs. 5.12 crore
3	Fixed deposit – ICICI Bank	Rs. 2.00 crore	May 29, 2026	-	5.00%	Rs. 2.05 crore

						(Includes excess fixed deposit mentioned below)
	Total unutilized proceeds	Rs. 16.29 crore*				
	Total fixed deposit	Rs. 17.00 crore				
	Excess fixed deposit amount booked from cc account	Rs. 0.71 crore^				

*Please refer note (a) of the report

*As per the chartered accountant certificate from A. John & Morris & Co. dated February 10, 2026 and management certificate dated, total unutilized proceeds is Rs. 16.29 crore.

The company has shared Fixed Deposit receipts amounting to Rs. 17 crore, of which Rs 16.29 crore is represented as unutilized funds and the remaining amount is being deployed from the cash credit account.

(iv) Delay in implementation of the object(s) –

Objects	Completion Date		Delay (no. of days/ months)	Comments of the Board of Directors	
	As per the offer document	Actual		Reason of delay	Proposed course of action
Funding capital expenditure towards acquisition of six pre-owned aircraft on long term dry lease basis Funding capital expenditure towards acquisition of six pre-owned aircraft on long term dry lease basis	Fiscal 2026	Rs. 64.88 crore spent as on December 31, 2025	In process	No comments	No comments
Repayment/prepayment, in full or part, certain outstanding borrowings availed by our Company	Fiscal 2026	Paid and foreclosed on November 27, 2025	-	No comments	No comments
General Corporate Purposes	Fiscal 2026	Rs. 9.10 crore spent as on December 31, 2025	In process	No comments	No comments

5) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document: Nil as no utilisation in Q3FY26 ending December 31, 2025



Disclaimers to MA report:

- a) This Report is prepared by CARE Ratings Ltd (hereinafter referred to as **“Monitoring Agency/MA”**). The MA has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever.
- b) This Report has to be seen in its entirety; the selective review of portions of the Report may lead to inaccurate assessments. For the purpose of this Report, MA has relied upon the information provided by the management /officials/ consultants of the Issuer and third-party sources like statutory auditor which is peer reviewed audit firm appointed by the Issuer believed by it to be accurate and reliable.
- c) Nothing contained in this Report is capable or intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The MA is also not responsible for any errors in transmission and specifically states that it, or its directors, employees do not have any financial liabilities whatsoever to the users of this Report.
- d) The MA and its affiliates do not act as a fiduciary. The MA and its affiliates also do not act as an expert to the extent defined under Section 2(38) of the Companies Act, 2013. While the MA has obtained information from sources it believes to be reliable, it does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives from statutory auditors which is peer reviewed audit firm, lawyers, chartered engineers or other experts, and relies on in its reports.
- e) The MA or its affiliates may have other commercial transactions with the entity to which the report pertains. As an example, the MA may rate the issuer or any debt instruments / facilities issued or proposed to be issued by the issuer that is subject matter of this report. The MA may receive separate compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors.

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