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#### Forward-looking statements

Some of the information in this report may contain forward-looking statements, which include statements regarding the Company's expected financial position and results of operations, business plans and prospects, etc. They are generally identified by forward-looking words, such as "believe", "plan", "anticipate", "continue", "estimate", "expect", "may", "will", or other similar words. Forward-looking statements are dependent on assumptions or the basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that the actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

### **Corporate information**

### **Board of Directors**

#### Mr. Rahul Arora

Chairman and Managing Director

#### Mr. Ajay Mankotia

**Independent Director** 

#### Ms. Jayantika Dave

**Independent Director** 

#### Ms. Achal Khanna

**Independent Director** 

#### Dr. Piyush Kumar Rastogi

**Independent Director** 

#### Ms. Yamini Tandon

Non-Executive Director

### **Chief Financial Officer and Company Secretary**

Mr. Sunit Malhotra

### **Statutory Auditors**

Walker Chandiok & Co LLP, Chartered Accountants Firm Registration No.: 001076N/N500013 L-41, Connaught Circus, New Delhi – 110001

### **Bankers**

#### **HDFC Bank Limited**

C/25, Stellar IT Park, Sector 62, Noida – 201306

### Kotak Mahindra Bank Limited

Kotak Aerocity, Asset Area 9, 1st Floor, Corporate Banking, Ibis Commercial Block, Hospitality, District, IGI Airport, New Delhi – 110037

#### **Corporate Office**

4th Floor, Tower – A, Windsor IT Park, A-1, Sector 125, Noida, Uttar Pradesh, 201303, India

### **Registered Office**

RR Towers IV, Super A, 16/17, Thiru-vi-ka Industrial Estate, Guindy, Chennai – 600032

### **Other Offices**

- HMG Ambassador, 137 Residency Road, Bengaluru – 560025, Karnataka
- 709 DLF Corporate Greens, Sector-74A, Narsinghpur, Gurugram – 122004
- 33, IT Park, Sahastradhara Road, Dehradun 248001,
- 1901 S. 4th Street, Suite 222, Effingham, IL 62401, USA
- 477 Madison Avenue, 6th Floor, New York, NY 10022, USA
- 103 Carnegie Center, Dr. Suite 300, Princeton, New Jersey, 08540, USA

### **Subsidiaries**

### **MPS North America LLC**

5728 Major Boulevard, Suite 528, Orlando, FL-32819, USA

### MPS Interactive Systems Limited

RR Towers IV, Super A, 16/17, Thiru-vi-ka, Industrial Estate, Guindy, Chennai – 600032

The Great Oasis, D-13, 2nd Floor, Marol Industrial Estate, Andheri (E), Mumbai 400093, Maharashtra

Smartworks, Room No-30,31, Victoria Park, Block GN, Plot no. 37/2, Sector V, Salt lake, Kolkata – 700091, West Bengal

#### **TOPSIM GmbH**

2nd floor, Neckarhalde 55, 72070 Tübingen

### **MPS Europa AG**

First Floor, Lindenstrasse 14, 6340 Baar, Switzerland

### **Semantico Limited**

Lees House, 21-23 Dyke Rd, Brighton, BN1 3FE, UK

### **Registrar and Share Transfer Agent**

Cameo Corporate Services Limited Subramanian Building, 1 Club House Road, Chennai – 600002







### Why Gestalt?

According to the Cambridge English Dictionary, gestalt is defined as "something such as a structure or experience that, when considered as a whole, has qualities that are more than the total of all its parts."

We, at MPS, strive to unlock the significant synergies resulting from our distinct acquisitions and combine them to create something momentous.

### How is it important for us at MPS?

For over five decades, MPS has been transforming the way the world learns. Over the years, we have been accelerating growth, both organically and inorganically. With the aim of achieving significant expansion in terms of both the scale and scope of our business, we acquired seven businesses in the last eight years.

Now, it is all about making these distinct businesses add up to something impactful and value accretive for our customers and stakeholders. It is all about "Going Gestalt" with the right strategy, execution model, and foresight.

### For over five decades, MPS has been transforming the way the world learns.

Our growth pivots include ramping up our business offerings to achieve better synergies within segments, driving a platform-led approach in all aspects of the business, maximizing the market share in high-performing areas, and elevating our stature in the marketplace as a platform company that ensures consistent value creation.

At MPS, our vision for the future is to power the differentiation and competitiveness of our customers through

immersive

We help transform learning by making it transparent, real time, and outcome oriented. With our holistic approach, we are GOING gestalt, where the whole of all that we are doing now or plan to do in future will be far greater than the sum of its parts. Through the successful execution of this strategy, we aim to be the undisputed market leader, admired by all our stakeholders.

### **MPS** overview

### **Pioneering digital disruption**

We are a leading content, technology, and eLearning platform focused on the digital learning landscape.

MPS is a premium digital-first outsourcing platform with end-to-end solutions that target a rapidly growing market. Some of our key highlights are as follows:

### **Well-Established Platform**

We are a combination of three leading institutions across content outsourcing (Macmillan/1970), eLearning (Tata Group/1991), and an independent platform (Stanford/1995)

### **Compelling Value Proposition**

We are the only independent vendor that provides end-toend solutions throughout the content lifecycle

### **Robust Industry Drivers**

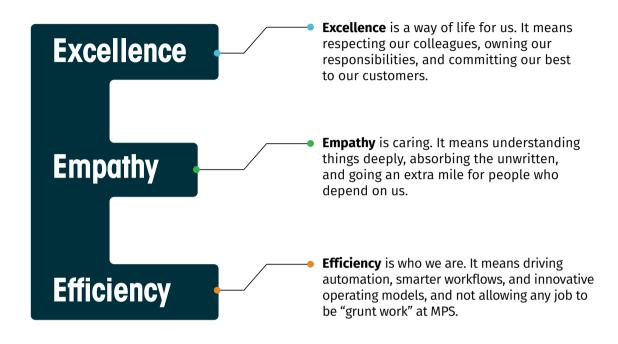
We have a large \$310bn+ total addressable market with significant runway for growth across research content outsourcing, digital education content, and corporate eLearning end-markets

### **Tremendous Growth Opportunities**

We aim to maximize cross-selling with existing customers and develop a central growth engine to add new logos

### **Our Values**

Our ambitions are powered by our core values that we call the **Triple E**. These are principles we will not compromise on, and are tools that we depend on.



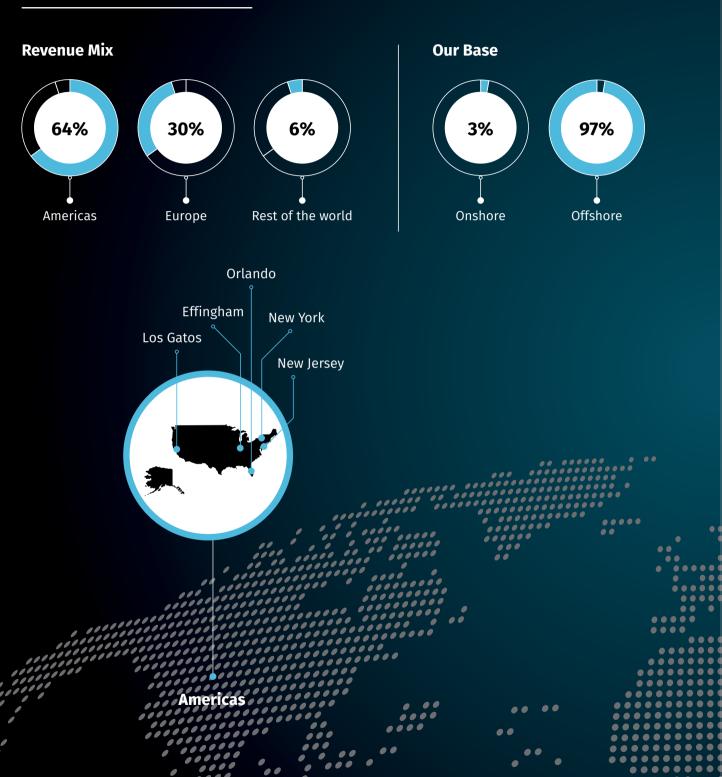


## Vision 2027

To create a compelling learning company at a meaningful scale that helps the world learn smarter. We aspire to be the provider of choice in our markets that powers experiential learning experiences with the latest technology innovations.



### Leaving a global footprint



### **Employees**

**42** 

**44**Europe

2,519





### Chairman's Letter

To the Shareholders of MPS Limited

MPS earned an unprecedented INR 48.61 per share in FY22. This year, I decided to write you a letter, hopefully the beginning of a longstanding tradition, to help you navigate what's changed at MPS. The excellent business performance in FY22 resulted from a journey that started a decade ago when the change of majority ownership from Macmillan to ADI was completed in 2012.

The timing is relevant, but more importantly, there is a great deal that I want to share with you about the Company, including a deeper understanding of what got us here, the specific progress in the last two years, and our growth strategy that envisions a new scale for MPS in FY27. While on the one hand I have never believed in five-year business plans, on the other hand, I believe it is important to have and own a bold vision; put in more efforts than anybody else to pursue the vision; stay relentless because while there will be ups, there will be many downs, and we learn more from failure than anything else; and ignore any naysayers because growth comes with optimism, and while the paranoid does survive, it's the dreamer who thrives.

### Let us begin by understanding what got us here

Macmillan gave us a great platform. During the change of ownership, the exiting Chairman of MPS commented that they were handing over the jewel in their crown, and that we must nurture their legacy. His comment was on point because MPS possessed more capabilities and depth than anybody else in the marketplace. What was missing was a drive toward speed and efficiency that customers needed. We brought that perspective in by moving the organization to a flatter structure powered by a culture of agility, and that assumed efficiency was table stakes. The impressive and global-scale infrastructure in Dehradun allowed us to get ahead of our competitors. This plus the small mercy of the rupee depreciation offered us additional tailwinds in FY12 and 13.

MPS' dominance was in content solutions outsourcing, with a strong focus on scholarly publishing, though our ambitions were grander. We scaled our presence in the education market through the acquisitions of Element,

EPS, and TSI Evolve between 2013 and 2015, which also helped us establish meaningful onshore operations in the US. The resulting momentum allowed us to raise our growth capital via a QIP process in 2015, which funded the next three acquisitions. The acquisitions of Magplus (2016) and THINK (2017) improved our revenue quality since they are platform businesses with a high proportion of SaaS-based recurring revenue. The acquisition of Tata Interactive Systems Group in 2018 powered our definitive entry into the eLearning space with operations in India, Switzerland, and Germany. The expansion also opened us to newer markets, including corporates and educational institutions. Our most recent acquisition of HighWire in 2020 further improved our revenue quality as HighWire again is a platform play. All the acquisitions we made were motivated by the expansion of scope to enhance our competitive advantage. The period between FY14 and 20 was a thoughtful diversification play that:

- Expanded our total addressable market from USD 2 billion to USD 310 billion.
- Enhanced the business mix from 100% content in FY14 to 60% content, 28% platform, and 12% eLearning in FY20
- Reduced the revenue concentration from the top 10 customers - 75% in FY14 to 53% in FY20.

During our diversification phase, all our energies were focused on optimizing each of the acquisitions because we had acquired assets that were historically premium but more recently distressed. With each turnaround, we got more efficient and had better upside with each subsequent acquisition. To develop a greater whole, we



Instead of taking five years to expand margins, we will achieve our target margins in the second year while ensuring a high ROIC and timely payback.



have begun to optimize the sum of the parts in the past two years. We have unlocked synergies across the business mix during this phase to further extend the margins of our expansion. We have developed new revenue streams that can combine our business interests to solve the increasingly complex problems of our customers.

- We have seen robust growth in our education business through a revamped and integrated global delivery model that combines diverse capabilities.
- We realized a profitable transformation of our eLearning business by utilizing wage arbitrage levers at a group level versus a business segment level.
- We built a new scale in our research content customer base by successfully delivering through the pandemic by leveraging a more diverse talent pool than any of our competitors.
- We expanded our Platform business through acquiring HighWire, advancing positioning in the research endmarket as a "thought leader."

The road to FY27 then is about diligently building new scales. We have redefined our sales and marketing strategy to include a market-oriented approach to drive organic growth. Our customer interactions are focused on leveraging multiple capabilities to address customer needs versus a product-based approach. In the research market, we now play the role of a price warrior and aim to bundle our products/services to acquire the market share. Our tech IP and low-cost delivery locations help us protect our margins in this competitive marketplace. To further our momentum in the corporate market, where we have an unprecedented Order Book, we are

scaling up our investments by three-fold in marketing and adding sales hunters in new markets to better our geographical coverage. We are also going gestalt in the Education sphere by unlocking the synergies between our content and eLearning solutions to focus on digital and experiential learning. The expansion in education also includes a developing customer base, including educational institutions, Edtech, and emerging learning companies.

A new Acquisition Playbook will further augment our ambition to build serious scale. We are enhancing the first phase of the acquisition playbook, which was about acquiring distressed assets at distressed prices, to moving into the next stage about acquiring growing assets at competitive prices. We are now pursuing growth assets that have inherent financial strength. Our inorganic focus will be on acquiring growing companies at attractive valuations, ensuring that our recently established momentum attains further acceleration. The next wave of acquisitions will also give access to new markets, enhancing our competitive advantage. Instead of taking five years to expand margins, we will achieve the target margins in the second year while ensuring a high ROIC and timely payback.

My vision for MPS in 2027 is to create a compelling learning company at a meaningful scale that would help the world learn smarter. We aspire to be the provider of choice in our markets that powers experiential learning experiences with the latest technology innovations.

Regards

Rahul Arora

Rahul Arora

Chairman and Managing Director

### **Business overview**

### **Distinct solutions for diverse clients**

We are recognized as trusted industry partners who provide comprehensive offerings across the value chain. Our end-to-end offerings provide a one-stop solution, leading to operational efficiencies, enhanced scale, and unparalleled customer experience.

### Content **Solutions**



**Overview:** Comprehensive content solutions from content creation to delivery across all media that help drive the competitiveness and differentiation of educational, academic, science, technical, medical, and professional publishers

### **Key offerings**

- Content authoring, development, and learning design
- Rights and permissions solutions
- Media asset development and creative services
- Content production powered by Digital First workflows
- Digital transformation

### **Customers:**

Educational Companies, Research Content Organizations, and Educational Institutes

### **Key Highlights for FY22**

Recurring revenue

Domain experts

**Platform Solutions** 



**Overview:** Complete range of configurable platform solutions across the entire content lifecycle majorly delivered as SaaS. First to market with each platform offering and respected as the innovator and thought leader in the space

### **Key offerings**

- Submission, peer review, and workflow
- · Hosting and identity management
- Insights and analytics
- Customer service and order management

### **Customers:**

Research Content Organizations and Educational Institutions

### **Key Highlights for FY22**

Cross-sell in FY22

Revenue from the license fee

**eLearning** 



**Overview:** Deliver high-impact learning and performance support solutions that offer a high engagement quotient, drive learner performance, and deliver high ROI for the learner and organization

### **Key offerings**

- Custom eLearning
- Gamification and serious games
- Learning websites
- Micro learning, mobile learning
- Simulations
- VR/AR/Animation
- Experience Centers
- Learning platforms

#### **Customers:**

Research Content Organizations, Corporates, and **Educational Institutions** 

### **Key Highlights for FY22**

Multifunctional experts

Fortune 500 companies as clients

**Our Multipronged Growth Strategy** 

# Focusing on a customer-centric approach

MPS is poised for significant growth through both organic initiatives and M&A





### **Market-based Approach**

- Refocused sales strategy using a market-based approach to enhance and unlock cross-sell synergies across research, education, and corporate end-markets
- Client interaction focused on leveraging multiple capabilities to address client needs vs. product-based approach
- Lead marketing with compelling value proposition & impactful brands



### Penetration within Existing Customers

- More proactive management of key accounts to advance relationships with strategic clients using dedicated account managers
- Executive sponsors from the senior management team assigned to each star account
- Leverage strong client relationships to continue to gain wallet share with existing clients



### **Winning New Logos**

- **Research Content:** Bundle our products/services and play the role of a price warrior to acquire the market share
- Corporate eLearning: Advance our unprecedented Order Book by scaling up the marketing three-fold and improving geographical coverage
- **Digital Education Content:** Unlock our synergies to expand our customer base geographically and by client type (e.g. Edtech)



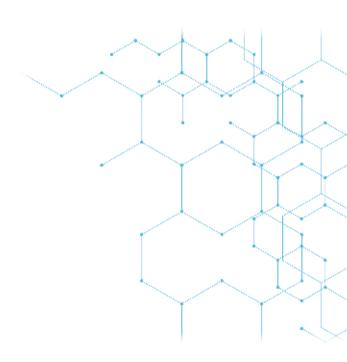
### New Product and Capability Development

- **Grow experience center business** globally to target the marketing budgets of large corporates
- Unlock synergies between Content and eLearning business by launching a Digital Studio dedicated to the education market
- Expand Platform offerings via a series of new product launches

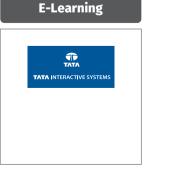


### **Strategic Inorganic Expansion**

- Approach to M&A evolving from acquiring distressed assets to acquiring growth assets
- **Tried and tested M&A Playbook** enabling seamless integration and focusing on value creation
- Continue to target superior ROIC and rapid payback







### **Key industry drivers**

Positive business tailwinds create an attractive opportunity for scaled players. MPS is well established to benefit from market tailwinds and growth enabled by technology.



### eLearning\*

- Increasing demand for trusted providers with deep technology expertise and the ability to manage end-toend eLearning solutions.
- Answering the need for digital learning capabilities, particularly post pandemic
- Unprecedented demand for immersive and experiential learning including simulations, games, AR, VR, and XR

(Served by content and platform)

Industry growth Industry growth



### Digital education content \*\*

- The pandemic has accelerated the shift of our content
- Preference to work with players that have a track record in a global delivery model
- New outsourcing programmes are expected as customers do not have the in-house capacity to deliver on demand

(Served by content, platform, and eLearning)



### Research content outsourcing \*\*\*

- Vendor consolidation in mature areas of outsourcing
- Customer preference to work with partners that own technology IP that will support efficiency requirements and future-proof customer needs
- Drive to automate new processes and application of AI/ ML to mature processes

(Served by eLearning and platform)

Industry growth

### Source:

- eLearning https://www.gminsights. com/industry-analysis/elearningmarket-size
- \*\* Digital Education Content https:// www.prnewswire.com/newsreleases/global-digital-educationcontent-market-to-reach-108-billionbv-2026-301305030.html
- \*\*\* Research content outsourcing -Global publishing outsourcing market size - EY Parthenon

### **Our journey**

### Making strides into the future

Our journey highlights a track record of growth—Years of acquiring customers and expanding our capabilities. Our journey can be summarized in four major phases of evolution.

### **Drive for speed and efficiency**

### FY12-FY13

- Acquisition of MPS, a subsidiary of Macmillan
- Opened the largest global office in Dehradun to improve efficiency and lower costs
- Acquired Element LLC to expand content solutions

### Major diversification play

### FY14-FY20

- Completed 7 acquisitions over 8 years
- All acquisitions of scope to enhance strategic competitive advantage
- Reduced revenue concentration from top 10 customers -75% in FY14 to 53% in FY20
- Diversified business mix from 100% Content in FY14 to 60% Content, 28% Platform, and 12% eLearning in FY20
- Expanded TAM from \$2 bn to \$365 bn

### **Unlocking synergies**

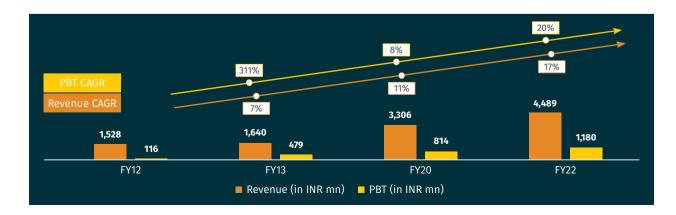
### FY21-FY22

- Robust growth in the education business through revamped and integrated global delivery model that combines diverse capabilities
- Profitable transformation of the corporate eLearning business by leveraging wage arbitrage levers
- Expanded the platform business through the acquisition of HighWire, advancing our positioning in the research end-market as a "thought leader"

### **Building scale**

### 2023 onwards

- Redefine sales and marketing strategy to a marketoriented approach to drive organic growth
- Shift the focus of inorganic strategy to focus on acquiring growth assets
- Explore opportunities for further consolidation to further improve efficiencies and drive margin expansion



### **Operational excellence**

### Leveraging our expertise to create value

Our employees are at the core of our growth, and we employ a highly trained workforce dedicated to creating improved value for all our customers. Our expertise in building, maintaining, and managing a highly trained and scalable workforce has resulted in exemplary employee metrics.

Our scale allows our diversified pool of talent to drive efficiency in **15** delivery locations

### Our global integrated delivery

has allowed us to take on larger projects and avail service from **low-cost** destinations

### Improved contribution margin

as **9** out of our **15** delivery systems are located in low-cost cities, which offers 50% lower labor cost

### **Our relentless effort**

on employee well being has resulted in a low attrition rate allowing employees to build **specialization** 



### **Deep domain expertise**

We have reinforced our expertise in content transformation and eLearning with a robust technology, a team of industry experts, and a comprehensive portfolio of capabilities. More than 50 years of content building has helped us provide the best-in-class outsourcing solution for the publishers.



### Leveraging technology for excellence

We enhance customer experience by integrating our operational expertise with technology. Our cloud-based workflow processes are highly automated and streamlined, resulting in quicker turnaround time.

### Awards and recognition







1 Brandon Hall Technology Award



30 Brandon Hall **Excellence Awards** 



**APEX Awards** 2021



Top 20 Companies - Training **Outsourcing 2021** 



Top 20 Companies - Custom Content Development 2021





LearnX Live! Diamond and 2 Gold Awards 2021



Ranked among the top in the industry for Gamification and **Learning Content** Development



Top 20 Companies - Experiential Learning Technologies 2021



Strategic Challenger in Fosway Group's 9-Grid for Digital Learning