

Sole Advisor to Merit Trac in Transaction with HSBC.

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DEAL VALUE	Undisclosed
SERVICE	Private Equity
SECTOR	Digital, Technology & Consumer

MeritTrac Services, a Bangalore-based firm focussing on the skills assessment and pre-recruitment process outsourcing space, has raised Rs 16.5 crore from HAV2 (Mauritius) Limited. This fund advised by HSBC Private Equity Technology (Asia) Limited, will be used to finance MeritTrac's next level of growth.

This five year-old firm has a topline of \$2 million and is looking at doubling every year and according to the company this investment should hold them good for the next three years. The investment from HSBC is the second one for MeritTrac after the initial \$100,000 funding from angel investors.

The company has till date carried out over 800,000 assessments for over 100 marquee clients. Recently, it announced plans to target verticals beyond IT and BPO.

"We are proud and happy to be associated with HSBC Private Equity. The investment validates the promise that the space holds and the immense potential that the Indian market presents. The funding will be used to accelerate our penetration into verticals beyond IT and BPO and also to consolidate and build on our leadership in the Indian assessments space," said **Madan Padaki, cofounder & Director, MeritTrac Services.**

Commented **Raymond Y H Leung, Director of HSBC Private Equity,** "The success of MeritTrac in the past few years and its strong growth flows from its model of targetting key niches in the HR outsourcing value chain. We look forward to building on our relationship with the MeritTrac team in this exciting phase of the company's development".

| Avendus Advisors was the Investment Banker for MeritTrac on this transaction.

| About The HSBC Asian Ventures Fund 2 Limited

The HSBC Asian Ventures Fund 2 Limited (HAV2) is the second Asian technology-oriented fund advised by HPEA. HAV2 was formed to achieve long-term capital appreciation by making investments in small to mid-size technology companies with significant interests in the Asian region. HAV2 targets opportunities for investment in areas including semiconductor products and services, software applications, information technology products and services and Internet-related applications and services.

HAV2 had its initial closing in March 2005 at its target size of US\$80 million with funding provided by the HSBC Group and other global institutional and private investors.

For more information about The HSBC Asian Ventures Fund 2 Limited, please visit: www.hsbcnet.com/hsbc/home/private-equity/asia/hsbc-asian-ventures-fund-2-limited About MeritTrac Services

MeritTrac, India's Largest Skills Assessment & Recruitment Process Outsourcing Company was founded in August 2000 with an objective to Evaluate Abilities, Skills & Knowledge for specific roles in an organization through the use of scientifically designed assessment tools. MeritTrac with its vertices of expertise spanning "Science of Testing, Content Management and Test Delivery" has assessed around 700,000 candidates for over 100 marquee clients like Accenture, Adobe, Allianz Cornhill, Computer Associates, Cognizant, Dell, Flextronics, Google, HCL Technologies, HP, HSBC Software, HTMT, IBM, ICICI Onesource, Microsoft, Misys, Oracle, SAP, TESCO, Tavant, Verizon, to name a few.

For more information about MeritTrac Services, please visit: www.merittrac.com

| About Avendus Advisors

Avendus is an investment bank offering Private Equity Syndication, M&A, fixed income syndication and Strategic Advisory services to corporates and funds. Avendus has strong research capabilities and relationships which it leverages to close transactions for its clients in aggressive time frames. With a strong Indian presence and global relationships, Avendus has been an investment bank of choice both for international investors and companies who are scouting for business opportunities in India and Indian companies looking at strategic initiatives in overseas markets.

In the past twelve months Avendus has helped close transactions valued at more than USD 230 Million including the acquisition of Trinity Partners by WNS Global Services, acquisition of Axes Technologies by MBT, buyout of Fremont California based Cymbal Corporation by Patni Computers, merger of Bangalore based Medicom with Australia based IBA Health Ltd and helping Softbank Asia Infrastructure Fund L.P. (SAIF) acquire equity shares of IL&FS Investsmart Limited.

Avendus currently focuses on industries where Indian companies have a strategic growth advantage and these industries include IT Services, IT Enabled Services, Pharmaceuticals and Healthcare, Media , Auto Components and Consumer Products and Services.

For more information about Avendus Advisors, please visit: www.avendus.com

Deal Release

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