IPO REVIEW

Skyways Air Services IPO

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- The company has a long standing freight forwarding and logistics sector participant in India.
- For the last four calendar years it has been ranked No. 1 “Air Freight Forwarder in terms of AWBs generation.
- It kept evolving technologies and modern techniques in its business to give all related services under one-roof.
- Based on its recent financial data, the issue appears fully priced.
- Well-informed investors may park moderate funds for long term.

About the Company

Skyways Air Servies Ltd. (SASL) is a long-standing participant of India’s air freight forwarding and logistics sector. The Company is consistently ranked No. 1 “Air Freight Forwarder” in terms of AWBs generation by World ACD for last four calendar years 2025, 2024, 2023 and 2022 (Source: World ACD Market Data). The company handles maximum number of air cargo consignments from India to worldwide. It is actively engaged in providing a comprehensive suite of services, including air freight forwarding, ocean freight forwarding, trucking, warehousing, custom broking, technology driven express cargo and parcel delivery and a wide range of Value-Added Services (VAS) to support the diverse needs of its clientele across domestic and international markets.

As part of the continued development of its business, it has rolled out several proprietary technology products integrated them into its operations. These platforms support freight booking, shipment tracking, workflow automation and operational reporting, with the objective of improving operational efficiency and enhancing customer satisfaction across the logistics value chain. The company began its operations as a Custom House Agent (CHA) now known as a Custom Broker License holder and has progressively expanded its service offerings over the years in response to evolving market requirements and international trade dynamics. With over four decades of industry experience, SASL has built a well-integrated logistics infrastructure that offers end-to-end support across the supply chain.

Its value-added services encompass: 1. Logistics planning and management, facilitated through a robust, IT-enabled operational model, 2. Logistics solutions, designed to accommodate varied cargo movement requirements, 3. Cargo handling operations, ensuring timely and secure processing of shipments, 4. Warehousing solutions, supporting storage, inventory management and last-mile distribution, 5. Documentation and customs clearance services, ensuring regulatory compliance across borders, 6. Global connectivity and operational reach, supported by strategic international tie-

ups, network subsidiaries, and collaborative arrangements with other logistics providers enabling service delivery even in remote and hard-to-access regions.

The company maintains strategic alliances with a diverse range of international air freight carriers, enabling enhanced service capabilities and global reach. It has performance-based agreements with several leading global airlines, including Saudi Cargo, Air India Cargo, Emirates, Lufthansa and Qatar Airways (in the process of renewal). These partnerships not only strengthen its access to key international routes and cargo capacities but also contribute to improved service reliability and competitive transit times for our clients.

As part of its efforts to integrate technology into logistics operations, and technology subsidiary, sGate Tech Solutions Private Limited, develops proprietary technology platforms that support the digital execution of various logistics processes across business. These platforms facilitate freight quotations, booking management, shipment lifecycle management, documentation, shipment tracking, workflow management, customer communication and operational reporting. Their integration with its logistics operations is intended to reduce manual intervention, improve information flow across stakeholders, standardize operational workflows, facilitate faster processing of logistics activities and customer requests, and support the continued scalability of its operations. In addition to these performance-based agreements, the company is an active member of multiple global logistics networks, which serve as structured platforms for cooperation among international freight forwarders and logistics service providers. As of March 31, 2026, it had overall 1193 employees on roll (including its subsidiaries).

Promoters and Promoters Group

Mr. Yashpal Sharma: Chairman and Managing Director (MD)

Yashpal Sharma and Tarun Sharma: Promoter and Wholetime Director

Issue Details / Capital History

The company is coming out with its maiden book building route combo IPO of 42231600 equity shares (worth Rs. 582.80 cr.at the upper cap). The IPO consists of 28898300 fresh equity shares worth Rs. 398.80 cr. at the upper cap) and an Offer for Sale (OFS) of 13333300 equity shares (worth Rs. 184.00 cr. at the upper cap). The company has announced a price band of Rs. 131 – Rs. 138 per equity shares of Rs. 10 each. The issue opens for subscription on August 20, 2026, and will close on August 24, 2026. The minimum application to be made is for 100 shares and in multiples thereon, thereafter. Post allotment, shares will be listed on BSE and NSE. The issue constitutes 29.06% of the post-IPO paid-up equity capital. From the net proceeds of the fresh equity issue, the company will utilize Rs. 216.79 cr. for repayment/prepayment of certain borrowings by its subsidiary Forin Container Line Pvt. Ltd., Rs. 130.00 cr. for working capital, and the rest for general corporate purposes.

The joint Book Running Lead Managers (BRLMs) to this issue are Holani Consultants Pvt. Ltd., Shannon Advisors Pvt. Ltd., Dolat Finserv Pvt. Ltd., while Bigshare Services Pvt. Ltd. is the registrar to the issue. Holani Consultants Pvt. Ltd., and Nikunj Stock Brokers Ltd. are the syndicate members.

After issuing/converting initial equity shares at par value, the company has issued further equity shares in the price range of Rs. 94 – Rs. 120 per share (on the basis of Rs. 10 FV) between January 2025, and August 2025. It has also issued bonus shares in the ratio of 20 for 1 in July 2019, 25 for 7 in July 2022, 4 for 1 in May 2024, and 1 for 1 in January 2025. The average cost of acquisition of shares by the promoters/selling stakeholders is Rs. NIL, and Rs. 0.0005 per share.

Post-IPO, its current paid-up equity capital of Rs. 116.45 cr. will stand enhanced to Rs. 145.34 cr. Based on the upper cap of the price band, the company is looking for a market cap of Rs. 2005.74 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has (on a consolidated basis) posted a total income/net profit, of Rs. 1316.81 cr. / Rs. 34.49 cr. (FY24), Rs. 2271.00 cr. / Rs. 48.14 cr. (FY25), and Rs. 2839.67 cr. / Rs. 63.52 cr. (FY26). The company posted steady growth in its top and bottom lines for the reported periods. Its contingent liability stood at Rs. 289.08 cr. as of March 31, 2026, that raise alarm.

For the last three fiscals, the company has posted an average EPS of Rs. 3.52 and an average RoNW of 14.83 %. The issue is priced at a P/BV of 4.77 based on its NAV of Rs. 28.91 as of March 31, 2026, and at a P/BV of 2.74 based on its post-IPO NAV of Rs. 50.32 per share at the upper cap.

If we attribute FY26 super earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at P/E of 31.58. Based on FY25 earnings, the P/E stands at 41.69. The issue appears fully priced based on its recent average performance.

For the reported periods, the company has reported PAT Margins of 2.68% (FY24), 2.14% (FY25), 2.26% (FY26), and RoCE margins of 15.57%, 14.61%, 18.11%, respectively for the referred periods.

Dividend Policy

The company has paid a dividend of 14.37% for FY24, 8.00% for FY25, and 2.00% for FY26. It has already adopted a dividend policy in June 2025, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown Delhivery Ltd., TVS Supply chain, Mahindra Logistics, Shadowfax Techno, as its listed peers. They are currently trading at a P/E of 283.0, 75.3, 102.0, and 90.3 (as of Aug. 19, 2026). However, they are not truly comparable on an apple-to-apple basis. This comparison appears to be an eyewash.

Merchant Banker's Track Record

The three BRLMs associated with this issue has handled 8 IPOs in the last three fiscals out of which 1 issue closed below the issue price on the listing date.

Conclusion / Investment Strategy

SASL has a long standing freight forwarding and logistics sector participant in India. For the last four calendar years it has been ranked No. 1 “Air Freight Forwarder in terms of AWBs generation. It kept evolving technologies and modern techniques in its business to give all related services under one-roof. Ongoing geopolitical tensions may have cascading impact on its overall business. Based on its recent financial data, the issue appears fully priced. Well-informed investors may park moderate funds for long term.

About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

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