



## MPS Limited

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Date: May 30, 2022

<b>Listing Department</b> The National Stock Exchange of India Limited Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex Bandra (E), Mumbai - 400 051  Trading Symbol: MPSLTD Through: NEAPS	<b>Corporate Relationship Department</b> BSE Limited Phiroze JeeJeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001  Scrip Code: 532440 Through: BSE Listing Centre
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**Subject: Acquisition of E.I. Design Private Limited by MPS Interactive Systems Limited**

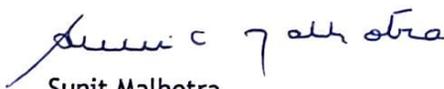
Dear Sir/ Madam,

Pursuant to the Regulation 30 of the SEBI (LODR) Regulations, 2015 ("Listing Regulations"), we are pleased to inform that the Company has completed the acquisition today of 100% of the issued and paid up equity share capital of E.I. Designs Private Limited ("E.I. Design") through MPS Interactive Systems Limited ("MPSI"), a wholly owned subsidiary of the Company by executing a share purchase agreement ("Share Purchase Agreement").

The shares held by the shareholders of E.I. Design have been purchased by MPSI by executing a share purchase agreement at a consideration of INR 40 Crores (INR Forty Crores Only), on a cash-free, debt-free basis.

Details pursuant to the Regulation 30 of the Listing Regulations are enclosed as Annexure-A and Press release as Annexure-B.

Thanking you,  
Yours Sincerely,  
For MPS Limited

  
Sunit Malhotra  
CFO & Company Secretary  
Encl.: as above

[www.mpslimited.com](http://www.mpslimited.com)

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Corporate identification Number: L22122TN1970PLC005795

**Annexure - A****a. Name of the target entity, details in brief such as size, turnover etc.;**

E.I. Design Private Limited, a Company incorporated under the Companies Act, 1956 on 4<sup>th</sup> February, 2002, having its registered office at Bangalore. A quick summary of E.I. Design's financial parameters for FY21 (audited) are provided below:

	Metrics	FY'21
Revenue	Revenue (INR Lacs)	3,171
Profit	PBT (INR Lacs)	981
	PAT (INR Lacs)	735
Margins	PBT (%)	30.93%
	PAT (%)	23.18%
Headcount	At the end of reporting period in Nos.	135

**b. 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 "arm's length";**

The acquisition of E.I. Design Private Limited through MPS Interactive Systems Limited, wholly owned subsidiary company, would not fall within related party transactions. None of the promoter/promoter group/group companies have any interest in the business being acquired.

**c. Industry to which the entity being acquired belongs;**

eLearning Industry.

**d. 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);**

MPS Interactive delivered a phenomenal FY22 with double-digit revenue growth and PBT grew from a loss of INR 79 lakhs in FY21 to +INR 10.28 crores in FY22. The acquisition of EI Design furthers the inherent momentum in our eLearning business. MPS Interactive will benefit from the significant operational efficiency gains that will be enabled by EI Design's proprietary operating model.

EI Design is one of the most respected names in the custom eLearning content development industry and is among the very few companies that can connect

investment in learning to performance gain and business results. They have been successful in establishing their brand globally, have a vibrant and complementary customer base, a sophisticated digital marketing practice, and have production processes that are able to manage costs and complexity to deliver an EBIDTA ~25% consistently.

As they go up the value chain by providing learning consulting and advisory services, their next stage of growth requires a nearshore presence in North American and European markets. A combination with MPSi, which already has a presence in these markets is the most efficient option to unlock the revenue and profitability potential of the company. EI Design's digital marketing engine combined with good account management capabilities of MPS Interactive will present an unbeatable combination.

The eLearning industry is poised for several years of growth. Consistent with the lifecycle of any "new" industry, it is transitioning from being highly fragmented with multiple players and is entering the phase of consolidation. This is the time when successful consolidation will create future industry leaders.

- e. **Brief details of any governmental or regulatory approvals required for the acquisition;**

None

- f. **Indicative time period for completion of the acquisition;**

The acquisition has been completed on May 30, 2022.

- g. **Nature of consideration - whether cash consideration or share swap and details of the same;**

Nature of consideration is cash.

- h. **Cost of acquisition or the price at which the shares are acquired;**

The shares held by the shareholders of E.I. Design have been purchased by MPSi by executing a share purchase agreement at a consideration of INR 40 Crores (INR Forty Crores Only), on a cash-free, debt-free basis.

- i. **Percentage of shareholding / control acquired and / or number of shares acquired;**

Acquisition of the 100% of the issued and paid up capital of E.I. Design through MPS Interactive Systems Limited by executing a share purchase agreement.

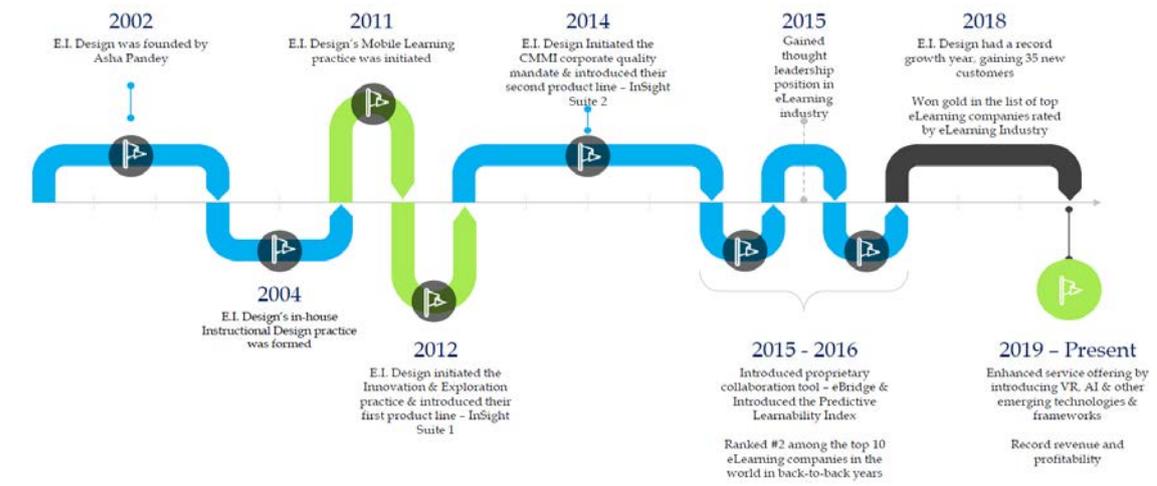
- j. Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief);

#### **Business Overview**

E.I. Design Private Limited [www.eidesign.net] is an industry-leading digital learning and performance support solutions provider. EI provides high-impact digital learning solutions for medium to large enterprises. It creates innovative and engaging training processes that realign courses to new and changing workplace dynamics. Both profitable and scalable, their custom learning designs and experiences offer high engagement, drive employee performance and deliver high ROI for clients. Their comprehensive service offering improves the ability to acquire and enhance skillsets, internalize appropriate behaviour and increase performance in various functional areas, including accounting, finance, operations, human resources, healthcare, product management and IT. Additionally, the Company's deep experience developing solutions remotely and across borders allows it to offer best-of-breed digital learning and performance consulting services for training remote workforces. Revenue is generated primarily through Master Service Agreements. Over 80 active enterprise clients located in North America, EMEA, and Asia-Pacific.

#### **History and Timeline**

E.I. Design was founded in 2002 by Ms. Asha Pandey. Over the past 20 years, the Company has grown to become a leading provider of digital learning and performance support solutions, maintaining a thought leadership position in the eLearning industry. The Company's custom learning experiences enable high-impact learning and performance support solutions that offer a high engagement quotient, drive employee performance and deliver high ROI for blue-chip clients across multiple functional areas, including accounting, finance, operations, human resources, health care, product management, and IT among others. The Company offers three different tiers of eLearning course development: basic, interactive and advanced, with each having its own focus in terms of complexity and pricing. In recent years, E.I. Design has also developed its own proprietary collaboration tool, eBridge, to allow custom development teams to leverage strict processes and technology to build custom learning courses in a timely and efficient manner.



## Historical Turnover

Particulars	FY 19-20	FY 20-21	Ten months ended Jan 31, 2022
<b>Revenue (in INR lacs)</b>	2,100	3,200	3,200

## Product and Service Offerings

As a learning experience design Company, E.I. Design's product and service offering focuses on partnering with their clients to assist in their digital training and educational transformation journey. As organizations, and the world in general, are adapting to emerging technology and utilizing its endless capabilities to automate business processes and make work easier and more efficient, learning and development teams are seeking digital solutions that can better train their employees.

As an expert in this field, E.I. Design is able to digest their client's current training material and build them an award winning digital learning experience that utilizes a variety of different delivery methods and immersive capabilities to provide continuous and effective training. These training courses encourage the internalization of proper behaviour and improve employee and organizational performance. Additionally, E.I. Design's experienced management and development teams enable them to provide performance support consulting services, which provide valuable and actionable suggestions for their clients, as well as evaluate the effectiveness of their training measures.

## Training Delivery Overview

E.I. Design's training delivery solutions include training design and delivery recommendations and services designed to meet the expectations of learners and ensure their solutions provide the required value to their clients. Their suite of delivery

solutions includes mobile learning, microlearning, virtual and blended training, mobile applications for learning, personalized and localized learning, and eLearning accessibility considerations.

### Immersive Learning Overview

Leveraging their suite of delivery methods, E.I. Design creates high engagement interactivities that are designed to grab learner attention and help them move learning successfully from short term to long-term memory. Through interactivities that provide room for practice and proficiency gain, they then help learners apply acquired learning successfully on the job and apply techniques that trigger change in thinking, as well as behaviour.

### Continuous Learning Overview

The 70-20-10 rule has proven that individuals tend to learn only 10% of their course and work-related knowledge through formal training programs and experiences. 20% of knowledge is gained through Communities, networks, developmental relationships, while the remaining 70% is gathered and mentoring through challenging experiences and assignments.

Instead of piecemeal trainings, E.I. Design leverages their unique and holistic learning and performance ecosystem to identify specific strategies that support L&D teams so that they can manage the needs and expectations of their learners, while also challenging them outside of formal training sessions. This puts the learner in the centre of the experience, providing room for not only formal training, but also just-in-time learning aids, as well as social and self-directed learning, which provide for a more effective and rounded experience. Instead of hoping that users receive the proper challenges and assignments outside of formal training, E.I. Design is able to effectively provide this service to their clients.

### Learning Technology Overview

Learning technology is constantly evolving, and adapting a corporate learning strategy and platform to this changing environment is difficult. L&D teams are seeing a shift from the traditional learning management systems (LMS) that were built decades ago, to the more experience and user oriented learning experience platforms (LXP) that large corporations prefer today. E.I. Design has nearly two decades of experience not only creating eLearning courses on both types of platforms, but also migrating clients from one to the other. Their experienced team assists clients in building out courses on these platforms, as well as performing full and hybrid migrations.

## Training Impact & ROI Evaluation Overview

Corporate training and development programs are essential in enhancing employee performance and, more significantly, driving business results. Unfortunately, majority of the programs get delivered as planned and are tracked simply for registrations, completions, timely completions and assessment scores. However, not much data is available on the impact of these training sessions on business - and if they were able to demonstrate the clear gain that was sought.

E.I. Design helps clients with this mandate through a range of unique offerings - starting with increasing learner motivation and engagement, and moving towards training effectiveness and its impact. Using their proprietary methodology, they help clients quantitatively evaluate the effectiveness of their corporate training initiatives and the impact on learners and business KPIs.

## Training Strategies

E.I. Design's extensive service offering enables its team to develop custom eLearning courses that can fit any client's need concerning both subject and functional areas. With a clear understanding of their client's vision, program, goals, and success factors, as well as a combination of an "Agile and Consultative" approach, which leverages a "Design Thinking" approach, E.I. Design helps clients arrive at the optimal learning design that will resonate well with their target audience. You can pick from a wide range of innovative approaches to address your specific corporate training need, including compliance, induction and on boarding, leadership, sales, applications, product, professional skills, and soft skills.

## Consulting Services Overview

Improving employee performance is an ongoing effort in every organization. E.I. Design has spent nearly two decades developing transformational learning designs and experiences with their clients remotely, and has a deep understanding of working across both geographic borders and divergent industries to ensure that their client's investments in training deliver results. This extensive experience puts them in a unique position to design and execute a learning strategy, which is tied to client's business objectives and is based on organizational culture, demographics, and preparedness. More importantly, this experience has taught them what works and what does not - allowing them to guarantee success. Additionally, this experience has enabled E.I. Design to develop their own proprietary collaboration tool, eBridge, which enables developers, subject matter experts and solution architects to collaboratively and efficiently work on common projects in a remote or offshore model. While other competitors have struggled to adapt to a remote development workforce, or offshore model, and meet client's needs, E.I. Design already had the extensive experience and

infrastructure in place to continue with business as usual. E.I. Design offers in-depth consulting services across three main disciplines: virtual training transformation, training effectiveness and business impact evaluations, and technology migration.

## Value Proposition

### Why E.I. Design?

E.I Design operates in an industry experiencing favourable tailwinds because of the COVID-19 pandemic, the globalization of business and business' continued adoption of transformational technology to improve employee and organizational performance. Industry experts have identified the eLearning and performance support services industry as one with great potential because of these tailwinds. E.I. Design has established a foothold in this industry, proven by their ability to win numerous awards from various industry experts who recognize the Company as a notable eLearning solutions provider for medium to large-size enterprises.

Over the past few years, the strategic profile of Learning & Development has risen dramatically. Companies have relied heavily on L&D to help upskill and reskill the workforce in the face of a volatile marketplace. L&D led the charge in keeping people connected, engaged, and productive when the pandemic created a vast new population of remote workers. As companies prepare for the future of work, it is L&D that will ensure that the future workforce has the skills and competencies to make the business successful. But this is all easier said than done.

At a time when the L&D function has been tasked with doing more than ever before with less in terms of budget, headcount, skillsets, and technology, it can be incredibly difficult to ensure the business is getting its maximum bang for the buck when it comes to learning. L&D has struggled with these challenges for a wide variety of reasons:

- Lack of or sub-optimal deployment of current technology
- A lack of time and headcount to tackle the big challenges
- A lack of the L&D skills the modern learning environment requires
- No clear understanding of the learning needs of the business or the learners
- Outdated, uninteresting content
- A lack of frameworks and models to build upon
- Little to no alignment between learning and the goals of the business
- An inability to measure learning's impact and ROI

EI Design has positioned itself as a strategic partner to tackle any and all of these challenges head-on, thanks to their vast technology experience and consultative, advisory relationships with their clients. EI Design is a leader when it comes to creating innovative, immersive learning experiences. They can design and create any type of learning program imaginable, allowing them to meet a wide variety of needs for their clients. It is not just their experience

and expertise with design that makes their solutions so impactful, though. EI design takes a very in-depth, consultative approach with its customers. They take the time to understand the organization's performance needs and goals and design programs that will drive the changes in thinking and behaviours needed to meet those goals.

**eidesign**

**Journey Thus Far**

**20** Years of experience in Delivering 13,000+ hours of Transformational Learning Experiences

**26+** Industry verticals serviced, notably:

- Airlines, Aviation, and Aerospace.
- Automotive sector.
- Banking, Financial Services, and Insurance.
- Healthcare, Medical Devices, and Pharmaceuticals.
- Information Technology and Computer Software.
- Manufacturing and Logistics.
- Management Consulting.
- Media and Entertainment.
- Retail and Consumer Goods.
- Beverage and Tobacco.
- Universities and Continuing Education.
- Government Agencies and Non-Profits.

**24+** Countries serviced

**50+** Global Awards and Rankings

- Certified as a Smartchoice® Preferred Solution Provider by Brandon Hall Group
- 33 rankings over the last 6 years
- 25 awards over the last 2 years
- 2 rankings over the last 2 years

### EI Design's Internal Process Maturity

In 2016 EI Design made the decision to adopt Capability Maturity Model Integration (CMMI) across the organization for process improvement and to develop behaviours that decrease risk in service, product, and software development. The methodology of the CMMI framework was coded into an in-house developed application called eBridge. Today eBridge allows EI Design to manage all aspects of the complex business of developing custom eLearning content at scale while delivering operational excellence.

**eBridge**

Core of our development practice – with provision to integrate customer teams:

- Designed to integrate multiple, distributed teams seamlessly – optimized for 100% remote operations.
- Used for task allocations, tracking, milestones tracking, and invoicing.
- Features an online review link.
- Provides a single point of truth – from project initiation to closure.

Born out of the redefinition of processes and workflow as part of the alignment with our CMMI practice (in 2016).

Helps track and measure output – designed for continuous improvement (a significant feeder for our Operational Excellence mandate as well as revenue recognition).

Upcoming features – Automation of CSAT surveys and collection related follow-ups.

## El Design's Go to Market Strategy

El Design has a very sophisticated digital marketing engine developed and fine-tuned over several years.



All the new customer logos acquired by them have been from inbound leads generated by the digital marketing engine.



**MPS Limited**

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Tel: +91 120 4599 750

Press Release

Annexure - B

Date: May 30, 2022

### MPS Interactive Systems Limited acquires E.I. Design Private Limited

New York, NY, and Bengaluru, India: MPS Interactive Systems Limited, a wholly owned subsidiary of MPS Limited, announced today that it has completed the acquisition of E.I. Design Private Limited, one of the most respected names in the custom eLearning content development industry.

**Asha Pandey, Founder and Chief Learning Strategist of EI Design stated:**

"EI Design has evolved over two decades to be recognized as the partner of choice for customers looking for effective training solutions that directly impact business results. Given the rapid growth and evolution of the eLearning industry, we see tremendous synergy in combining MPS' global access to the market with EI Design's agile and efficient development processes to deliver a superior experience to our customers. We truly believe that we are creating a global eLearning powerhouse by coming together."

**Rahul Arora, Chairman and CEO of MPS Limited, stated:**

"The acquisition of EI Design is the first milestone in our revised playbook of acquiring growing businesses. EI Design is well aligned with our mission, values, and deep commitment to operational efficiency as we scale MPS. The acquisition enables our vision for MPS in 2027 to create a compelling learning company at a meaningful scale that helps the world learn smarter."

#### About EI Design

EI Design is a learning experience design company that partners with customers in their digital transformation journey. EI has two decades of experience designing Learning and Performance Support solutions that drive performance gain and maximize training ROI.

EI Design has won several top awards in its two decades of existence. Most recently, for the year 2022, eLearning Industry has ranked EI Design as the top custom content provider for eLearning in the world and the top content provider that can help customers prove the ROI of their training investment.

#### About MPS Interactive (MPSi) and MPS Limited

Founded in 1990, MPSi was a part of one of India's largest conglomerates, which is valued today at more than USD 250 Billion. To further its growth as a global leader in learning, MPS Limited acquired MPSi in 2018. MPS Interactive Systems Limited was the first eLearning company to be assessed at Level 5 (highest level) of SEI-CMM. MPSi has consistently been ranked among Training

[www.mpslimited.com](http://www.mpslimited.com)

Industry's Top 20 Content Development Companies, Top 20 Training Outsourcing Companies, Top 20 Gamification Companies, and Top 20 Experiential Learning Technologies Companies.

MPS was established as a subsidiary of Macmillan Limited in 1970 to change how the world learns. After a change of ownership in 2012, MPS developed significant momentum because of consistent reinvestment in the business and considerable diversification by completing seven acquisitions between 2013 and 2020. Recently, MPS has entered a new growth phase by unlocking synergies between all its acquisitions. The journey to 2027 for MPS is about building a serious scale that includes a market-oriented approach to drive organic growth and an enhanced Acquisition Playbook that involves acquiring growing assets at competitive prices instead of acquiring distressed assets at distressed prices.