

August 03, 2018

BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 001	National Stock Exchange of India Limited, Exchange Plaza, 5 <sup>th</sup> Floor, Plot no. C/1, G Block, Bandra Kurla Complex, Bandra(E), Mumbai - 400 051
Scrip Code: 539658	Scrip Code: TEAMLEASE

**Sub: Intimation of agreement to acquire stake in Avantis**

Dear Sir/Madam,

Pursuant to Regulation 30 read with Schedule III (Part A) and any other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Company has signed definitive agreements to acquire stake in Avantis Softech LLP (to be converted into a private limited company) ("Avantis"), a LLP incorporated Limited Liability Partnership Act, 2008 subject to customary closing conditions.

We enclose herewith the details required under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 09, 2015 as an Annexure.

A copy of Press Release in this respect is also enclosed.

This is for your information and record.

Thanking You

Yours faithfully,

For **TeamLease Services Limited**



**Ashok Kumar Nedurumalli**  
**Managing Director**  
**(DIN: 00151814)**



Encl: As above.

**Annexure**

Sl. No.	Details of Events that need to be provided	Information of such Events
1.	name of the target entity, details in brief such as size, turnover etc.;	Name: Avantis Softech LLP (“Avantis”) Business: 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. For FY18, the revenue was Rs. 1.10 Crores.
2.	whether the acquisition would fall within related party transaction(s) and whether the promoter/promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at “arms length”;	The proposed acquisition does not fall within Related Party Transaction and the promoters of the Company have no interest in the entity proposed to be acquired.
3.	industry to which the entity being acquired belongs;	Digital Compliance Management
4.	objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity);	Proposed primary investment to be used for <ul style="list-style-type: none"> <li>• Creating new product offerings</li> <li>• Strengthen its existing technology</li> <li>• Possible cost synergies by integrating the horizontals</li> </ul>
5.	brief details of any governmental or regulatory approvals required for the acquisition;	Conversion of Avantis Softech LLP into a private limited company is a condition precedent to the closing which requires approval from the Registrar of Companies, Pune.
6.	indicative time period for	On or before 90 days from the date of agreement.





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	completion of the acquisition;	
7.	nature of consideration - whether cash consideration or share swap and details of the same;	Cash consideration. TeamLease to acquire stake in Avantis through primary investment of Rs.7 crore through CCPS (Compulsorily Convertible Preference Shares) over the next 3 years. The deal is structured as an all-cash tender financed with the existing cash reserves of TeamLease.
8.	cost of acquisition or the price at which the shares are acquired;	The CCPS to be allotted to TeamLease at a price of Rs. 228 each.
9.	percentage of shareholding / control acquired and / or number of shares acquired;	TeamLease will acquire ~3.07 lakhs CCPS in Avantis over a period of 3 years as per the definitive agreement. Acquisition of further stake in Avantis is linked to future performance and meeting its milestones.
10.	brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information(in brief)	<ul style="list-style-type: none"><li>• Avantis Softech LLP (“Avantis”) was incorporated on December 05, 2016.</li><li>• A leading B2B RegTech (Regulatory Technology) Company in India currently with 75 Enterprise customers serving over 2500 locations across 29 states and 7 union territories in India</li><li>• Enterprise customers across 20 different industries with State of the art cloud enabled SAAS (Software as a Service) Platform equipped with enterprise workflow and document management capabilities</li><li>• Enabled with over 1200 ACTS and 55,000 compliances in India</li><li>• Integrated Litigation and Contract Management Modules</li><li>• Avantis operates mainly through its office in Pune, India.</li><li>• For FY18, the total revenue was Rs. 1.10 Crores.</li></ul>



## **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.

Press Release, August 03, 2018

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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](http://www.teamleasegroup.com).

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