

TEAMLEASE TO ACQUIRE STAKE IN AVANTIS, AGREEMENT TO CREATE AN 'EASE-OF-DOING-BUSINESS' VERTICAL

TeamLease Services Limited (**NSE: TEAMLEASE, BSE: 539658**), one of India's largest staffing companies, and Avantis Softech LLP ('Avantis'), India's leading Compliance and Regulatory Technology Company, today announced the signing of a definitive agreement under which TeamLease will invest Rs.7 crore in Avantis. The transaction remains subject to customary closing conditions and regulatory approvals and is expected to close before the end of September 2018. Avantis will be converted into a private limited company and will operate as a separate and independent entity.

About Avantis

Avantis has deep expertise in Governance, Risk and Compliance Automation and has helped hundreds of organisations migrate from manual and people dependent processes to automated, framework based solutions. It has credibility across large enterprises and SMEs with implementations across 29 states and 7 Union Territories in India with quick and easy on-boarding and a Mobile App based Compliance tracking and management. Avantis's SAAS (Software as a Service) Platform covers over 1200 Acts and over 55,000 compliances in India. Avantis's strong compliance assessment and research capabilities leverage cutting edge technologies such as AI, ML and OCR.

The company was co-founded by Rishi Agrawal and Sandeep Agrawal. Rishi served as the head of BNY Mellon's Center in Pune; IIT Varanasi (1999) and IIM Calcutta (2001) are his alma mater. Sandeep is a Chartered Accountant and had worked with PwC for close to a decade in Risk Advisory.

Deal Rationale

Avantis's market validated compliance platform and ability to conceptualize and build cutting edge technology plug-ins / interfaces will help TeamLease strengthen its position in the RegTech landscape and the vast market in the Compliance and Payroll Outsourcing (CPO) segment. It enables the opportunity to integrate with various payroll providers and regulators for data processing, straight through filing and record management. While TeamLease continues the DFM (Do it for Me) services in CPO business, all tech-enabled DIY (Do it Yourself) services will be carried out by Avantis.

Key Terms of the Deal

The transaction involves a primary investment of Rs.7 crore through CCPS (Compulsorily Convertible Preference Shares) over the next 3 years. The valuation for conversion and purchase of additional stake by TeamLease is linked to Avantis's future performance and meeting its milestones.

Infused funds shall be primarily used to expand its business into new geographies, strengthen its existing technology and explore new forms of delivery.

Announcing the signing, **Ashok Reddy, Managing Director, TeamLease Services** said, *“Our partnership with Avantis provides important infrastructure for our vision of Paperless, Presenceless and Cashless compliance for India’s big and small entrepreneurial ecosystem. Making compliance painless will make India a more fertile habitat for formal job creation.”*

“Teamlease has the scale, experience, and credibility that truly enables our vision of Ease-of-doing Business (‘EODB’) 3.0. EODB 1.0 was the end of the license raj and EODB 2.0 was GST but EODB 3.0 will digitize the plumbing of all compliance for small and big employers. India has the opportunity to skip the evolution and move directly to a regulatory and compliance system more efficient and effective than developed countries” said **Rishi Agrawal, CEO of Avantis**.

About TeamLease Services Limited

TeamLease is a leading human resource service company with over 193,000 associates/trainees in 6,600+ locations. The company has 8 offices and over 2,250 clients across the country for its services in Staffing, Outsourcing and Human Capital. TeamLease pursues its mission of ‘Putting India to Work’ by focusing on the 3 E’s of Employment, Employability and Education. The Company in partnership with the Government of Gujarat, set up TeamLease Skills University (TLSU), India’s first vocational university, at Vadodara through which NETAP (National Employability through Apprenticeship Program) provides on-the-job training. The Company has cumulatively provided employment to over 1.6 million people in the last 15 years and aims to hire millions more. For more details, visit www.teamleasegroup.com.

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