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Paytm ESOP SURRENDER EXPLAINED

Initial Stake: Vijay Shekhar Sharma held a **14.7% stake** in One97 Communications, before Paytm's 2021 IPO.

Stake Transferred: To become eligible for (ESOPs) grants, he moved 30.9M shares to Axis Trustee Services (a Family trust), dropping his direct stake below 10%.

Reclassified as Non-Promoter: After reclassification as a "non-promoter," Sharma was granted 21 million ESOPs under the One97 Employees Stock Option Scheme, 2019.

SEBI Scrutiny: In August 2024, SEBI issued a show-cause notice to Paytm over ESOP legality. The regulator questioned ESOPs to an "influential" individual.

ESOP Surrender: On April 16, 2025, Sharma voluntarily surrendered all 21M ESOPs valued at ₹1,800 Cr to address regulatory concerns.

Financial Impact: One-time, non-cash ESOP expense of ₹492 Cr in Q4 FY25. Future ESOP costs reduced.

Options Cancelled: Cancelled ESOPs returned to the One97's ESOP pool.

3-Year ESOP Freeze: Sharma won't accept ESOPs for next three years — a move toward governance.

Paytm

VIJAY SHEKHAR SHARMA