

For Immediate Release

Clarification Note

<p>With respect to the financial results for the second quarter ended 30th September, 2017 (Q2FY18) for Majesco Limited, please note that the Company has adopted Indian Accounting Standard's ("IND AS") and accordingly the financial results for all the periods presented have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 Interim Financial Reporting prescribe under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India. The date of transition to Ind AS is April 1, 2017. The impact of transition has been accounted for in opening reserve and the comparative period results have been restated accordingly.</p>
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Q2FY18 Total Revenue at Rs 201.8 crore; up by 9.2% QoQ basis

- **Cloud Revenue at Rs 60.7 crore; up 28.1% QoQ and 42.3% YoY**
- **Adjusted EBITDA at Rs 6.7 crore; up 402 bps QoQ**
- **PAT at Rs. 10.7 crore; up 312.5% QoQ**

Mumbai, 7th November, 2017: Majesco Ltd. (MJCO), (BSE: 539289), (NSE: MAJESCO), a global provider of software, consulting and services for insurance business transformation, announced today its financial results for the **second quarter and half year FY18** ended 30th September, 2017.

Review of consolidated financial performance for the quarter ended 30th September, 2017:

On a quarter-on-quarter basis:

- The operating revenue was Rs 199.1 crore during the quarter under review as compared to Rs 183.0 crore during the previous quarter, reflecting an increase of 8.8% in rupee terms and an increase of 8.6% in constant currency.
- Total revenue was Rs 201.8 crore during the quarter under review as compared to Rs 184.7 crore during the previous quarter, reflecting a growth of 9.2% on QoQ.
- The Company reported adjusted EBITDA of Rs 6.7 crore (3.4% of operating revenue) in Q2FY18 as compared to adjusted EBITDA (loss) of Rs 1.2 crore (-0.7% of operating revenue) in Q1FY18 reflecting an improvement by 402 bps QoQ.
- Net Profit stood at Rs 10.7 crore in Q2FY18 as against net loss of Rs 5.0 crore in Q1FY18 reflecting a growth of 312.5% on QoQ basis.
- The product research & development spends during the quarter stood at Rs 27.7 crore (13.7% of total revenue) as compared to Rs 25.6 crore (13.9% of total revenue) in Q1FY18.

Note: Adjusted EBITDA stated above is before ESOPs cost and excluding one-time exceptional item

For the half year ended 30th September, 2017:

- The operating revenue was Rs 382.1 crore for the half year ended 30th September, 2017 as compared to Rs 431.1 crore in the corresponding period of previous year reflecting a drop of 11.4% in rupee terms and 9.0% in constant currency.
- Total revenue was Rs 386.4 crore during the half year period under review as compared to Rs 435.5 crore during the corresponding period in the previous year, a decline of 11.3% in rupee terms.
- The company reported adjusted EBITDA of Rs 5.5 crore (1.4% of operating revenue) in H1FY18 as compared to an adjusted EBITDA of Rs 18.6 crore (4.3% of operating revenue) in H1FY17.
- Net profit stood at Rs 5.6 crore for H1FY18 as against Rs 2.4 crore during the corresponding period in the previous year reflecting a growth of 131.6% in rupee terms.
- The product research & development spends was at Rs 53.3 crore (13.8% of total revenue) in H1FY18 as compared to Rs 61.2 crore (14.1% of total revenue) in H1FY17.

Other Operating highlights

- **IBM Update:** During the quarter, Majesco began implementing the 10-year cloud subscription deal with IBM to support Insurance clients, including MetLife, as the first joint customer on the IBM Insurance Industry Platform. This is one of the largest deals Majesco has won. Majesco is providing the core components including Policy, Billing and Claims which will be integrated with IBM solutions including cognitive capabilities and other third party solutions.
- **Other Highlights:** At the recent held annual customer conference, Convergence 2017, Majesco announced the version 10.0 of the Majesco P&C Suite, including Majesco Policy, Majesco Billing and Majesco Claims. This new version is immediately available and is the foundation for Majesco CloudInsurer. Majesco also announced a ground-breaking micro-services based solution set that enables the digital era of customer engagement and supports a new generation of business models and products. The solution is Majesco Digital1st Insurance and will complement the Majesco core software suite and integrate with other core software to accelerate the value of core software solutions. Majesco also recognized the implementations of 24 customers over the last year at Convergence 2017.
- **Cloud Revenue:** Total Revenue from cloud-based customers was Rs 60.7 crore (30.5% of operating revenue) for the quarter ended 30th September, 2017 as compared to Rs 47.4 crore (25.9% of operating revenue) in the quarter ended 30th June, 2017 reflecting a growth of 28.1% on QoQ basis and up by 42.3% as compared to Rs 42.7 crore (20.3% of operating revenue) in the corresponding quarter ended 30th September, 2016. Total Revenue from cloud-based customers was Rs 108.1 crore (28.3% of operating revenue) for the six month period ended 30th September, 2017 as compared to Rs 82.8 crore (19.2% of operating revenue) for the corresponding period ended 30th September, 2016 reflecting a growth of 30.6% on YoY basis.

- **Clients:** Total client count as of 30th September, 2017 was 168 (LTM). Total cloud customers as of 30th September, 2017 were 32. In terms of client concentration, the top 5 constituted 28.6% to revenue and the top 10 customers constituted 43.7% to revenue for the quarter under review.
- **12 month Order Backlog:** The 12-month order backlog stood at Rs 518.4 crore (\$79.4 mn) as on 30th September, 2017 and in constant currency stood at Rs 512.1 crore as compared to Rs 510.3 crore (\$79.0mn) at the end of Q1FY18, reflecting an increase of 1.6% Q-o-Q in rupee terms and 0.5% in dollar terms.
- **Employees:** As on 30th September, 2017, the company had a total of 2,423 employees, of which 1,947 employees were based offshore in India while the rest were at various onsite locations outside India. Employee count at the end of 30th June, 2017 was 2,395.
- **Cash & Cash Equivalents:** The total cash & cash equivalent in Consolidated Majesco Group was at Rs 176.9 crore as on 30th September, 2017 as compared to Rs 164.3 crore at the end of 30th June, 2017.
- **Borrowings:** Total borrowings at Consolidated Majesco Group as on 30th September, 2017 was Rs 115.0 crore as compared to Rs 104.7 crore as at 30th June, 2017.

Mr. Ketan Mehta, Founder and CEO, Majesco, said: “I am pleased to see good traction in topline and bottomline driven by improvement in cloud based revenues. The Cloud business which contributes 31% of the our revenue grew by 28.1% sequentially and 42.3% on year on year basis demonstrates acceptance for our cloud solutions. During the quarter, we began implementing the 10-year cloud subscription deal with IBM to support Insurance clients, including MetLife, as the first joint customer on the IBM Insurance Industry Platform. This is one of the largest deals Majesco has won and we are excited to partner with MetLife and IBM to offer digital transformation capabilities for MetLife’s small business group market.”

Mr. Farid Kazani, Managing Director, Majesco Ltd., said: “The quarter reflected solid momentum with sequential revenue growth of 8.8% and adjusted EBITDA margin of 3.4%, up 402 bps from the previous quarter consequent to the shift towards cloud based revenue profile. The 12-month order backlog increased by 17.6% over corresponding quarter previous year, driven by new client wins including the recent IBM-Metlife engagement. We expect good build up of our cloud business going forward which will result in long term annuity based revenue and improved profitability.”

About Majesco

Majesco enables insurance business transformation for over 150 global customers by providing technology solutions which include software products, consulting and IT services. Our customers are carriers from the Property and Casualty, Life, Annuity and Group insurance segments worldwide. Majesco delivers proven software solutions and IT services in the core insurance areas such as policy administration, billing, claims, distribution and analytics. For more information, please visit us on the web at www.majesco.com

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Cautionary Language Concerning Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act. These forward-looking statements are made on the basis of the current beliefs, expectations and assumptions of management, are not guarantees of performance and are subject to significant risks and uncertainty. These forward-looking statements should, therefore, be considered in light of various important factors, including those set forth in Majesco’s reports that it files from time to time with the Securities and Exchange Commission and which you should review, including those statements under “Item 1A – Risk Factors” in Majesco’s Annual Report on Form 10-K for the year ended March 31, 2016.

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: integration risks; changes in economic conditions, political conditions, trade protection measures, licensing requirements and tax matters; technology development risks; intellectual property rights risks; competition risks; additional scrutiny and increased expenses as a result of being a public company; the financial condition, financing requirements, prospects and cash flow of Majesco; loss of strategic relationships; changes in laws or regulations affecting the insurance industry in particular; restrictions on immigration; the ability and cost of retaining and recruiting key personnel; the ability to attract new clients and retain them and the risk of loss of large customers; continued compliance with evolving laws; customer data and cybersecurity risk; and Majesco’s ability to raise capital to fund future growth.

These forward-looking statements should not be relied upon as predictions of future events and Majesco cannot assure you that the events or circumstances discussed or reflected in these statements will be achieved or will occur. If such forward-looking statements prove to be inaccurate, the inaccuracy may be material. You should not regard these statements as a representation or warranty by Majesco or any other person that we will achieve our objectives and plans in any specified timeframe, or at all. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. Majesco disclaims any obligation to publicly update or release any revisions to these forward-looking statements, whether as a result of new information, future events or otherwise, after the date of this press release or to reflect the occurrence of unanticipated events, except as required by law.