



# THE INSURANCE RENAISSANCE




**MAJESCO**

2016 ANNUAL REPORT



#### FORWARD LOOKING STATEMENTS

Certain statements in this annual report concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. We have tried wherever possible to identify such statements by using words such as anticipate, estimate, expect, project, intend, plan, believe and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, our actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



# Contents

## COMPANY OVERVIEW

02	Message from the CEO
04	The Insurance Renaissance
06	Majesco's Insights
07	Majesco's Response
08	About Majesco
10	Majesco's Leadership Team
12	Our Customers, Market Segments & Key Results for FY16
13	Business & Operational Highlights FY16
14	Track Record of Acquisitions and Integrations
15	Client Case Study
16	Company Information

## STATUTORY REPORTS

18	Management Discussion and Analysis
35	Boards' Report
58	Corporate Governance Report

## FINANCIAL STATEMENTS

73	Standalone Financial Statements
101	Consolidated Financial Statements
135	Key Statistics - Majesco Ltd. Consolidated

## SHAREHOLDERS INFORMATION

136	Notice of the AGM
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**Ketan Mehta**  
Co-Founder and CEO  
of Majesco Limited

# A Message from the CEO of Majesco

Dear Shareholders,

Fiscal 2016 was Majesco's first year as a separate entity after our demerger from Mastek. I am pleased with the progress we made during the year and especially enthused about the many opportunities which lie ahead of us.

Majesco is exclusively focused on serving the global insurance industry by providing core technology solutions and services that help modernize and bring change to Property and Casualty (P&C), Life and Annuity (L&A), and Group and Employee Benefits Insurance carriers. Our core offering is a software platform covering Policy, Billing and Claims which are considered "Systems of Record" that run our customers' core insurance businesses. We also offer data and digital solutions, consulting, and other services that support both the insurance carriers' technology and business transformations.

The insurance industry is undergoing dramatic and rapid changes. Across our industry, we see new and emerging technologies, evolving customer demographics, and changing industry boundaries. These disruptive and innovative trends are creating a renaissance in the insurance industry. As a result, carriers are significantly increasing their technology modernization initiatives.

Insurance carriers look for vendor partners with the ability to support their business objectives and technology transformation initiatives over a long period of time. At the same time, the vendor landscape in insurance technology is getting consolidated. I am pleased that Majesco is continually recognized as one of the leading vendors in a majority of our solution areas.

This is due to our sustained focus and investment over the past eight years in product development, insurance talent and brand building. Fiscal 2016 created a solid foundation and path to scale our business plan as we ended the year with 164 insurance customers and revenues of ₹ 757.2 crore. We see attractive growth opportunities for Majesco in the future as we leverage our global footprint, comprehensive product offerings, and industry leading customer service.

We experienced strong momentum in terms of new client additions, increased revenue, successful client implementations, and growth in our cloud business. We are humbled and thankful for the opportunity to serve the insurance industry and each of our customers as they prepare, shape and change their business for future growth and success.

Revenue for fiscal 2016 increased 43%, which was driven by our team's ability to execute our organic and inorganic growth plans. Over the last two years, our insurance business has grown at a 23% compound annual growth rate. We added 19 new customer logos which is very significant in powering our market momentum and helped increase our 12-month executable backlog by 47%.

Our delivery teams continue to focus on client program success. We had 34 clients go live and into production with our solutions.



As planned, we increased our R&D investments by 57%. We launched new products including Majesco DigitalConnect, Majesco Business Analytics and Majesco Testing Services, all of which are experiencing good market traction. With accelerating focus on product and market innovation, the industry is experiencing increasing adoption of cloud based solutions. We are actively embracing this trend and I am pleased to announce we ended the year with over 30 clients on Majesco's cloud platform. We are making additional investments to provide customers with enhanced speed to value, variable cost platforms, and flexible engagement models.

During the year, we also completed the successful integration of Cover-All Technologies and Agile Technologies into the Majesco business. The success was demonstrated by Majesco's client and talent retention, as well as the joint new logo wins for our newly combined offerings. As the industry consolidates, we will continue to look for further accretive acquisition opportunities in the current year and beyond.

Our industry is taking notice of Majesco's evolution and market position. During the year, we expanded our partner ecosystem with 10 new partners and deepened our relationship with our System Integration partners IBM and Deloitte.

The insurance market is large and growing with nearly US \$4.8 trillion in global premiums - 56% represented by L&A premiums and 44% represented by P&C premiums. To support their annual business requirements, global L&A and P&C carriers' invest approximately US \$181 billion on IT software, services and support. Of this overall investment, carriers spend US \$25 billion annually on software and services directly related to Majesco's offerings, creating a large and compelling addressable market for our products and services.

As a top three solution provider, with a track record over the last two years of organic growth and acquisition success, we are confident about our market position and long-term growth opportunities.

It is a privilege to serve our broad and diverse set of customers. Today we work with all types of insurance companies - from large, established global carriers to emerging start-ups. Delivering solutions to a wide range of customers provides us with a valuable perspective on the changes underway in our industry, which guides our plans and priorities for the future.

We sincerely thank our customers for their confidence and trust. We will continue to direct our energy, innovation and effort on proving their confidence was well placed.

Delivering and delighting our customers today is the foundation for continued growth and success. It requires a fully engaged, highly energized, and knowledgeable staff. I'd like to thank our employees for their customer focus, teamwork and support.

I am confident that we are on the right track to achieve profitable growth in the years ahead. Majesco's management team and board of directors have high expectations for our newly combined company in fiscal 2017 and beyond, and I look forward to sharing our success with you in the future.

Thanking You

**Ketan Mehta**

Co-founder and CEO of Majesco Limited

# The Insurance Renaissance and Majesco's Future Trends Framework

“The future is not what it used to be” – Yogi Berra



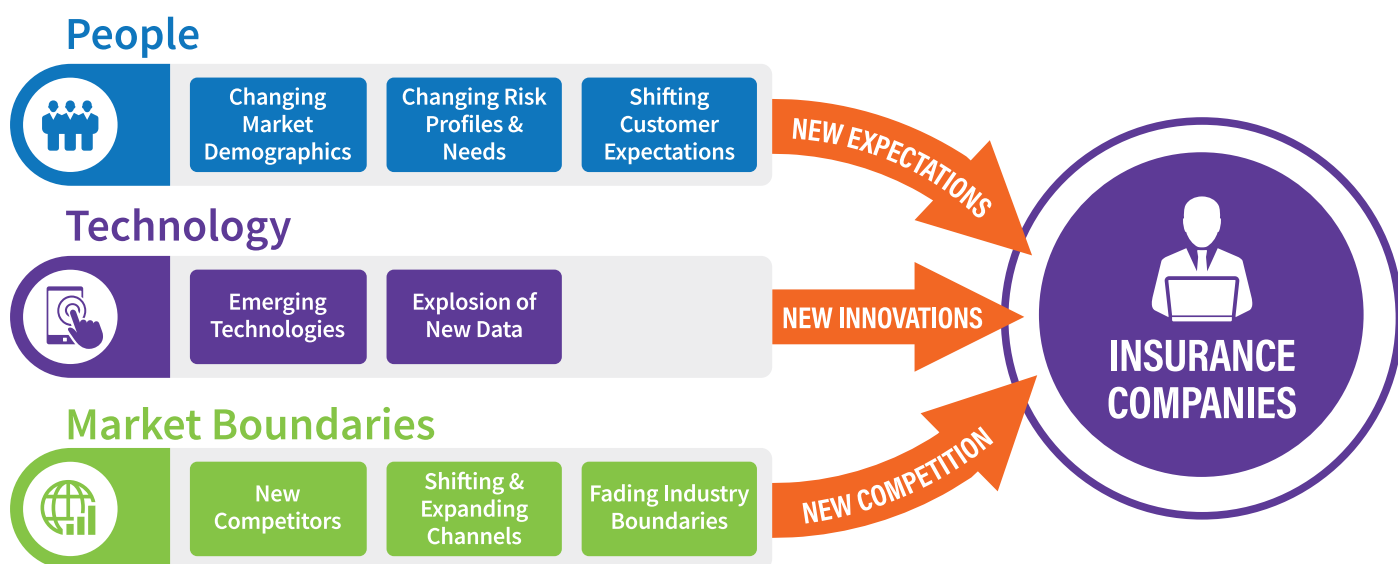
Insurance dates back to ancient times when the first written insurance policy appeared on a Babylonian obelisk monument with the code of King Hammurabi carved into it. The “Hammurabi Code”, one of the first written laws, offered basic insurance for individuals if a personal catastrophe made it impossible to pay back a debt. Insurance continued to grow and evolve across centuries and continents. The Guilds in Europe supported master craftsmen with a type of “group coverage” to subsidize them and their families upon injury, disability or death. Deals made in London coffee houses to cover maritime risks were the beginnings of the London Market.

These efforts met a universal and timeless need to stabilize individuals and the economy against risk, while meeting the changing needs and adapting to new developments or technologies that changed and shifted businesses, markets and risk. Each time, it required business leaders to shed sacred notions and wake up to the possibilities of rebuilding on a new foundation while maintaining the old structure long enough to move out safely. In today’s fast paced and ever changing world, insurers must once again shed those sacred notions and build a new foundation to capture the opportunities unfolding.

As we enter a new era of disruption and change underpinned by new technologies, new customer expectations, new competitors, and new business models, we see a new renaissance ... an Insurance Renaissance quickly unfolding. With so many disruptive forces emerging and converging, Majesco developed a framework to organize and simplify trends in order to draw a useable map regarding how they are interconnected and changing the insurance industry. The result is an organic effort to continually assess the impact of disruptive trends to the business of insurance.

Majesco's Future Trends Framework (illustrated below) comprises three high-level forces that are driving the insurance industry to change with steps that are incremental and evolutionary as well as those that are disruptive and revolutionary. Each of these forces puts pressure on the traditional insurance industry players by creating and offering innovations and alternatives that must be addressed to be competitive and relevant in a fast changing marketplace.

The high-level forces (People, Technology and Market Boundaries) reflect an outside-in view and are creating the driving influences — new expectations, new innovations, and new competition — that individually exert tremendous transformation pressure on the industry. The forces don't operate in isolation, however. They are inter-connected and combine to power the Insurance Renaissance.







“Majesco is a strategic partner and technology solution provider for Homesite’s Small Commercial Property insurance unit (p/k/a AssureStart). We have successfully worked together with tangible benefits and value-add achieved through our collaboration. Majesco’s multi-line cloud platform aligns well within our overall Platform vision and architecture. As we continue into Homesite’s next stage of growth across Personal and Commercial Lines, we view Majesco as a key partner and we expect to build upon our existing relationship.”

— Peter Settel  
EVP and CIO for Homesite

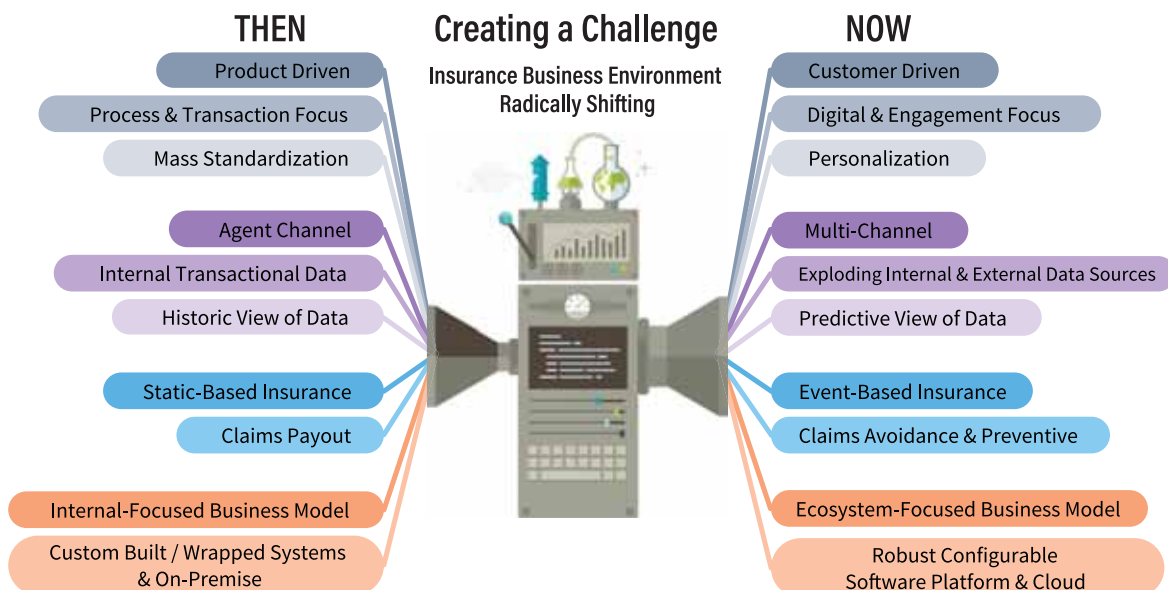
## Majesco’s Insights

The pace and impact of recent changes within the insurance industry have intensified the need for agility, innovation and speed. These three characteristics are mandatory in a world of continuous disruption and opportunity and will enable insurers to adapt with ease, reimagine the possibilities and capture the opportunities including new products, services, market segments, distribution channels, partners, and business models. The chart below highlights specific areas and the magnitude of change and disruption resulting from these trends.

This is reinforced by the findings of Majesco’s customer survey in late 2015. Our customers clearly recognize these key areas and the critical requirements for agility, innovation and speed. Three key themes emerged from the survey. First, there is a clear recognition of a service shift where the customer is in control and insurers must adapt to become customer-driven. Second, there are significant barriers and limitations on current business capabilities that carriers must overcome to grow and compete, starting with the transformation of legacy systems that were built around products rather than customers. Third, there are potential blind spots about customer expectations, technology and competition that are lurking around the corner in the not too distant future, creating impactful disruption.

These insights reinforce our view that we are differentiating ourselves from others in the marketplace by focusing our success on partnering with our customers through their entire business transformation journey.

## Insurance Change and Disruption





# Majesco's Response

Majesco is focused on helping insurers unlock the potential opportunities arising from disruptive forces, with its focus on core insurance software, digital, data, distribution and cloud. Strengthening our portfolio of solutions and capabilities was an important factor in Majesco's strategy to ensure we could enable our customers' (from Greenfields and start-ups to mid-market and tier one insurers) business transformation strategies. The merger with Cover-All Technologies brought additional depth of ISO-based content and commercial insurance capabilities along with a business intelligence and analytics solution. The Agile Technologies acquisition strengthened our insurance industry knowledge and expertise, while providing new capabilities for business transformation, data and digital strategies.

Adding to this was the increased R&D investment in Majesco's portfolio with the new releases of all Majesco software including the Majesco P&C Suite, Majesco Policy for L&A and Group, Majesco Distribution Management and Majesco Billing, along with the launch of new solutions including Majesco DigitalConnect, Majesco Business Analytics and Majesco Testing. All of these enable insurers to transform their businesses away from their legacy business models.

Enabling insurers to reinvent their businesses for the future, Majesco launched Majesco Cloud Insurer, an out-of-the-box repeatable, scalable cloud platform. This offering leverages Majesco's experience with over 30 cloud customers and is designed to provide a business platform with broad appeal for all insurers — from Greenfields, to new start-ups and incubators for new venture capital backed insurers, to existing insurers for mid-market and tier one insurers. This provides insurers with a launch pad for innovative business plans, new business models, and new products by enabling speed to value with a variable cost model that provides a pay as you go approach (SaaS model). This model delivers a lower total cost of ownership.

Change and disruption are here, unfolding a new business landscape. There is no clear path or destination, only a world of opportunities. But the time for plans, preparation, and execution is now. It's like the old adage of changing the tire on a car while you're driving at full speed down the freeway. Majesco believes that those insurers that can do this will transcend merely surviving in an increasingly competitive industry to become the new leaders of a re-imagined insurance business.



“As a fresh start-up, One Alliance will offer a wide range of new commercial products. Majesco's successful track record in the Puerto Rican market, with other start-ups and Greenfield insurers were key factors in the selection. Majesco Policy's robust pre-built content and ISO products are designed to lower implementation risks and costs while significantly increasing speed to market. We are excited about our potential long-term partnership with Majesco.”

— Victor R. Rios  
CEO of One Alliance



“We see growing momentum in the industry around new Greenfields and start-ups, both by new entrants and existing players. Insurers are also seeking options to incubate new products and reach new segments quickly and cost effectively,” stated Mathew Josefowicz, President/CEO of Novarica. “New offerings like this one from Majesco can provide companies with an innovative option to bring new business models, products, and services to market rapidly.”

— Mathew Josefowicz  
President/CEO of Novarica



“MMG Insurance understands that our customers expect and demand exceptional value from their insurance providers. Our business transformation initiative is a step to reaffirm our commitment to our customers and our agents. Majesco’s P&C suite will help us become even more nimble, responsive, and cost efficient to our existing insureds and agents as well as new customers and new market opportunities. We look forward to collaborating with Majesco on this transformation and developing a long-term partnership.”

— Larry Shaw  
President & CEO at MMG Insurance

# About Majesco

## Who We Are?

Majesco is a global provider of core insurance software, consulting and services for insurance business transformation. Insurance business transformation is a journey of change and revitalization, a Renaissance of Insurance.

For over two decades, we have combined our market-leading solutions, people and market expertise to drive business impact and competitive advantage. Approximately 150 insurance companies worldwide in P&C, L&A and Group/Employee Benefits are transforming their businesses with Majesco’s solutions. Our market leading software, consulting and services uniquely underpin the entire insurance value chain and are designed to empower insurers with the agility, innovation and speed needed to meet their transformation opportunities. Majesco’s solutions include policy, new business/underwriting, rating, billing, claims, distribution management, BI/analytics, predictive modeling, digital platforms for mobile and portal use, testing services, cloud services, bureau and content services, transformation services, consulting services and more.



“Leading insurers see digital engagement with prospects, policyholders and agents as key to gaining market advantage and are prioritizing these efforts in 2016. It’s exciting for the industry to have new options to execute on digital strategy. Comprehensive portal products, like Majesco DigitalConnect, that can provide robust out of the box functionality for all insurer constituents can significantly accelerate the journey to becoming a true digital insurer.”

— Martina Conlon  
SVP Novarica

## What Do We Do?

Majesco serves just one industry – Insurance. Our software, services and consulting provide the industry with market leading solutions. With the pace of change and disruption in the insurance industry, business transformation is more critical than ever. It also makes aligning technology with business strategies increasingly complicated and difficult. Majesco has honed years of insurance industry experience and forward-looking thought leadership into disciplined, yet highly innovative thinking and approaches to help insurers successfully plan and navigate their business transformation journey. We use deep business and technology expertise to create meaningful strategic and operational impact for insurance companies — from customer engagement, products and services, to business models and operational processes, to revenue and profitability.