

TEAMLEASE ACQUIRES STAKE IN SCHOOLGURU TO ACCELERATE ITS EMPLOYABILITY STRATEGY

TeamLease Services Limited (**NSE: TEAMLEASE, BSE: 539658**), one of India's largest staffing companies, and Schoolguru Eduserve Private Limited ('Schoolguru'), an Online Learning company that works with 18 Universities, today announced the signing of a definitive agreement under which TeamLease will acquire ~40% stake in Schoolguru. The transaction remains subject to customary closing conditions and regulatory approvals and is expected to close before the end of November 2017. Schoolguru will continue to operate as a separate and independent entity.

About Schoolguru

Schoolguru is India's premier technology-led specialized academic services organization established in 2012. The company partner with Indian Universities to help them provide premium Online and Virtual courses for their students. Schoolguru solicits partnerships only from State / Central universities that are either an Open University (meant to run Distance Education Programs only) or have a significant Distance Education (ODL) activity. Their managed technology platform provides all the components that a University may need to run their ICT services for their students ranging from the hosting platform, the underlying ERP, admission and fee management, the content, the streaming services, student engagement and communication, student servicing and the expertise to manage the platform. The platform is mobile native and is designed to adopt innovations in machine learning, multi-reality, and analytics to offer personalized and effective learning to millions.

The company was founded in 2012 by Shantanu Rooj, Ravi Rangan and Anil Bhat. Shantanu, who is the CEO of the company, is an entrepreneur, an IITian and a JBIMS Management graduate. Starting with a team of five members, the Company has grown into a team of 125+ employees, spread across 11 locations. The company has a library of 45 undergraduate courses and 30 masters courses with a total of more than 500,000 minutes of video content. Schoolguru services 70,000 students through 18 Universities by helping Universities launch, run and manage their online learning offerings and services.

Deal Rationale

TeamLease is looking at expanding its portfolio of employability services through this deal. The company, which has been operating since 2002, mainly offers temping services where it provides temporary workforce to its clients on a contract. This allows clients to hire without adding to their direct employee base. This employment and business model is closely associated with sectors like manufacturing, banking, FMCG, FMCD, telecom and retail, among others. Schoolguru's online platform that is linked to several universities across the country will help TeamLease strengthen its candidate base. TeamLease also plans to expand its apprenticeship program, NETAP, by offering an opportunity to the students of the partner Universities thereby helping them 'learn on the job' and improve their employability quotient.

The ODL (Open and Distance Learning) regulations published by the Universities Grant Commission and the draft regulations for Online Programs create huge regulatory space for technology to improve higher education and expand its employability quotient. . Schoolguru is uniquely positioned to help higher education institutions deliver such digital learning services using its managed platform.

Key Terms of the Deal

The transaction involves the purchase of both primary as well as secondary shares of the company through a structured deal. The purchase of additional stake by TeamLease is linked to the company's future performance and meeting its milestones.

TeamLease infusion of Rs. 13.53 Crores into the company shall be primarily used to expand its business into new geographies, strengthen its existing technology and content library, and innovate in new forms of delivery.

Announcing the signing, **Ashok Reddy, Managing Director, TeamLease Services** said, *"We believe education and employability are at an important crossroads in India. To paraphrase a Silicon Valley quip, Software is eating the education world and if you don't have a place at the table, you are on the menu. We began talks to be a customer for TeamLease Skills University but quickly realized that with some investments Schoolguru could emerge as important platform to accelerate our employability strategy."*

"This partnership with TeamLease helps us in two ways; one is pursuing our vision of technology-enabled employable education that is online, on-the-go, always-on, on-demand, crowd sourced and gamified. Second is creating new forms of blended learning that combine our platform with on-the-job-learning. These two not only create a new pathway for students but also build a strong differentiator for our current services to the Universities" said **Shantanu Rooj, CEO of Schoolguru**.

About TeamLease Services Limited

TeamLease is a leading human resource service company with over 165,000 associates/trainees in 6,500+ locations. The company has 8 offices and 1,950 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.teamlease.com.

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