



Press Release
Go Airlines (India) Limited
September 21, 2023

Rating Downgraded, Reaffirmed and Issuer not co-operating

| Product | Quantum (Rs. Cr) | Long Term Rating | Short Term Rating |
|---|------------------|--|---|
| Bank Loan Ratings | 2070.00 | ACUITE C Downgraded Issuer not co-operating* | - |
| Bank Loan Ratings | 1393.02 | ACUITE D Downgraded Issuer not co-operating* | - |
| Bank Loan Ratings | 480.00 | - | ACUITE A4 Reaffirmed Issuer not co-operating* |
| Bank Loan Ratings | 1656.98 | - | ACUITE D Downgraded Issuer not co-operating* |
| Total Outstanding Quantum (Rs. Cr) | 5600.00 | - | - |

Rating Rationale

Acuite has downgraded its long term rating to '**ACUITE D' (read as Acuite D)** for Rs. 1393.02 Cr. long term bank facilities and '**ACUITE C' (Read as Acuite C)** for Rs. 2070 Cr. long term bank facilities from '**ACUITE B' (read as Acuite B)** and short term rating to **ACUITE D (read as Acuite D)** from '**ACUITE A4' (read as Acuite A four)** on Rs. 1656.98 Cr. short term bank facilities and reaffirmed short term rating of '**ACUITE A4' (read as Acuite A four)** on Rs. 480.00 Cr. short term facilities of Go Airlines India Limited (GoFirst). The rating continues to be indicative as 'Issuer Not Cooperating' and based on best available information.

Rationale for rating action

The rating of the company is downgraded on the basis of information available in public domain showing the company as "suit filed accounts - defaulters Rs. 1 crore and Above" marked by Bank of Baroda. Further, the feedback received by ACUITE from lead banker confirming the current asset categorization as NPA and Sub-Standard by all the consortium banker is also factored in while assigning the rating.

Acuite, further factors the incessant business challenges faced by the company on operational front due to grounding of 50% of its existing fleet on account of P&W engine issues, this has resulted in higher fixed expenses and thus significant operational challenges. GoFirst has suspended its operations and submitted the plan for restarting the operations to DGCA. The arrangement with Oil Marketing Companies (OMC) was on cash and carry basis and due to shortage of funds the daily operations could not be continued. GoFirst has sustained losses for more than three year in a row and had frequently rely on fund infusion by the promoter group for sustenance of business operations. The losses have over the years widened, thereby impacting the liquidity and has consequently defaulted on meeting its lease payments (commercial obligation). Acuite also takes note of the voluntary insolvency proceedings and the media releases claiming initiation of proceedings for repossession of aircrafts.

Furthermore, the rating continues to be INC (issuer not cooperating) category as the issuer has failed to submit No Default Statement (NDS) since April 2023. Acuite has made attempts to seek information from the issuer with regards to the recent developments but has not

received any response.

About the Company

Go Airlines (India) Limited (Go First) was the aviation foray of the Mumbai based 'Wadia' Group. The company was initially incorporated in April, 2004 as a private limited company and was later converted into a Public Limited Company in March, 2011. It launched low fare passenger airline services in Nov 2005 under the brand name 'Go Air'. In April 2021, the company rebranded its services to 'Go First'. As of Aug, 2022, Go First has a total fleet size of 58 aircraft serving 34 domestic destinations and 9 international destinations with an operational track record of nearly 18 years.

About the Group

Wadia Group is one of the oldest business group in India which was founded in 1736. The Group is a diversified conglomerate with businesses ranging from FMCG, Aviation, Chemicals, and Healthcare to Real Estate. Bombay Dyeing & Manufacturing Company Limited is the flagship company of the Wadia Group, engaged primarily in the business of textiles. Britannia Industries is another large listed entity where the Wadia Group has a significant stake. While four companies are listed on the Indian Stock Exchanges, the above two companies have been listed for over hundred years.

Non-cooperation by the issuer/borrower:

Acuité has been requesting for No Default Statements (NDS); however, despite multiple requests; the Company's management has remained non-cooperative and not submitted the NDS for the preceding 03 consecutive months.

Acuité had also requested for data/clarifications, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date.

Acuité believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is therefore being flagged as "Issuer not cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Limitation regarding information availability:

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité has endeavoured to gather information about the entity/industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Rating Sensitivity

"No information provided by the issuer / available for Acuite to comment upon."

All Covenants

None

Liquidity Position

"No information provided by the issuer / available for Acuite to comment upon."

Outlook: Not Applicable

Other Factors affecting Rating

On the basis of publicly available information:

The company was burning cash to the tune of Rs. 200 Cr. per month and hence faced liquidity crunch as a result of which the company has filed a voluntary insolvency resolution proceeding before NCLT on 2nd May 2023. NCLT has accepted the CIRP and appointed resolution professional. RP has submitted the revival plan to DGCA which is being analyzed.

Key Financials

| Particulars | Unit | FY 22 (Actual) | FY 21 (Actual) |
|-------------------------------|---------|----------------|----------------|
| Operating Income | Rs. Cr. | 4255.88 | 2171.74 |
| PAT | Rs. Cr. | (1804.08) | (870.16) |
| PAT Margin | (%) | (42.39) | (40.07) |
| Total Debt/Tangible Net Worth | Times | (1.06) | (1.08) |
| PBDIT/Interest | Times | 0.17 | 0.26 |

Status of non-cooperation with previous CRA

Brickworks vide its PR dated May 04, 2023 has flagged the company as Issuer not cooperating and is under INC flag since March 16, 2018.

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups

Applicable Criteria

- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite' s categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

| Date | Name of Instruments/Facilities | Term | Amount (Rs. Cr) | Rating/Outlook |
|-------------|--------------------------------|------------|-----------------|---|
| 05 May 2023 | Term Loan | Long Term | 3.78 | ACUITE B (Downgraded and Issuer not co-operating*) |
| | Working Capital Demand Loan | Long Term | 30.00 | ACUITE B (Downgraded and Issuer not co-operating*) |
| | Term Loan | Long Term | 73.90 | ACUITE B (Downgraded and Issuer not co-operating*) |
| | Secured Overdraft | Long Term | 100.00 | ACUITE B (Downgraded and Issuer not co-operating*) |
| | Term Loan | Long Term | 64.05 | ACUITE B (Downgraded and Issuer not co-operating*) |
| | Term Loan | Long Term | 25.65 | ACUITE B (Downgraded and Issuer not co-operating*) |
| | Term Loan | Long Term | 4.80 | ACUITE B (Downgraded and Issuer not co-operating*) |
| | Proposed Bank Facility | Long Term | 100.00 | ACUITE B (Downgraded and Issuer not co-operating*) |
| | Term Loan | Long Term | 93.00 | ACUITE B (Downgraded and Issuer not co-operating*) |
| | Proposed Bank Facility | Short Term | 450.00 | ACUITE A4 (Downgraded and Issuer not co-operating*) |
| | Secured Overdraft | Long Term | 843.02 | ACUITE B (Downgraded and Issuer not co-operating*) |
| | Letter of Credit | Short Term | 1200.00 | ACUITE A4 (Downgraded and Issuer not co-operating*) |
| | Secured Overdraft | Long Term | 20.00 | ACUITE B (Downgraded and Issuer not co-operating*) |
| | Letter of Credit | Short Term | 456.98 | ACUITE A4 (Downgraded and Issuer not co-operating*) |
| | Letter of Credit | Short Term | 30.00 | ACUITE A4 (Downgraded and Issuer not co-operating*) |
| | Term Loan | Long Term | 98.22 | ACUITE B (Downgraded and Issuer not co-operating*) |
| | Proposed Bank Facility | Long Term | 650.00 | ACUITE B (Downgraded and Issuer not co-operating*) |
| | Term Loan | Long Term | 31.60 | ACUITE B (Downgraded and Issuer not co-operating*) |
| | Term Loan | Long Term | 1320.00 | ACUITE B (Downgraded and Issuer not co-operating*) |
| | Term Loan | Long Term | 5.00 | ACUITE B (Downgraded and Issuer not co-operating*) |
| | Term Loan | Long Term | 5.00 | ACUITE BBB+ Negative (Downgraded from ACUITE A- Negative) |
| | Proposed Bank Facility | Long Term | 650.00 | ACUITE BBB+ Negative (Downgraded from ACUITE A- Negative) |
| | Term Loan | Long Term | 98.22 | ACUITE BBB+ Negative (Downgraded from ACUITE A- Negative) |
| | Term Loan | Long Term | 93.00 | ACUITE BBB+ Negative (Downgraded from ACUITE A- Negative) |
| | Working Capital Demand Loan | Long Term | 30.00 | ACUITE BBB+ Negative (Downgraded from ACUITE A- Negative) |
| | Term Loan | Long Term | 64.05 | ACUITE BBB+ Negative (Downgraded from ACUITE A- Negative) |
| | | Long | | ACUITE BBB+ Negative (Downgraded |

| | | | | |
|-------------|-----------------------------|------------|---------|---|
| 19 Jan 2023 | Term Loan | Term | 73.90 | from ACUITE A- Negative) |
| | Proposed Bank Facility | Short Term | 450.00 | ACUITE A2+ (Downgraded from ACUITE A1) |
| | Proposed Bank Facility | Long Term | 100.00 | ACUITE BBB+ Negative (Downgraded from ACUITE A- Negative) |
| | Letter of Credit | Short Term | 1200.00 | ACUITE A2+ (Downgraded from ACUITE A1) |
| | Term Loan | Long Term | 4.80 | ACUITE BBB+ Negative (Downgraded from ACUITE A- Negative) |
| | Term Loan | Long Term | 3.78 | ACUITE BBB+ Negative (Downgraded from ACUITE A- Negative) |
| | Letter of Credit | Short Term | 456.98 | ACUITE A2+ (Downgraded from ACUITE A1) |
| | Term Loan | Long Term | 31.60 | ACUITE BBB+ Negative (Downgraded from ACUITE A- Negative) |
| | Term Loan | Long Term | 1320.00 | ACUITE BBB+ Negative (Downgraded from ACUITE A- Negative) |
| | Secured Overdraft | Long Term | 20.00 | ACUITE BBB+ Negative (Downgraded from ACUITE A- Negative) |
| | Term Loan | Long Term | 25.65 | ACUITE BBB+ Negative (Downgraded from ACUITE A- Negative) |
| | Secured Overdraft | Long Term | 100.00 | ACUITE BBB+ Negative (Downgraded from ACUITE A- Negative) |
| | Secured Overdraft | Long Term | 843.02 | ACUITE BBB+ Negative (Downgraded from ACUITE A- Negative) |
| | Letter of Credit | Short Term | 30.00 | ACUITE A2+ (Downgraded from ACUITE A1) |
| 11 Oct 2022 | Term Loan | Long Term | 31.60 | ACUITE A- Negative (Assigned) |
| | Letter of Credit | Short Term | 1200.00 | ACUITE A1 (Reaffirmed) |
| | Working Capital Demand Loan | Long Term | 30.00 | ACUITE A- Negative (Reaffirmed) |
| | Letter of Credit | Short Term | 30.00 | ACUITE A1 (Reaffirmed) |
| | Term Loan | Long Term | 93.00 | ACUITE A- Negative (Assigned) |
| | Term Loan | Long Term | 73.90 | ACUITE A- Negative (Assigned) |
| | Secured Overdraft | Long Term | 100.00 | ACUITE A- Negative (Reaffirmed) |
| | Secured Overdraft | Long Term | 843.02 | ACUITE A- Negative (Reaffirmed) |
| | Term Loan | Long Term | 3.78 | ACUITE A- Negative (Assigned) |
| | Term Loan | Long Term | 25.65 | ACUITE A- Negative (Assigned) |
| | Term Loan | Long Term | 64.05 | ACUITE A- Negative (Assigned) |
| | Term Loan | Long Term | 1320.00 | ACUITE A- Negative (Assigned) |
| | Term Loan | Long Term | 5.00 | ACUITE A- Negative (Reaffirmed) |
| | Proposed Bank Facility | Short Term | 450.00 | ACUITE A1 (Assigned) |
| | Proposed Bank Facility | Long Term | 650.00 | ACUITE A- Negative (Assigned) |

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|-------------|-----------------------------|------------|---------|-----------------------------------|
| | Term Loan | Long Term | 98.22 | ACUITE A- Negative (Assigned) |
| | Proposed Bank Facility | Long Term | 100.00 | ACUITE A- Negative (Reaffirmed) |
| | Secured Overdraft | Long Term | 20.00 | ACUITE A- Negative (Reaffirmed) |
| | Letter of Credit | Short Term | 456.98 | ACUITE A1 (Reaffirmed) |
| | Term Loan | Long Term | 4.80 | ACUITE A- Negative (Assigned) |
| 01 Apr 2022 | Letter of Credit | Short Term | 504.00 | ACUITE A1 (Reaffirmed) |
| | Secured Overdraft | Long Term | 20.00 | ACUITE A- Stable (Assigned) |
| | Cash Credit | Long Term | 100.00 | ACUITE A- (Withdrawn) |
| | Term Loan | Long Term | 5.00 | ACUITE A- Stable (Reaffirmed) |
| | Proposed Bank Facility | Long Term | 100.00 | ACUITE A- Stable (Reaffirmed) |
| | Secured Overdraft | Long Term | 363.50 | ACUITE A- Stable (Reaffirmed) |
| | Letter of Credit | Short Term | 1200.00 | ACUITE A1 (Reaffirmed) |
| | Secured Overdraft | Long Term | 100.00 | ACUITE A- Stable (Reaffirmed) |
| | Letter of Credit | Short Term | 30.00 | ACUITE A1 (Reaffirmed) |
| | Working Capital Demand Loan | Long Term | 30.00 | ACUITE A- Stable (Assigned) |
| | Secured Overdraft | Long Term | 432.50 | ACUITE A- Stable (Reaffirmed) |
| 06 Jan 2021 | Term Loan | Long Term | 5.00 | ACUITE A- Stable (Assigned) |
| | Bank Guarantee | Short Term | 567.50 | ACUITE A1 (Assigned) |
| | Cash Credit | Long Term | 100.00 | ACUITE A- Stable (Assigned) |
| | Secured Overdraft | Long Term | 432.50 | ACUITE A- Stable (Assigned) |
| | Secured Overdraft | Long Term | 100.00 | ACUITE A- Stable (Assigned) |
| | Bank Guarantee | Short Term | 30.00 | ACUITE A1 (Assigned) |
| | Bank Guarantee | Short Term | 1200.00 | ACUITE A1 (Assigned) |

Annexure - Details of instruments rated

| Lender's Name | ISIN | Facilities | Date Of Issuance | Coupon Rate | Maturity Date | Complexity Level | Quantum (Rs. Cr.) | Rating |
|-----------------------|----------------|-----------------------------------|------------------|----------------|----------------|------------------|-------------------|---|
| Central Bank of India | Not Applicable | Letter of Credit | Not Applicable | Not Applicable | Not Applicable | Simple | 456.98 | ACUITE D Downgraded Issuer not co-operating* |
| Bank of Baroda | Not Applicable | Letter of Credit | Not Applicable | Not Applicable | Not Applicable | Simple | 1200.00 | ACUITE D Downgraded Issuer not co-operating* |
| Axis Bank | Not Applicable | Letter of Credit | Not Applicable | Not Applicable | Not Applicable | Simple | 30.00 | ACUITE A4 Reaffirmed Issuer not co-operating* |
| Not Applicable | Not Applicable | Proposed Long Term Bank Facility | Not Applicable | Not Applicable | Not Applicable | Simple | 100.00 | ACUITE C Downgraded Issuer not co-operating* |
| Not Applicable | Not Applicable | Proposed Long Term Bank Facility | Not Applicable | Not Applicable | Not Applicable | Simple | 650.00 | ACUITE C Downgraded Issuer not co-operating* |
| Not Applicable | Not Applicable | Proposed Short Term Bank Facility | Not Applicable | Not Applicable | Not Applicable | Simple | 450.00 | ACUITE A4 Reaffirmed Issuer not co-operating* |
| Bank of Baroda | Not Applicable | Secured Overdraft | Not Applicable | Not Applicable | Not Applicable | Simple | 100.00 | ACUITE D Downgraded Issuer not co-operating* |
| Central Bank of India | Not Applicable | Secured Overdraft | Not Applicable | Not Applicable | Not Applicable | Simple | 843.02 | ACUITE D Downgraded Issuer not co-operating* |
| IDBI Bank Ltd. | Not Applicable | Secured Overdraft | Not Applicable | Not Applicable | Not Applicable | Simple | 20.00 | ACUITE D Downgraded Issuer not co-operating* |
| Central Bank of India | Not Applicable | Term Loan | Not available | Not available | Not available | Simple | 5.00 | ACUITE D Downgraded Issuer not co-operating* |
| Central Bank of | Not | Term | Not | Not | Not | Simple | 93.00 | ACUITE D Downgraded Issuer not |

| | | | | | | | | |
|-----------------------|----------------|------------------------------------|---------------|---------------|---------------|--------|---------|--|
| India | Applicable | Loan | available | available | available | | | co-operating* |
| Central Bank of India | Not Applicable | Term Loan | Not available | Not available | Not available | Simple | 73.90 | ACUITE D Downgraded Issuer not co-operating* |
| Central Bank of India | Not Applicable | Term Loan | Not available | Not available | Not available | Simple | 64.05 | ACUITE D Downgraded Issuer not co-operating* |
| Central Bank of India | Not Applicable | Term Loan | Not available | Not available | Not available | Simple | 25.65 | ACUITE D Downgraded Issuer not co-operating* |
| IDBI Bank Ltd. | Not Applicable | Term Loan | Not available | Not available | Not available | Simple | 4.80 | ACUITE D Downgraded Issuer not co-operating* |
| IDBI Bank Ltd. | Not Applicable | Term Loan | Not available | Not available | Not available | Simple | 3.78 | ACUITE D Downgraded Issuer not co-operating* |
| Deutsche Bank | Not Applicable | Term Loan | Not available | Not available | Not available | Simple | 1320.00 | ACUITE C Downgraded Issuer not co-operating* |
| Bank of Baroda | Not Applicable | Term Loan | Not available | Not available | Not available | Simple | 31.60 | ACUITE D Downgraded Issuer not co-operating* |
| Bank of Baroda | Not Applicable | Term Loan | Not available | Not available | Not available | Simple | 98.22 | ACUITE D Downgraded Issuer not co-operating* |
| IDBI Bank Ltd. | Not Applicable | Working Capital Demand Loan (WCDL) | Not available | Not available | Not available | Simple | 30.00 | ACUITE D Downgraded Issuer not co-operating* |

Contacts

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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