

## Alibaba Debuts in Indian Ecomm With Paytm Stake

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China's Alibaba, the world's biggest and most valuable ecommerce company, has finally moved to pitch its flag in India.

An Alibaba affiliate, Ant Financial Services Group, said on Thursday it had signed a deal to buy a 25% stake in Indian mobile payments and ecommerce platform Paytm owner One97 Communications. While both sides did not reveal financial details, three sources familiar with the deal's contours said Ant would initially pay around \$200 million for the 25% stake and stump up \$375 million more in subsequent tranches based on the firm meeting performance milestones.

ET had last month reported that Alibaba was in talks to buy into Paytm, heralding the Chinese ecommerce giant's indirect entry into a market potentially as large as the one it has back home.

Speaking to ET over phone, Cyril Han, vice-president of Ant Financial, said the deal that seeks to effectively pump money into Delhi-based Paytm -India's largest mobile commerce platform with nearly 25 million orders a month and more than 23 million mobile wallet users -will close in the second quarter of this year. Paytm offers recharges, tickets and deals besides hosting an integrated marketplace where it hands out bargains to shoppers purchasing clothing, shoes, accessories and other goods.

"India is a very important market for us because the population of 1 billion is just as large as China, while we also see the smartphone growth in India as more users will use mobile phones for payments and shopping," Han said, explaining the rationale behind investing in a mobile commerce player in the Indian market.

Alibaba is the last of the global ecommerce biggies to set up presence in India's red-hot marketplace for online shopping. Its global peers Amazon and eBay already have sizeable Indian operations.

Neither Han nor One97 Communications and Paytm's founder Vijay Shekar Sharma divulged financial details of the deal or how much it valued the Indian firm at.