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Antfin clean-out trade in Paytm

As per a [media report](#), Ant financial, an affiliate of China's Ant Group, is selling its entire remaining 5.84% stake in Paytm via a block deal worth INR 38bn. The transaction marks a complete exit for Chinese investors from Paytm, concluding a phased divestment that began in 2023. As seen in certain other clean-out trades in the past, the stock can also get some buoyancy considering the end of this overhang. Furthermore, this could even be a precursor to the company receiving certain regulatory approvals.

- **Block details:** Antfin (Netherlands) Holding B.V., an affiliate of China's Ant Group (which, in turn, is backed by Alibaba and is considered a Chinese entity), is planning to offload its entire remaining 5.84% stake in Paytm for ~INR 38bn via a block deal. The transaction has a floor price of INR 1,020 per share (5.4% discount to the last closing price of INR 1,078). The floor price implies c.29x multiple on JMFe Jun'27 Adj. EBITDA. The deal marks a clean-out trade, signalling Antfin's complete exit from Paytm. Antfin is the last remaining Chinese shareholder and once the deal is executed, Paytm will no longer have any Chinese ownership.
- **Antfin's history with Paytm:** Antfin was one of Paytm's largest early investors, holding a significant 28% stake prior to Paytm's IPO. Over the past two years, it has steadily reduced its holding - first transferring a [~10.3% stake to Paytm CEO Vijay Shekhar Sharma](#) via an off-market transaction in Aug'23, followed by an open market sale of ~4% in May'25 for ~INR 21bn ([refer exhibit 1](#)). The current block deal removes Antfin from Paytm's cap table entirely, reducing its holding to zero. This exit aligns with broader regulatory and geopolitical dynamics with a more India-dominated shareholding structure as the company has faced scrutiny in the past over foreign ownership and data localisation concerns.
- **Elevation Capital remains the only Pre-IPO investor now:** With the exit of Antfin, Paytm's pre-IPO cap table has seen a near-complete churn. Major early backers including Alibaba, SoftBank, and Berkshire Hathaway have all exited fully over the past two years. Elevation Capital (formerly SAIF Partners) now stands as the only significant pre-IPO investor still holding a stake of ~15.4% as of Jun'25 ([refer exhibit 2](#)). Other than Elevation Capital and the founder, Vijay Shekhar Sharma, no other shareholder has more than 5%+ of the shareholding with mutual funds holding 13.9% stake and foreign portfolio investors holding a combined 20.3% stake in the listed entity.
- **Overhang clears; could lead to a positive reaction:** With the long-standing overhang from a major Chinese investor now removed, Paytm's stock could see a positive reaction as ownership concerns ease and supply pressure decreases. Such clean-out trades often provide clarity to the market, allowing investors to refocus on fundamentals and future growth. The exit also aligns the cap table more closely with regulatory expectations, which could be viewed favourably in the context of Paytm's pending payment aggregator license.
- **Benign valuations despite the uptick in operating performance:** Paytm has seen a sharp reversal from the regulatory disruption in Jan'24 to report PAT profitability in Q1FY26. Furthermore, the improvement in contribution margin (mid-high fifties) along with a controlled rise in indirect expenses can potentially trigger a rapid rise in absolute profits for the company with focus reverting to sustainable growth. On JMFe Jun'27 Adj. EBITDA of INR 18.5bn, the floor price only implies c.29x multiple, significantly low for the growth



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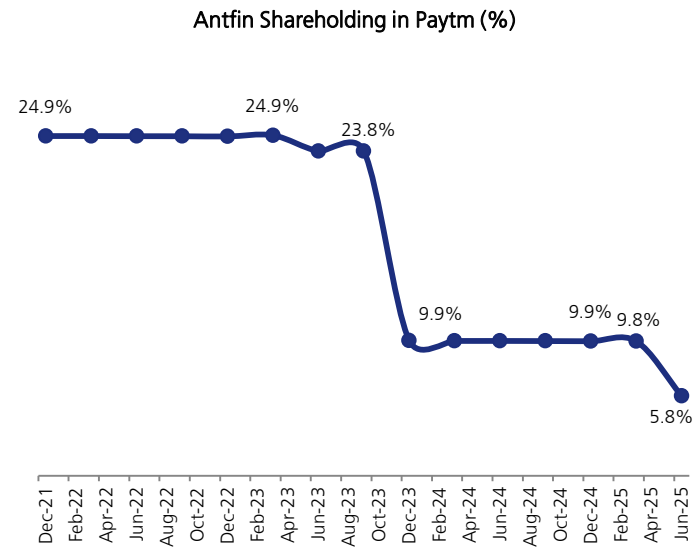
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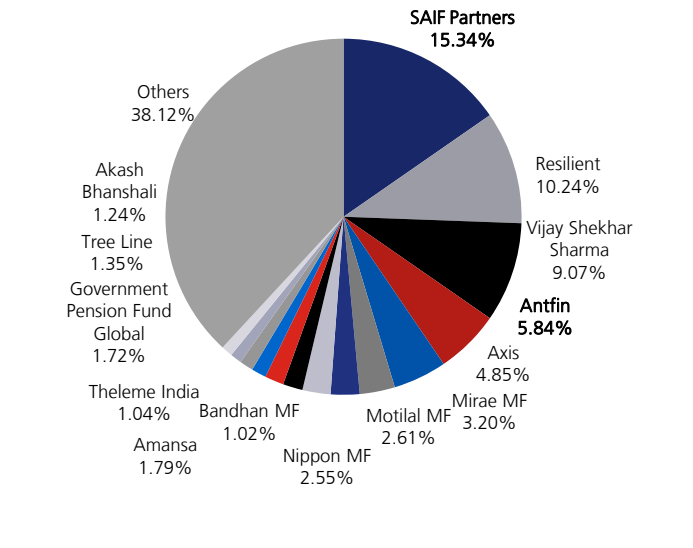
trajectory and margin expansion being delivered. Moreover, there still remain the optionality of certain regulatory triggers if things play out accordingly.

Exhibit 1. Antfin’s shareholding trend post IPO



Source: Company, JM Financial

Exhibit 2. Paytm: Current shareholding (as of Jun'25)



Source: Company, JM Financial

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