

Wabco India slips 10% as promoter begins to offload stake via OFS



Shares of [Wabco India](#) slumped 10 per cent to Rs 5,510 on the BSE in the intra-day trade on Thursday after the promoter's two days stake sale through offer-for-sale (OFS) route began today.

The floor price has been fixed at Rs 5,450 a share, an 11 per cent discount to Wednesday's closing price of Rs 6,102 apiece on the BSE. The issue opened on Thursday for non-retail investors and will open on Friday for retail investors.

As per the stake sale plan, the promoter ZF International UK will offload 18.10 per cent stake (Base Issue: 9.05 per cent + Oversubscription Issue: 9.05 per cent) through OFS. The sale is being undertaken by the seller for achieving the minimum public shareholding requirement in the company, Wabco India said in an exchange filing.

As on December 2020, the promoters, Wabco Asia Private Limited (75 per cent) and ZF International UK (18.11 per cent), collectively held 93.11 per cent stake in the auto parts and equipment company.

Meanwhile, according to Wabco India, a well thought out vehicle scrappage policy with incentives is likely to spur demand for commercial vehicles in the short to medium term. Adoption of digital connectivity solutions will make fleets more efficient and cost-effective.

"The government's FAME-II scheme has led to an increase in the adoption of electric buses in the country and it can make significant budget allocation to the Ministry of Urban Development to support State Transport Undertakings in procuring Buses with other fuels like CNG, Diesel, Biofuel etc. This would also lead to reviving demand for commercial vehicle," the company said in FY20 annual report.

At 11:11 am, the stock was quoting 9 per cent lower at Rs 5,580 on the BSE, as against a 1.3 per cent decline in the S&P BSE Sensex. A combined around 325,000 equity shares had changed hands on the counter on the NSE and BSE till the time of writing of this report.

[Wabco India](#)