

Rel Cap sells stake in Paytm parent to Alibaba

Digbijay.Mishra
@timesgroup.com

Bengaluru: Anil Ambani-controlled Reliance Capital has sold its entire stake in Paytm's parent One97 Communications to Alibaba Group, an existing investor in the online payments and commerce company, clocking handsome returns on its investment, people aware of the development said. The ADA group's entity held 0.8% stake in One97 Communications at the end of financial year 2016 after having pumped in Rs 10 crore around six years ago, as per filings made the company with the Registrar of Companies.

Sources said, Reliance Capital scooped up about Rs 275 crore through this secondary sale

Reliance Capital had pumped Rs 10 crore around six years ago and scooped up about Rs 275 crore, earning 27 times return on investment

of shares. Reliance Capital's exit would give it a 27 times return on its investment. Each share was sold at Rs 7419.

The financial services firm made the investment in One97 Communications when the Noida-based company was gearing up for an IPO which was later suspended.

"Both Alibaba and Alipay together have picked up the shares held by Reliance Capital," a privy to the deal said. Paytm parent's value shot up to \$4.8 billion when Taiwan's Mediatek had put \$60 million in last year.

At present, Alibaba and Ant Financial, collectively hold around 40% stake in One 97. When contacted, spokespersons for Reliance Capital and Paytm declined to comment on the development. Reliance Capital had been looking to exit Paytm parent for sometime now, as has been reported earlier.