

Stake sale by Hyundai and Kia in Ola Electric exacerbates share slump

Bloomberg

South Korean automakers Hyundai Motor Co and Kia Corp sold about 136 million shares in Ola Electric Mobility Ltd on Tuesday, just days after the Indian e-scooter firm posted quarterly losses that had more than doubled.

While Hyundai offloaded 108.8 million shares at an average price of ₹50.7 (59 cents), Kia sold 27.17 million shares at ₹50.55 a share, according to bulk deals data from the NSE website.

Citigroup Global Markets Mauritius Pvt bought 86.15 million shares, data show.

The share sale comes as the Bhavish Aggarwal-led firm faces multiple crises, marred by operational delays, weak demand and

rising competition. Ola's shares slumped 8.1 per cent on Tuesday, the most in seven months.

This pushed this year's plunge to 42 per cent, after a blockbuster listing in August.

Ola has also been under increased scrutiny over its method of counting vehicle bookings as well as seen raids and vehicle seizures by local transport officials for lapses in regulatory compliances.

Hyundai held a 2.47 per cent stake or about 108.9 million shares in Ola as of March 31, according to stock exchange data.

Tuesday's sale could mean it exited the investment.

Kia's shareholding in Ola wasn't immediately known as stakes of less than 1 per cent aren't typically disclosed to the stock exchanges.

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