

GO AIRLINES' LOW-COST BUSINESS MODEL LEFT IT VULNERABLE TO THE IMPACT OF THE COVID-19 PANDEMIC, RISING COMMODITY COSTS AND GLOBAL SUPPLY CHAIN DISRUPTIONS

Moody's
ANALYTICS

EDF

GO Airlines (India) Limited

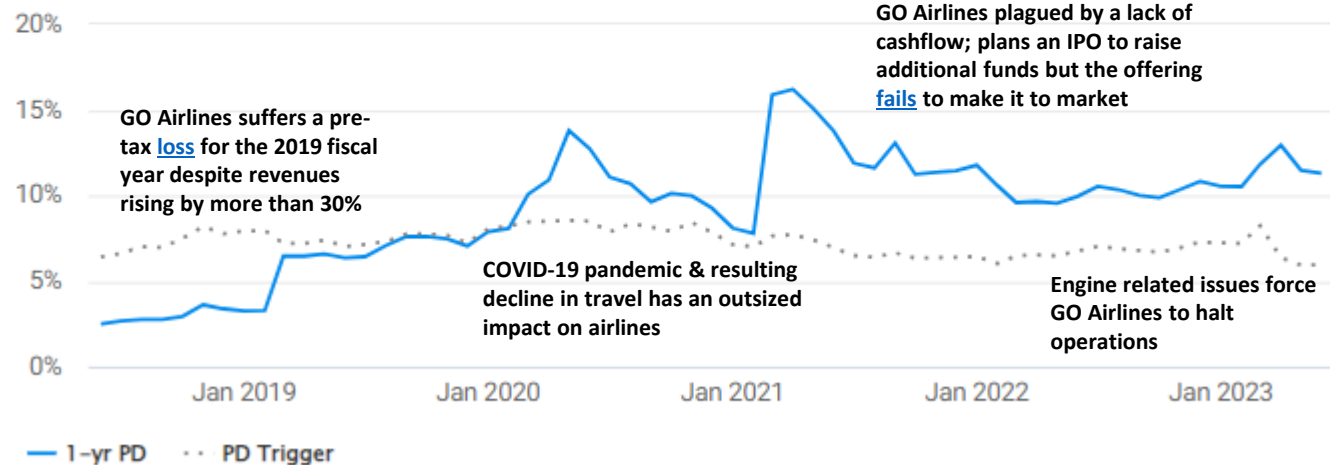
1-Year PiT PD vs. Trigger

PD ABOVE TRIGGER

Early Warning Signal

SEVERE

3M 6M 1Y 2Y 3Y 5Y All



GO Airlines' budget friendly business model faced challenges prior to 2020 due to rising fuel costs and the competitive nature of India's domestic airline market. Despite these obstacles, the firm [expanded](#) operations to increase market share. However, the COVID-19 pandemic severely impacted the airline industry, reducing travel and damaging GO Airlines' financial position, leaving the firm in a difficult position with vendors and creditors. Needing funds, GO Airlines planned an IPO in 2021 but regulatory delays and market volatility kept the offering on the shelf. Under financial pressure, the airline was ill positioned to handle rising fuel costs in the wake of the Russia-Ukraine conflict. Further, GO Airlines was unable to secure timely servicing and replacement of key engine components, grounding a large share of its fleet in the spring of 2023. The significant loss of revenue pushed the firm into [bankruptcy](#).