Paytm employees convert ESOPs to shares ahead of IPO

By Isabelle Crossley - 15 September 2021

As digital payments and e-commerce business Paytm gears up for its initial public offering, a further 40 current and former employees have converted their employees' stock option plan grants into shares for monetisation.

Paytm, owned by One97 Communications, had held an extraordinary general meeting on September 2 and decided to approve raising the ESOP share pool from 2.4 crore to more than 6.1 crore, ET Bureau reported. Prior to Paytm’s meeting, a total of 166 former and current employees had converted ESOPs into shares. With the 40 new additions to the scheme, the total employees and former employees joining the scheme is over 200.

“Paytm will facilitate loans of up to Rs 100 crore [$15 million] through its lending partners and will also bear the interest of these loans for six months, so that employees are able to handle their finances better and yet, become proud shareholders of the company,” an anonymous source told the Press Trust of India.

The business has said it will help its employees wishing to become shareholders to make the transition by facilitating loans with its established lending partners. This year, Paytm enabled 14 lakh loans from the January to March period alone, according to its draft red herring prospectus.

With a valuation of Rs 16,600 crore, Paytm’s IPO is expected to be India’s largest market debut for a business to-date as its valuation is around Rs 1.47 lakh crore.