



# **“Majesco Ltd. Q3 FY16 Earnings Conference Call”**

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MR. FARID KAZANI – MANAGING DIRECTOR,  
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**MODERATOR: MR. DIWAKAR PINGLE – CHRISTENSEN IR**

**Moderator:** Ladies and gentlemen, good day and welcome to the Majesco Ltd. Q3 FY16 Earnings Conference Call. As a reminder all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing ‘\*’ then ‘0’ on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Diwakar Pingle. Thank you and over to you sir.

**Diwakar Pingle** Thanks Darryl. Good morning and good evening to all who have joined into this call. We welcome you to Q3 FY16 Earnings Call for Majesco Ltd. Please note that the results have been mailed to you and you can also view it on our website at [www.majesco.com](http://www.majesco.com).

To take us through the results and to answer your questions today we have with us Mr. Ketan Mehta – Non-Executive Director of Majesco Ltd. and Founder and CEO of Majesco (U.S) and Mr. Farid Kazani – Managing Director, Majesco Ltd.

We will start the call with a brief overview of the quarter given by Mr. Ketan Mehta and that will be followed by Farid who will go into the detailed financial.

I would like to remind you that everything said on this call reflects in the outlook for the future, which can be construed as a forward-looking statement, must be viewed in conjunction with the answer to the address that you face. These uncertainties and risks are included but not limited to what we have mentioned and which we can find on our website too. That’s it. I will now hand over the call to Mr. Ketan Mehta. Over to you sir.

**Ketan Mehta** Thanks you Diwakar and welcome and good afternoon to all of you for the third quarter 2016 conference call for Majesco. I am pleased with the continuous momentum of Majesco business and steady progress towards the execution of our growth oriented strategy outlined around market penetration, investment in our solutions and platform for client successes and strategic focus on our cloud business. I am encouraged by our revenue growth of 5.6% sequentially over the last quarter and the order backlog increased by 17.4% sequentially over the last quarter.

Let me give you a quick highlight of the Insurance industry and some of our wins:

Regardless of recent global economic concerns we believe that Insurance is a stable business and technology driven business transformation continues to remain high priority and important strategic initiative for insurers. Late last year the Majesco Team undertook a primary research initiative that surveyed our client base focusing on their key strategic initiatives this year and over the next three years. The survey demonstrated that the importance of customer driven business solutions from core systems to digital capabilities are critical for insurers, the barriers to growth due to legacy systems and the risk of potential disruption of business model from new technology, competition and customer expectations are quite evident and many insurers feel the same. Our customers clearly recognized these key areas and the critical requirements for agility, innovation and speed. This insight guides our product investments and reinforce our focus on partnering with our customers through their entire business transformation journey. In addition

to the established insurers we continue to see emerging new start-off and Greenfield operations from new or established Insurance company seeking to capture additional market opportunities. I will give some examples of these trends noticed during the quarter.

Let me start with some new business wins:

We had four new logo wins and many current customers expanded their relationship with Majesco. Our success during the quarter was across all tiers of insurers and let me give some examples around that. Within tier-1 insurers, two tier-1 insurers expanded their relationship with Majesco to cover additional business divisions and new lines of business and this includes one among the top-10 US P&C Insurer Carrier who decided to implement Majesco billing for their commercial lines of business. In the mid-tier market segment we announced that Main Mutual Group selected Majesco P&C Suite to replace their core systems as a foundation to transform their business. Furthermore, they selected Majesco Business Analytics to provide their business and analytics platform. They will deploy this entire solution portfolio on Majesco Cloud. In addition, two existing mid-market clients extended their relationship with Majesco Application Development and Majesco Digital Connect. Another mid-market insurer has signed up to upgrade their Majesco Billing. Within the start-ups, new formed commercial Insurance fronting providers selected Majesco Digital Services and Majesco Data Services for the partner portal and operational data store.

All the above examples demonstrate that Majesco Solutions are getting traction across all tiers as well as establish new-formed entities in the industry. What is also heartening is that in addition to winning new logos we continue to expand and cross sell among our existing client base. Looking at the implementations during the quarter, a tier-1 insurer went live with Majesco Digital Connect for their group membership association business. A mid-market insurer implemented Majesco Quality and Majestic Bureau & Content Services for their commercial auto and commercial general liability lines of business. I am pleased to report Majesco extended its partnership ecosystem with Blueprint and Appulate providing integrated solutions with Majesco Software platform.

Finally, let me update on the progress of our investments:

As we discuss throughout the year we are focused on enhancing our capabilities and investing in our growth platform. Our investment in both product R&D and sales and marketing went up significantly compared to the last year as we build the solid platform to scale the business for the growth. We streamlined our delivery capabilities with the hiring of Tilakraj Panjabi as an Executive Vice President - P&C Delivery and Ajay Jain as Senior Vice President - Delivery Operations both based out of India Development Centre. We launched Majesco Digital Connect Software Solutions which offers a single platform with ready to use portal and mobile solutions for customers, agents, alternative distribution channels and group benefit employees. We are seeing great interest in the solution as it provides both a platform that is pre-integrated with Majesco Infrastructure but also integrates with other solutions to ensure cohesive customer experience. We also announced new releases for Majesco Distribution Management, Majesco

P&C Suite and Majesco Policy for Life & Annuity Group. These new releases highlight our investment in our business based on the ambitious product roadmap.

To conclude, I am encouraged with our strategy and execution throughout the first three quarters. I am pleased with our continuous growth momentum demonstrated by new wins, successful implementation, expanded customer relationships, growing partner ecosystems and additional product launches and new product releases. Our broad solution portfolio is supported by an exceptional workforce that continue to drive growth while expanding the existing customer relationships.

With that, I will pass this on to Farid to share some of the financials during the quarter.

**Farid Kazani**

Thank you Ketan and I will like to give a brief summary of the financials starting with the revenue.

The income from operations for the Q3 FY16 ended up at Rs. 198 crores as compared to the Rs. 187.4 crores in the previous quarter which reflects a growth of 5.6% in rupee terms and a 5.3% in constant currency. The total income ended up at Rs. 199.2 crores as compared to Rs. 188.8 crores, that reflects an increase of 5.5%. At a 9-month period ended December 2015, the total income from operation was Rs. 535.6 crores and the total income was Rs. 542.4 crores. In terms of the EBITDA before the exceptional items we ended up with a loss of Rs. 2.7 crores as compared to Rs. 1.3 crores, which was a negative 1.4% of operating income as compared to a 0.7% positive of operating income in the previous quarter. The swing in terms of profitability has been on account of the following. There has been an impact on account of salary increase for our mid-level and senior-level management teams, which was impact of Rs. 1.6 crores which is 0.8% as a percentage to revenue. There was an annual customer conference that was held in New York City in October 2015, which is a typical expense that incurred in Q3. That expense was Rs 3.1 crores which is an impact of 1.6% to revenue in this quarter.

There has also been an impact of one-time statutory bonus promotion related to the notification by the government with respect to the payment of bonus act which requires us to provide and pay for bonus to eligible employees, with retrospective effect from 1<sup>st</sup> April, 2014. This was a total impact of Rs 1.9 crores which is 1% of the revenue and there has been onboarding of the outsourced staff of Cover-All employees in India, which have been now bought into our company as employees. This impact was Rs. 1.4 crores which is 0.7% of the revenue. These four impacts have been a total of 4.1% to the EBITDA margins. In terms of the EBITDA for the year, we have ended up with Rs. 7.2 crores. At a net profit level, the quarter ended up with Rs. 7.9 crores and this has been largely due to the tax credit that we got in the US of \$1.1 million and on account of deferred tax asset creation. As compared to Rs. 0.6 crores loss that was there in the previous quarter, our total net profit for the nine-month period is now reflected at Rs. 8.9 crores which is 1.6% of the revenue. The product R&D spends during the quarter stood at Rs. 28.5 crores which is 14.3% of the total income as compared to Rs. 28.1 crores which is 14.9% of total income in the previous quarter.

At a business front – as Ketan mentioned we added four new logos besides expanding relationship with multiple clients. The total active client list including India clients now stands at 159 as compared to 155 in the previous quarter. We have had a pretty good increase in the 12-month order backlog that stood at Rs. 422.1 crores at the end of December 2015 translating to \$63.8 million and in constant currency at Rs. 418.5 crores as compared to Rs. 359.6 crores at the end of Q2 in the last quarter. This reflects an increase of 17.4% quarter-on-quarter in rupee terms. There has been a steady increase in our headcount. We have added close to around 80 employees. We have ended up with 2,242 as compared to 2,164 in the previous quarter. Our top-5 client revenues now constitute 26.7% of the revenue and top-10 constitute 40.7% in quarter.

There has also been an improvement in the overall cash position. The total cash and cash equivalent in the consolidated Majesco Group now stands at Rs. 151.3 crores as of 31<sup>st</sup> December as compared to Rs. 122.4 crores at the end of 30<sup>th</sup> September, 2015. In the standalone the cash and cash equivalent stands at Rs. 85.7 crores. The debt at consolidated Majesco Group as of 31<sup>st</sup> December, 2015 was Rs. 80.5 crores as compared to Rs. 64.1 crores at the end of 30<sup>th</sup> September, 2015. Hence the net cash position stands at Rs. 71 crores at the end of December 2015 as compared to Rs. 58 crores at the end of the last quarter. In terms of the overall revenue split between the regions, North America continued to grow and now stands at 87.1%. UK also has seen a growth in this quarter and stands at 8.4% and the India Asia Pacific region stands at 4.5%. In terms of the revenue by offering, the license revenue for the quarter was 7.9% and 58.4% has come from implementation and professional services. The Cloud ASP and implementation was 18.4% and the AMC support stands at 15.3%. Overall, the P&C business has shown a good momentum. It has grown to 80.9% of the revenue as compared to 77.1% in the previous quarter. The Life & Annuity stands at 16.7% and the non-Insurance has de-grown from 3.1% to 2.4%. That's it in terms of key numbers for the quarter. I will like to throw the floor open for questions.

**Moderator**

Thank you very much. We will now begin with the question and answer session. We have our first question from the line of Mohit Jain from Anand Rathi, please go ahead.

**Mohit Jain**

One question you are trending well on your revenue guidance; however, EBITDA guidance seems to be little far-fetched as you have given 12-14% sort of a margin range. So when do we start seeing convergence in your reported margins versus the guidance?

**Farid Kazani**

While we are trending well on the revenue, you would understand that this has been an investment and foundation year for Majesco having taken multiple initiatives during the year and there have been spends that have been dedicated in the product R&D and sales and marketing side. We do believe that once we see an uptick on the revenue and that has clearly reflected in how our order book position has shaped up; once the revenue builds up we will see improvement in the profitability. We are not guiding very specific in terms of numbers but I think once we see our numbers at closer to \$200 million which we have set as a goal, we should see the EBITDA getting into the region of 12% to 14%.

- Mohit Jain** So in the last two quarters one observation is that your revenue growth is coming through, at the same time your EBITDA is not coming through. While hypothetically we would have expected that when the revenue growth is strong in that quarter we will also see some EBITDA expansion.
- Farid Kazani** Clearly there will be some mismatch between the revenue and the investments that we are making and as you are aware that product investment gets written off totally in the P&L, I would request that you do not follow profitability on quarter-on-quarter basis. Please look at us on an annual basis and year-on-year basis from profitability angle.
- Ketan Mehta** So Mohit, as we planned one of the reasons for that trend is the fact that we have increased our investments on both product and sales and marketing at a faster than the revenue increase and that is as per our plan because we do see a lot of opportunities for additional product offerings as well as increasing our brand in the industry as well as the sales and marketing efforts.
- Mohit Jain** So should we expect this to sort of continue for a few more quarters or may be throughout FY17?
- Farid Kazani** There will definitely be an improvement in these two numbers, which means you will see a leverage gain because once you see the revenues increasing, these expenses will not be at these percentage levels, you will definitely see an improvement. I do not want to quantify it at this point of time because we do not give any specific guidance for an immediate quarter or year.
- Mohit Jain** But from your plan point of view you are still on track for that 12% to 14% goal?
- Farid Kazani** Yes, we believe we are on track.
- Mohit Jain** I understood. Second is the contractual part which you have mentioned in your opening remark, some contractual staff has come on those now and that has impacted your EBITDA margin for this particular quarter. So my understanding was this contractual labor you would be paying subcontracting cost anyways earlier. So now with onboarding the cost has gone up or is it the same number?
- Farid Kazani** This is a strategy to improve the cost structure overall. While we are paying close to \$4000 per person per month for a resource that was outsourced, the internal cost of that is \$2000. So it saves us \$2000 per person per month. We have in the quarter ended December on-boarded 15 people from that organization and over a period of time once we get the entire workforce and while we have not set a timeframe for that because we will see how it works but there is a significant amount of saving, though you have to pay some upfront cost for getting people from that organization.
- Mohit Jain** So purchase fee has gone in this particular quarter, is it?
- Farid Kazani** Yes, so that is a kind of recruitment commission that has been paid to onboard those people into our company and that is a cost upfront but the savings will be reflected as we go forward.
- Ketan Mehta** And as you understand this is related to the Cover-All deal.

- Moderator** Our next question is from the line of Sagar Lele from Motilal Oswal Securities. Please go ahead.
- Sagar Lele** Just one question on the sales front, how many people would we currently be employing in the sales team and what is the kind of addition we are looking at going ahead?
- Farid Kazani** So as of today we have over 70 people across the globe between US, UK and Asia Pacific and this includes sales guys, client partners, account managers, pre-sales and support guys. Our expectation is to add couple of more in the US and at least one each in the UK and in the Asia Pacific. We do believe this is required based on the opportunities that we are seeing right now.
- Sagar Lele** And could you also elaborate a little more on the cloud offerings and analytic offerings at the moment? I mean we announced a partnership in the previous quarter with IBM and there is some further maturity in our offerings on both these ends. So if you could just give more qualitative color in terms of how we are progressing on these two?
- Ketan Mehta** Yes, actually we are very encouraged by the cloud traction in the industry. As many mid-sized insurers, some of the large as well as some of the Greenfield operations we talked about, they find it is advantageous to deploy the solutions without making an upfront investment as well as strong investments required to put together a platform. So we converted our platform or we offered our platform in partnership with IBM onto IBM soft layer which is their cloud platform and that became available to the market. We give a choice to the clients to either take that or they may decide to take on some private cloud as well. One of the key wins for us in the last quarter was a Main Mutual Growth who bought our entire suite which is Policy, Billing, Claim as well as Analytics platform and they will deploy that on the Majesco Cloud. So this is just an example but I see increasingly more and more insurers are taking on as Cloud Solutions and with over 30 customers which Majesco has on the cloud it gives us a significant advantage over others because of the growing maturity of our cloud platform.
- Moderator** We have a question from the line of Subhankar Ojha from SKS Capital. Please go ahead.
- Subhankar Ojha** I missed out one number. What is the R&D cost for this quarter and what is it that you are guiding for the year?
- Farid Kazani** We had a cost of Rs. 28.5 crores for the quarter which was 14.3% and we are trending at that particular percentage also for the year.
- Moderator** Our next question is from the line of Saurabh Shah from AUM Advisors. Please go ahead.
- Saurabh Shah** The question was really in terms of the pipeline as you see it, what kind of model are you seeing the revenues come from? Is it more licensing revenues, is it more services? Are you seeing a mix from what you have seen over the last three or four quarters?
- Ketan Mehta** We are seeing it in overall our Majesco platform which is clearly license based with solutions. So that forms the dominant part of our business. The license implementation and maintenance as well as a cloud, these are all the IP-centric part of our revenue. In addition, what we are seeing

are the services which is primarily a cross sell opportunity to your existing customers. Some of that would include data analytics, some of them would include testing services etc. This is a faster growing part of the business but it is still at relative smaller base for us.

- Moderator** Our next question is from the line of Subhankar Ojha from SKS Capital. Please go ahead.
- Subhankar Ojha** Just following up, our guidance of \$200 million revenue by FY18, and the other guidance with respect to gross margin and EBITDA, so everything alright in terms of our guidance?
- Ketan Mehta** Yes, based on the progress we have seen in these first three quarters we feel we are on track for the guidance which we have given.
- Farid Kazani** Yes, but I just would like to kind of qualify that. This is predicated on how we see some part of our investment paying off. It is also predicated on the acquisition strategy that we are working upon and lastly in terms of our cross sell strategy and our growth in our Life & Annuity is going to determine that growth. So while this is clearly a goal that we want to achieve for 2018, it is based on these premises and assumptions that we have built into our growth plans.
- Subhankar Ojha** How much of this growth plan is going to come from inorganic route and how much would be organic?
- Farid Kazani** Good question, absolutely. We have not put a number to it. We have an internal plan and that is a particular range. We have not given that number out and the reason is because the acquisition timing and the value is really not in our hands and in our control at this point of time. We do believe that our organic growth will take us through that \$200 million mark but there will be some piece of the acquisition. It is not that the acquisitions will be a significant portion of the \$200 million.
- Subhankar Ojha** Which means most of it will be through organic route?
- Farid Kazani** Yes, we do believe that we will have our organic well planned and this is reflected from our past that our Insurance business has grown 20% CAGR in the last 3 years.
- Subhankar Ojha** Right, and if at all you do acquisition, so that will be funded through internal effluents.
- Farid Kazani** It all depends upon the deal, the size, the structure. If it is a smaller deal, there is a potential for us to do, pay something upfront and then structure it an earnout model over 2-3-year period. If it is a size of a deal where there is a requirement to do a cash payout then obviously at Majesco US consolidated level we have a net debt of \$2.3mn, so we will leverage some debt and use the debt to kind of finance the acquisition. So it all depends upon the size and the structure and how the seller would want the consideration.
- Subhankar Ojha** I am sorry, why the debt level has gone up? I mean your gross consolidated borrowing is Rs. 80 crores versus Rs. 64 crores, so this seems to have gone up a bit. Where is it used? Has it been used?

- Farid Kazani** It has been used for our working capital requirement in the US but if you look at our Majesco India Consolidated the net cash has gone up and even if you look at it compared to the last quarter at Majesco US Consolidated our net debt position came down by \$1.5 million in the last quarter.
- Moderator** Next question is from the line of Abhijit Mukherjee from Lucky Investment. Please go ahead.
- Abhijit Mukherjee** Thank you for the opportunity. Sir just wanted to understand what would be the market share that we would have in target market in the 9 months, either if you could explain it based on the revenue booking or on the basis of difference and what would have been the market growth rate in the 9-months specifically in US market?
- Ketan Mehta** It is hard for us to get the market share because we are in different areas like P&C, Life & Annuity etc and some of the data is not published, so we have to just depend on some of the analyst rating to track the market share. However, what I would say that in terms of the overall momentum and orders which we have booked and continue to book throughout this quarter, I feel that the market is getting consolidated around the top 2 or 3 players who are winning majority of the deals and we are certainly one among them. We have certainly seen an increase in our market share and momentum in Life & Annuity, which has turned out to be far better than what we expected for. So broadly, we feel that the overall market position for Majesco is getting better. Now, again because the industry data is not available it is difficult for us to predict the growth rate of – I am assuming that you are asking the growth rate for the technology companies. Insurance overall has not been a growing industry. It is reasonably flat, however the technology investment in the Insurance continues to be attractive. So there is a growth in the technology industry but we do not have a clear data about growth percentage there.
- Farid Kazani** So the only thing that we track is based on reported deals and since the value of the deals typically do not get specified, what we have is number of deals that have been won by various players in the industry. We have that database but that is clearly internal to our requirement. As Ketan did mention that when you look at those deals there are 3 or 4 players which are actually cornering those deals in the marketplace.
- Abhijit Mukherjee** In your market my guess is you would have a best guess assessment in terms of your market share and if you could at least give out some rough market share that you would have and based on that since you would have participated in lot of the deals, you would have a best guess assessment in the growth in the market, it would be very helpful in the 9 months. So I am not asking you for the current quarter but on a 9-month year to date what would have been the market growth, the best guess that you have.
- Farid Kazani** Abhijit, I will take your request, let me see what I can publish which is publicly available data and then I can share it. At this of time I do not have any data to share.
- Abhijit Mukherjee** Then versus the last 2-3 years, can you give a qualitative comment and if quantitative comment is also available is welcome. And has your market share increased versus what it was in the last

3 years versus what it is in the first 5 months. Has the market growth accelerated and has your market share also increased?

- Farid Kazani** One way to indirectly look at it is try and get the top line data of the few companies that are listed and see what has been the growth over the last two years for these companies. That could be one data point for you to reflect. However, as Ketan did mention that we are in multiple segments P&C, Life & Annuity and some of the services areas for Insurance companies. So that is why it may not be completely comparable. But I take your request let me see what I can do. I am not promising at this stage.
- Moderator** Our next question is from the line of Saurabh Shah from AUM Advisors. Please go ahead.
- Saurabh Shah** Just two quick questions, what is the receivables that you have just now in terms of the number of days and secondly if you can give us some color on the two senior hires that you made and Ketan mentioned earlier during the call.
- Farid Kazani** Receivables are very well in control for us. There are 63 days.
- Saurabh Shah** And how does that compare in the past?
- Farid Kazani** It is pretty stable. We have been close to 60-62-63 days' range and we have been pretty good on collecting most of our receivables and the US market is still a good market where we do not have the issues about receivables. Unlike there would be one or two clients in India that take a little more time.
- Saurabh Shah** And those two other employees if you could give us some background.
- Ketan Mehta** Yes, so both hiring of Tilak and Ajay is to strengthen our expanding delivery operations in our India center, so both Tilak and Ajay come from a deep Insurance background, both of them have worked in companies like CSD, Xchanging etc. and they will be leading our P&C Delivery Efforts as well as the overall Insurance delivery working.
- Saurabh Shah** Well that is more on the services side, both CSD and Xchanging do not have a product kind of development background.
- Ketan Mehta** Both of them have products. CSD is probably the largest product companies in Insurance sector and so is Xchanging.
- Moderator** Next question is from the line of Harit Shah from HDFC Securities. Please go ahead.
- Harit Shah** Can you give me a sense of any specific areas on the product side where you see gaps so you are mentioning about acquisitions may be following part of your target of \$200 million, so at the moment where are the specific areas either on P&C or on Life Annuity or any of side where you actually believe that you could see value in may be acquiring a particular company?

- Ketan Mehta** So as we look at the portfolio of our solutions, while it is comprehensive there are definitely many areas where we can fill the gap through acquisitions. So we continue to look at that. Those gaps exist both in our P&C portfolio, Life & Annuity portfolio, need for consumer engagement portal types of solutions as well as in analytics we are looking at predictive analytics and other opportunities. So because the overall Insurance market is so large with there are so many lines of business, so many states, we do find our opportunities to fill in some specialized solutions which can fit in and synergize it to our portfolio.
- Harit Shah** And from an acquisition size perspective, is there any comfort level like let us say you will may be not acquire a company which is more than may be 10% or 15% of your revenue, do you have any specific such comfort level or you are not decided on that as of now?
- Farid Kazani** No, I think as Ketan mentioned these are like trying to kind of build upon further capabilities within our existing portfolio and system. So it is not going to be sizeable acquisition because we are not acquiring other platform. Therefore, these sizes will be pretty small. It will depend since we are working on multiple acquisitions there are sizes which range right from \$5 million to \$20 million in revenue. So at this point of time none of them are at a stage that I can confirm. So it all depends upon what we end up acquiring.
- Harit Shah** One final question from my side. From a segment wise perspective your North America region this quarter seems to have made a loss. Did I miss something or was that because of the onboarding of the cover-all employees and what is the main reason for that EBIT loss?
- Farid Kazani** Yes, I did mention the two impacts, in fact is because of the customer conference that happened and the second is the onboarding cost of our outsourced staff. So it is because of that. And there has been a fair amount of activity that has happened in the last quarter, so you would have seen the travel expenses that has increased.
- Moderator** Our next question is from the line of Amit Chandra from HDFC Securities. Please go ahead.
- Amit Chandra** My question is regarding the L&A business, like we have seen a sharp decline in the L&A business like in absolute terms also there was a decline of around 10.3% in the L&A business like last quarter we have – deals like in the L&A segment. So I just want to understand what is the actual progress there and what is the strategy there in the L&A segment because we see that it is also a very big market and just want to understand that.
- Farid Kazani** Amit, you are right in your statistics but let me just clarify that the drop is only with respect to the quarter movement because there was a project in UK and a project in Asia Pacific that got closed out and which is why the drop has happened. But North America has actually seen a very stable and is expected to increase. So we feel comfortable with how the North America L&A business is shipping up.
- Amit Chandra** And in respect to your L&A business in the UK region, is anything happening there in terms of deals and of course the deal sizes you are looking for in that region?

- Ketan Mehta** UK business, in the Life & Annuity one of the key areas where we are really focused on is group market where earlier in the year we announced that UNAM UK selected our platform for their transformation initiative. This is in addition to legal and general, we are already using our policy admin platform, which makes us a very strong player in the UK group market and we continue to see further opportunities in the group protection part in UK and on the similar front we are also seeing fair amount of opportunities on the group market in US as well which is going through fair amount of transformation needs based on the many changes in the industry including ObamaCare which is driving the transformation initiatives at the insurers' need. So I am quite upbeat about the opportunities in group market both in UK and US.
- Amit Chandra** And sir one more question in terms of the top-5 and top-10 clients' contribution that we have seen a sharp decline in top-5 and top-10 despite 5% growth in revenue. So is all the growth coming from the non-top-10 clients or do you see a reduction in your top client accounts also?
- Farid Kazani** Well there has not been a sharp decline, it has been in a range actually so I am not sure where you are seeing the sharp decline that you are mentioning. But it does happen that one of the projects that have got completed more from the top-10 and there would be another project that would come in. So there will be a shift on a quarter on quarter basis in this top-5 and top-10 but when I have to look at how the distribution is, it is a pretty comfortable distribution of the top-10 clients right now.
- Amit Chandra** Okay, so because top-5 clients had declined from 28.4% to 26.7% and top-10 from 43.9% to 40.7%.
- Farid Kazani** That is not a very big decline, because the change that happens is due to the increase or decrease in how the business moves, there will be some decline and for one of them would have moved in and moved out. So, I do not count that as a critical increase or decrease either way.
- Moderator** Thank you very much. I would now like to hand the floor over to Mr. Ketan Mehta for his closing comments. Over to you sir.
- Ketan Mehta** Thank you everyone for joining this Earning Call. We will talk to you in the next quarter. Thank you once again.
- Moderator** Thank you very much members of the management. On behalf of Majesco Ltd. that concludes this conference. Thank you for joining us and you may now disconnect your lines.