

## Wadia group to play role in Go First saga

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A Mauritius-based Wadia group company that together with its affiliates indirectly holds a stake in Britannia Industries could take centre stage in a face-off between Go First's bankers - some of whom want collateral provided by that company overseas for loans taken by the airline to be included in a common security pool, according to sources.

The bankers' consortium of Go First that comprises public sector banks believes the collateral provided by Wadia group company, Mauritius-based Leila Lands Limited (LLL), for loans that Go First obtained from Deutsche Bank (DB) is disproportionately greater in value to the security that was provided to them for loans that they advanced to the airline, the sources said.

Deutsche Bank has loaned money to Go First but is not part of the consortium.

"We will move national company law tribunal (NCLT) to include the overseas security in the common pool. This is to ensure there is parity between lenders," a consortium banker told ET on condition of anonymity.

ET had reported on May 12 that Leila Lands took loans worth \$300 million from Deutsche Bank in financial year 2021 and 2022 by creating a charge on the bank account of London-based Associated Biscuits International Limited (ABIL), a company that owns 44.76% stake in the listed Britannia Industries.

**Fixed Deposits worth \$200m**

During the same period, Leila Lands created fixed deposits worth around \$200 million to secure finance facilities from Deutsche Bank for Go First.

"We cannot comment on speculation. No assets of the Wadia group companies were used to create any security taken from DB for GoFirst. As you are aware of the fact, as already replied to you on May 11, Leila Lands has provided security to Deutsche Bank by way of a fixed deposit of \$191 million, out of its own accumulated retained cash earnings, to advance financial assistance to GoAir," said a representative of the Mauritius company.

Leila Lands said the loan taken from Deutsche Bank was for its own corporate purposes and investments. "A loan of \$300 million has been provided by DB to LLL group for use in corporate purposes and investments. As is customary in loan financing, ABIL part of LLL group has provided a lien on its inflows. This has no connection whatsoever with its 44.76% shareholding stake in Britannia".

Britannia Industries and Go First did not respond to ET's queries. Deutsche Bank declined to comment.

The public sector banks consortium that includes Central Bank of India, Bank of Baroda and IDBI Bank advanced loans to the airline by taking a land parcel owned by Wadia Realty as security. They may agree to bring that into the common security pool provided the entire security created in favour of Deutsche Bank is also brought into the pool. The trio have collectively loaned around Rs 3,400 crore to the airline. Deutsche Bank has loaned Rs 1,320 crore to the airline.

"Deutsche Bank is not part of the consortium. The DB loan is a facility independent of the consortium with its own independent security," Leila Lands said.

GoFirst was admitted for insolvency proceedings on May 10 by NCLT after it voluntarily approached the bankruptcy tribunal citing the commercial viability of its operations had been adversely impacted because several of its aircraft remained grounded due to defective engines supplied by Pratt & Whitney.

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