

Business Standard

TeamLease Services spurts after acquiring stake in Schoolguru

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TeamLease Services surged 12.25% to Rs 1,874 at 10:45 IST on BSE after the company said that it will acquire around 40% stake in Schoolguru.

The announcement was made during market hours today, 8 November 2017.

Meanwhile, the S&P BSE Sensex was up 61.77 points, or 0.19% to 33,432.53. The S&P BSE Mid-Cap index was up 69.51 points, or 0.42% to 16,612.97, outperforming the Sensex.

On the BSE, 1,295 shares were traded in the counter so far, compared with average daily volumes of 1,234 shares in the past one quarter. The stock had hit a high of Rs 1,948.95 so far during the day, which is also a record high for the counter. The stock had hit a low of Rs 1,675 so far during the day. The stock hit a 52-week low of Rs 828.05 on 5 December 2016.

The mid-cap company has equity capital of Rs 17.10 crore. Face value per share is Rs 10.

TeamLease Services and Schoolguru Eduserve, an online learning company that works with 18 Universities, announced the signing of a definitive agreement under which TeamLease will acquire around 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.

Schoolguru is India's premier technology-led specialized academic services organization established in 2012.

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.

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 crore 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.

TeamLease Services' consolidated net profit rose 98.1% to Rs 17.43 crore on 21.2% rise in net sales to Rs 875.61 crore in Q2 September 2017 over Q2 September 2016. The result was announced at the fag end of the session yesterday, 7 November 2017.

TeamLease Services is one of India's leading human resource service companies in the organized segment.

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