

## PRESS RELEASE

### Majesco Q3FY21 Total Revenue at Rs. 38.4 crore; PAT at Rs. 27.8 crore

**Mumbai, 18<sup>th</sup> January 2021:** Majesco Ltd. (MJCO), (BSE: 539289), (NSE: MAJESCO), announced today its financial results for the **third quarter and nine months FY21** ended 31<sup>st</sup> December 2020.

**Commenting on Q3FY21 Performance, Farid Kazani, Managing Director, Majesco Ltd said:** “This has been an extremely busy quarter with completion of share buyback and disbursement of record dividend to shareholders within committed timelines. During the quarter, we were able to maximize the interest income earnings on the funds parked in fixed deposits and mutual funds. While the financial performance for the quarter is not comparable with past period, we ended December 31, 2020 with a total revenue of Rs. 38.4 crore and a PAT of Rs. 27.8 crore. We are seeking necessary advice on the next steps to be able to distribute the balance cash to shareholders in an optimal manner and would keep the investors/shareholders updated of the developments.”

#### Review of Standalone Financial Performance for the quarter ended December 31st, 2020:

All Figures in Rs Crore	Q3FY21	Q2FY21	Q3FY20		9MFY21	9MFY20
Operating Revenue	5.0	2.1	2.6		9.5	7.7
Other Income	33.4	3.7	2.1		38.3	7.4
<b>Total Revenue</b>	<b>38.4</b>	<b>5.8</b>	<b>4.7</b>		<b>47.8</b>	<b>15.1</b>
Net Profit	27.8	2,510.8	0.9		2,539.8	22.5
Diluted EPS (in Rs)	9.3	851.2	0.3		867.5	7.6

As you can see from the above, we received the proceeds on the sale of investment in Majesco US in Q2FY21 which resulted in exceptional profit. During the current quarter we completed the share buyback and disbursed the balance free reserves as dividend to the shareholders. The total revenue during the quarter reflects the income earned on the invested funds and the lease rental on the Mahape property.

## Buy Back Update

The Board of Directors of the Company at its meeting held on October 8, 2020, approved a proposal to buyback of upto 74,70,540 fully paid-up equity shares of face value of Rs. 5 per share of the Company for an aggregate amount not exceeding Rs. 631.26 crore being 24.78% of the total paid up equity share capital at Rs. 845 per equity share, which was approved by the shareholders on November 2, 2020 by means of a special resolution in Extra Ordinary General Meeting. A Letter of Offer was made to all eligible shareholders. The Company bought back 15,74,088 equity shares out of the shares that were tendered by eligible shareholders and extinguished the equity shares on December 23, 2020 and paid Rs. 133.01 crore to the shareholders. In addition, the company has paid Rs. 30.84 crore as buyback tax and Rs. 5.7 crore for expenses related to buyback.

## Dividend Update

The Board of Directors of the Company at its meeting held on December 15, 2020 declared an Interim Dividend at the rate of 19480% i.e. Rs. 974 per equity share of face value of Rs. 5 per share. During the quarter, the company has declared total dividend of Rs. 2,788.53 crore out of which Rs. 297.04 crore remains payable as on December 31, 2020 including the tax deducted at source (of Rs. 282.66 crore) from dividend paid to shareholders. The Company has complied with necessary provisions of The Companies Act, 2013 relating to payment of dividend and also paid the TDS to the department on January 7 2021.

## Summary of Cash Position as of December 31, 2020 and future expenses / liabilities.

Details	Rs. Crore	Rs. Crore	Remarks
Total Cash & Cash Equivalents - Dec 31, 2020			
Cash / Fixed Deposits	593.2		
Mutual Fund Investments	40.6	633.8	
<b><u>Less: Accrued Liabilities -Dec 31, 2020</u></b>			
-Unpaid Dividend & TDS on Dividend/Others	298.4		TDS Amt of Rs. 284 paid on Jan 7, 2021. To be paid before March 15, 2021
-Capital Gain Tax – balance instalment	180.8		

- Accrued expenses & liabilities	7.4	486.6	
<b>Net Amount</b>		<b>147.2</b>	
<b><u>Less: Future expenses / liabilities *</u></b>			
- Capital Expenditure - New Building Project	9.0		
- Professional / Legal Expenses - ongoing and related to closure	5.0		
- Operational expenses - Salaries, Facilities & Admin/Others (next 12 months)	25.2		
-Contingency for unknown expenses /liabilities	3.0	42.2	
<b>Balance available for distribution post regulatory approval #</b>		<b>105.0</b>	

*\* Nos. are pure estimates and provisional basis assumption of 12 months requirements.*

*# Does not include the potential realization on monetization of real estate.*

## Update on the Property at Mahape

The existing property at Mahape admeasuring approx. 1.2 lakh sq feet lies vacant with the exit of the erstwhile tenant w.e.f January 1, 2021. The construction of the new building admeasuring approx. 0.4 lakh sq feet is progressing well and likely to be completed by End April 2021. The company is engaged with real estate intermediaries and considering various options and structures for either sale or lease of entire premises.

## Impact of COVID-19

The World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. On March 24, 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus, which has been/was further extended till May 31, 2020. This pandemic and government response are creating disruption in global supply chain and adversely impacting most of the industries which has resulted in global slowdown.

The Company do not foresee any large scale contraction in demand which could result in significant down-sizing of its employee base rendering the physical infrastructure redundant. In assessing the recoverability of PPE, CWIP and investments in fixed deposit and mutual funds, the Company has considered internal and external information up to the date of approval of these financial results including economic forecasts.

The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The Company has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, internal financial reporting controls etc. and is of the view that based on its present assessment this situation does not materially impact this Standalone financial result. However, the actual impact of COVID-19 on the Company's Standalone results may differ from that estimated and the Company will continue to closely monitor any material changes to future economic conditions.

## About Majesco

Majesco Limited was incorporated as Minefields Computers Private Limited on June 27, 2013 in the state of Maharashtra. It was converted into a public limited company on December 22, 2014. Pursuant to Scheme of Arrangement between Mastek Limited,

Majesco Limited and Majesco Software and Solutions India Private Limited as approved by Hon'ble High Court of Bombay and Hon'ble High Court of Gujarat, the name of the company was changed to Majesco Limited on June 12, 2016.

Pursuant to the Scheme of Arrangement, the Insurance Products and Services business of Mastek Limited was demerged into Majesco Limited, followed by transfer by Majesco Limited of the offshore insurance operations business in India to Majesco Software and Solution India Private Ltd ("MSSIPL") a wholly owned subsidiary of Majesco Software and Solution Inc., USA ("MSSUS") a subsidiary of the company, retaining the domestic operations with the Company.

The shares of Majesco Limited were listed on August 19, 2015 on the BSE and NSE.

Till September 21, 2020, Majesco (USA), listed on NASDAQ, was a subsidiary of Majesco Limited. Majesco (USA) is engaged in providing core software solutions for Property & Casualty/General Insurance ("P&C"), and Life, Annuities & Pensions ("L&A") providers, to manage policy administration, claims management and billing functions.

Majesco Limited divested its entire stake/ investment in its material subsidiary i.e., Majesco, pursuant to a merger between Majesco and Magic Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of Magic Intermediate, LLC, a Delaware limited liability company, in accordance with the provisions of the California Corporation

Code, as amended. Magic Merger Sub, Inc. and Magic Intermediate, LLC are affiliates of Thoma Bravo LP.

The underlying transaction has been consummated on September 21, 2020. Henceforth, Majesco (USA) will operate as a privately held company under the continued leadership of the existing Majesco Leadership Team. For more details on Majesco, please visit us on the web at [www.majescoLtd.in](http://www.majescoLtd.in)

**For further information, please contact:**

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Important factors that could cause actual results to differ materially from those described in forward-looking statements contained in this press release include, but are not limited to: the incurrence of unexpected costs, liabilities or delays; the failure to obtain applicable regulatory approvals; the failure to obtain approval of the shareholders of Majesco Limited.

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