

## **FHRAI asks SEBI to axe Oyo's IPO citing massive losses**

The Federation of Hotel and Restaurant Associations of India (FHRAI) urged the Securities and Exchange Board of India (SEBI) to call off online hospitality major Oyo's initial public offering (IPO), citing the massive losses suffered by the hotel rooms aggregator in recent years. FHRAI cautioned that Oyo's IPO will allegedly wipe out public wealth while enriching its founders and key management. As per reports, Oyo incurred losses of Rs 3943.84 crore in FY20-21, translating to a loss of over Rs 76,077 every minute. According to the top hotel industry body, since its inception in 2013, Oyo has been running in losses and its total turnover fell a drastic 69 per cent from Rs 13,413 crore in 2020 to Rs 4,157 crore in 2021.

“Oyo is a company that has consistently registered losses since its inception. It may have raised a lot of money to become touted as one of India's most promising start-ups but it hasn't done enough to manage the business on the ground as efficiently,” said Mr. Gurbaxish Singh Kohli, Vice President, FHRAI.

FHRAI had previously objected to gross misstatements and inadequate disclosures contained in the Draft Red Herring Prospectus (DRHP) filed by Oyo. The association also filed a complaint with the SEBI stating Oyo's tax evasion. The Directorate General of GST Investigation (DGGI) had filed a case of GST/service tax evasion against Oyo and its subsidiaries.

“Oyo has been deliberately suppressing sales figures. It has been under-reporting revenues generated from hotels and has also been evading taxes,” according to Mr. Pradeep Shetty, Joint Honorary Secretary, FHRAI.