

Date: November 14, 2025

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 September 30, 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 September 30, 2025 in respect of utilisation 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/2025-26/1017

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

November 14, 2025

Dear Sir,

Monitoring Agency Report for the quarter ended September 30, 2025 - in relation to the IPO 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 ICDR 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 September 30, 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: September 30, 2025

Name of the Monitoring Agency: CARE Ratings Limited

(a) Deviation from the objects: Yes

- i. IPO issue expenses amounting to Rs. 7.93 crore were spent under the GCP expenses head, which does not align with the stated purpose. Requisite board approval for these GCP expenses has not been provided. For details refer to table no. 5.
- ii. Out of the above Rs. 7.93 crore IPO issue expenses, Rs. 3.09 crore was paid to Chryseum Corporate Services Private Limited towards IPO consultancy expenses under GCP expenses. This entity is part of the promoter group as disclosed in the prospectus and such utilization is not in line with the prospectus.
- iii. Out of the unutilized proceeds, Rs. 2.49 crore was transferred to the CC account for which requisite approval has not been made available.

(b) Range of Deviation: Up to 10%

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.



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 : Equity shares
 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 certificate	<p>The Company has transferred the proceeds from Monitoring account to CC accounts and utilized funds from the CC accounts towards the objects in the offer document.</p> <p>IPO issue expenses amounting to Rs. 7.93 crore were spent under the GCP expenses head, which does not align with the stated purpose. Requisite board approval for these GCP expenses has not been provided. For details refer to table no.5</p> <table border="1"> <thead> <tr> <th>GCP Expenses</th><th>(Rs. Crore)</th></tr> </thead> <tbody> <tr> <td>IPO issue expenses</td><td>7.93</td></tr> <tr> <td>Others</td><td>1.17</td></tr> <tr> <td>Total</td><td>9.10</td></tr> </tbody> </table> <p>Out of the above Rs. 7.93 crore IPO issue expenses, Rs. 3.09 crore was paid to Chryseum Corporate Services Private Limited towards IPO consultancy expenses under GCP expenses. This entity is part of the promoter group as disclosed in the prospectus and such</p>	GCP Expenses	(Rs. Crore)	IPO issue expenses	7.93	Others	1.17	Total	9.10	<p>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.</p> <p>As stated in the prospectus the Company has the GCP Expenses (Rs. Crore) IPO issue expenses 7.93 Others 1.17 Total 9.10 6 flexibility in applying the balance amounts for such purpose including working capital requirements as expressly stated. These expenses (in addition to estimated issue related expenses) have been incurred by the Company in the ordinary course and have been accordingly met through GCP.</p> <p>The amounts paid to Chryseum Corporate Services Private Limited are in the nature of reimbursement of</p>
GCP Expenses	(Rs. Crore)											
IPO issue expenses	7.93											
Others	1.17											
Total	9.10											

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
			utilization is not in line with the prospectus. Out of the unutilized proceeds, Rs. 2.49 crore was transferred to the CC account for which requisite approval has not been made available.	expenses incurred by the said entity on behalf of the Company.
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	No	CA Certificate* and Management certificate	IPO issue expenses amounting to Rs. 7.93 crore were spent under the GCP expenses head, which does not align with the stated purpose. Requisite board approval for these GCP expenses has not been provided. For details refer to table no. 5 Out of the above Rs. 7.93 crore IPO issue expenses, Rs. 3.09 crore was paid to Chryseum Corporate Services Private Limited towards IPO consultancy expenses under GCP expenses. This entity is part of the promoter group as disclosed in the prospectus and such utilization is not in line with the prospectus. Out of the unutilized proceeds, Rs. 2.49 crore was transferred to the CC account for which requisite approval has not been made available	As there has been no material deviation, therefore, there was no necessity to obtain shareholder's approval.
Whether the means of finance for the disclosed objects of the issue have changed?	No	CA Certificate* and Management certificate	Nil	Nil
Is there any major deviation observed over the earlier monitoring agency reports?	Not applicable	Not Applicable	First report after IPO	NA
Whether all Government/statutory approvals related to the object(s) have been obtained?	In Process	CA Certificate* and Management certificate	Import Permit has been applied with DGCA for the Import of Aircraft.	Nil
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Yes	CA Certificate* and Management certificate	Nil	Nil
Are there any favorable/unfavorable	No	CA Certificate* and Management	Nil	Nil

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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
events affecting the viability of these object(s)?		certificate		
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 as 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 November 08, 2025.

#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

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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	Nil	No comments	No comments
2	Repayment/prepayment, in full or part, certain outstanding borrowings availed by our Company	CA Certificate*, Bank Statement & Offer Document	7.27	7.27		Nil	No comments	No comments
3.	General Corporate Purposes	CA Certificate*, Bank Statement & Offer Document	9.79	9.79		No comments	No comments	No comments
4.	Issue Expenses	CA Certificate*, Bank Statement & Offer Document	4.99	4.99	Nil	No comments	No comments	No comments
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	-	45.95	45.95	34.52	Rs. 37.42 crore was utilised for 6 aircraft lease deposit, Rs. 4.69 crore for SATCOM equipment, Rs. 2.99 crore for mandatory tools & equipment, and Rs. 0.85 crore for maintenance, repair and overhaul deposit. IPO funds transferred from monitoring account to CC account and all the expenses spent from CC accounts.	It will be utilized in Due course	
2	Repayment/prepayment, in full or part, certain outstanding borrowings availed by our Company	CA Certificate*, Bank Statement & Offer Document	7.27	-	-	-	7.27	Nil	Waiting for the Foreclosure statement from the Funding Agency	
3	General Corporate Purposes	CA Certificate*, Bank Statement & Offer Document	9.79	-	9.10	9.10	0.70	The Company has transferred the proceeds from Monitoring account to CC accounts and utilized funds from the CC accounts towards the objects in the offer document. IPO issue expenses amounting to Rs. 7.93 crore were spent under the GCP expenses head, which does not align with the stated purpose. Requisite board approval for these GCP expenses has not been provided. For details refer to table no.5	As clarified above and is not being repeated for the sake of brevity.	

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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							
								<table border="1"> <tr><th>GCP Expenses</th><th>(Rs. Crore)</th></tr> <tr><td>IPO issue expenses</td><td>7.93</td></tr> <tr><td>Others</td><td>1.17</td></tr> <tr><td>Total</td><td>9.10</td></tr> </table> <p>Out of the above Rs. 7.93 crore IPO issue expenses, Rs. 3.09 crore was paid to Chryseum Corporate Services Private Limited towards IPO consultancy expenses under GCP expenses. This entity is part of the promoter group as disclosed in the prospectus and such utilization is not in line with the prospectus.</p> <p>Out of the unutilized proceeds, Rs. 2.49 crore was transferred to the CC account for which requisite approval has not been made available.</p>	GCP Expenses	(Rs. Crore)	IPO issue expenses	7.93	Others	1.17	Total	9.10	
GCP Expenses	(Rs. Crore)																
IPO issue expenses	7.93																
Others	1.17																
Total	9.10																
4	Issue Expenses		4.99	4.99	4.99	0.00	a) Transferred Rs. 3.54 crore to CC account and utilized towards issue expenses. b) Transferred Rs. 1.45 crore directly from subscription account towards issue expense.		As clarified above and is not being repeated for the sake of brevity.								
Total				102.53	-	60.04	60.04	42.49									

(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 deposits – ICICI Bank	Rs. 40.00 crore	October 11, 2025		5%	Rs. 40.27 crore
2.	Cash Credit account	Rs. 2.49 crore			Not applicable	Not applicable

As per the chartered accountant certificate from A. John & Morris & Co. dated November 08, 2025 total unutilized proceeds is Rs. 42.49 crore and only Rs. 40 crore invested and rest Rs. 2.49 crore has been transferred to CC account and represented as unutilized proceeds.

(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. 45.95 crore spent as on September 30, 2025	In process	No comments	Import approval obtained from DGCA
Repayment/prepayment, in full or part, certain outstanding borrowings availed by our Company	Fiscal 2026	Not repaid	In process	No comments	Waiting for Foreclosure statement from Funding Agency
General Corporate Purposes	Fiscal 2026	Rs. 9.10 crore spent as on September 30, 2025	In process	No comments	Spent subsequently

5) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document:

Sr. No	Item Head	Amount in Rs. Crore	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of Monitoring Agency	Comments of the Board of Directors
1	IPO Related Travel	0.01	CA Certificate, Bank Statement	IPO issue expenses amounting to Rs. 7.93 and were spent under the GCP expenses head, which does not align with the stated purpose. Requisite board approval for these GCP expenses has not been provided.	As clarified above and is not being repeated for the sake of brevity.
2	Staff Welfare Related To IPO	0.02	CA Certificate, Bank Statement		
3	Air Craft Procurement Consultancy	0.96	CA Certificate, Bank Statement		
4	Training	0.21	CA Certificate, Bank Statement		

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Sr. No	Item Head	Amount in Rs. Crore	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of Monitoring Agency	Comments of the Board of Directors
5	IPO Marketing Expenses	1.14	CA Certificate, Bank Statement		
6	IPO Road Show	0.14	CA Certificate, Bank Statement		
7	IPO Legal	0.18	CA Certificate, Bank Statement		
8	IPO Secretarial	0.09	CA Certificate, Bank Statement		
9	IPO Marketing Collaterals	0.004	CA Certificate, Bank Statement		
10	IPO Sourcing Consultancy	3.25	CA Certificate, Bank Statement	The invoice has not been made available for Rs. 3.25 crore spent towards IPO sourcing consultancy as mentioned in management certificate, CA certificate and Bank transaction. Also, this was spent under the GCP expenses head, which does not align with the stated purpose. Requisite board approval for this GCP expense has not been provided.	The Invoice for the same was inadvertently missed and the same is enclosed now.
11	IPO Consultancy	3.09	CA Certificate, Bank Statement	Rs. 3.09 crore was paid to Chryseum Corporate Services Private Limited towards IPO consultancy expenses under GCP expenses. This entity is part of the promoter group as disclosed in the prospectus and such utilization is not in line with the prospectus.	There are reimbursement of incurred and reimbursed.
Total		9.10			

The company has utilized Rs. 9.10 crore of GCP out of envisaged to Rs. 9.79 crore.

#Chryseum Corporate Services Private Limited is mentioned as a group company in the prospectus

As per the prospectus submitted on August 05, 2025 – “Interest of Promoters, Promoter Group and Directors, in the Objects of the Issue - “Our Promoters, Promoter Group and Directors do not have any interest in the objects of the Issue. No part of the Net Proceeds will be paid by our Company as consideration to our Promoter, Promoter Group, Directors and Key Managerial Personnel of our Company. There are no material existing or anticipated transactions in relation to the utilisation of the Net Proceeds entered or to be entered into by our Company with our Promoters, Promoter Group, Directors and/or Key Managerial Personnel”.



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 of the Issuer and third-party sources like statutory auditor/internal 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/internal auditor which is peer reviewed audit firm (or from peer reviewed CA firms), 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.

