

Softbank-funded hotel firm Oyo lays off 10% of India staff

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Indian entrepreneur Ritesh Agarwal founded Oyo in 2013 and the company is now valued at \$10 billion

Indian hotel giant Oyo said Tuesday it is cutting 1,000 employees, or 10 percent of its local staff, as it battles multiple allegations including

bribery and pressure from Japanese backer SoftBank to cut costs.

An Indian newspaper said 2,400 jobs would go in total and that the firm, which has expanded aggressively in Asia and the Middle East under its 26-year-old founder, had offloaded around a quarter of its unprofitable properties.

SoftBank has backed a slew of start-ups but problems with some of the companies it has invested in including office-sharing firm WeWork and ride-hailing operator Uber had led to it pressuring others to slash costs.

A source at Oyo said it was "letting go" the 1,000 employees in India, a tenth of its total strength. Bloomberg News reported last month that it has also laid off five percent of its 12,000 staff in China.

In a letter sent to employees and investors and seen by AFP, Oyo founder Ritesh Agarwal said the company was reorganising its teams, a process that would result in some jobs becoming "redundant".

"This has not been an easy decision for us. We are doing everything we can to ensure that our outgoing colleagues receive as much assistance and support as possible through this transition," Agarwal said.

Oyo has also offloaded about 25 percent of its unprofitable properties in India, the Economic Times daily quoted an unnamed senior company executive as saying.

In his letter, Agarwal also addressed "questionable" claims made in recent media reports, saying the behaviour described was against the company's code of conduct.

"We take all the allegations very seriously and are looking into each and every one," he said.

A New York Times report published earlier this month said Oyo bribed [government officials](#) and resorted to unfair practices including fraudulent listings.

Founded in 2013, Oyo, now valued at \$10 billion after a recent share buyback, is one of the world's biggest hotel chains.

Oyo allows users to book rooms through its app and also runs a franchise business rebranding budget hotels and offering them to tourists looking for cheap but clean accommodation.

The firm is also facing a backlash in India over its customer service record and alleged non-payment of outstanding dues to property owners.

Last October, Indian regulators opened antitrust investigations into Oyo and hotel-booking platform MakeMyTrip after hospitality firms and industry bodies complained the two companies were stifling competition.

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