



“A Discussion on the Merger of Cover-All Technologies with Majesco,
the Insurance arm and wholly-owned subsidiary of Mastek Limited”

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Moderator: Ladies and Gentlemen, Good Day and Welcome to this Call to discuss the merger of Cover-All Technologies with Majesco, the Insurance arm and wholly-owned subsidiary of Mastek Limited. As a reminder, all participant lines will be in the listen-only mode, 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 from Christensen. Thank you. And over to you Mr. Pingle.

Diwakar Pingle: Good Afternoon, Good Morning, Good Evening to wherever you have logged in from. Welcome to this call to discuss the Merger of Cover-All Technologies with Majesco.

On the call today, we have from the UK, Mr. Sudhakar Ram – Chairman, Managing Director and Group CEO of Mastek, from Toronto, Ketan Mehta who is the Chief Executive Officer of North America and also Manager for Insurance Practice, and here locally from Bombay we have Mr. Farid Kazani – Group CFO and Finance Director.

So the structure of the call is Mr. Farid is going to give a brief description of the transaction which will be followed by a presentation that Mr. Ketan will take us through, we have mailed you the copy of the presentations, I am sure all of you have it, in case you do not have that, it is available on our website at www.mastek.com you can take a look at that, and post the presentation from Mr. Ketan, we will open the floor to Q & A session and that would be the flow of the call today.

So without much ado, let me hand it over to Mr. Farid Kazani. Over to you, Farid.

Farid Kazani: Thank you Diwakar and Good Morning, Good Evening, Welcome all of you on this special call that we have placed with regard to giving you all an update on the merger of Cover-All Technologies with Majesco. We have put up a presentation and it has also been mailed to most of the participants. I would just like to inform you all that please note the cautionary statement regarding the forward-looking statements and other information mentioned in that particular slide, most were in terms of certain disclaimers and information that have been filed or are being filed by Cover-All since it is a listed company on the NYSE market. I will just give you all a bit overview on the transaction per se and then I will pass it on to Ketan who will give you the entire



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background about this transaction, the business synergies and the way we look at it from how we would want to merge Cover-All Technologies with Majesco.

Cover-All Technologies is a publicly-listed company in the US, it is in the P&C Insurance space, it has been in the business for many years, and currently it has annualized revenue of \$20 million; it has close to 30 customers and it has a current market cap of close to around \$35-odd-million. The definitive agreement that we have signed yesterday, envisages Cover-All Technologies to be merged into our US-arm Majesco earlier called MajescoMastek and Cover-All Technologies will merge with Majesco, and in turn the Cover-All Technologies stockholders will get 16.5% of the surviving company; here the surviving company being Majesco, and Majesco will be listed after having completed all the merger steps including getting the necessary permission for listing Majesco on the NYSE market, the required regulatory approvals and the Cover-All stockholder approvals. We expect this transaction to get closed in the next 6 to 7 months, and in the final scenario we will have the Cover-All Technologies stockholders holding 16.5% of Majesco and the shareholders of Majesco which is the erstwhile Mastek Limited and Mastek UK will hold a combined 83.5% in that company.

I would like to now hand it over to Ketan who would take you all through the presentation and we would be happy to answer any questions after the presentation is completed. Ketan, over to you.

Ketan Mehta:

Thank you, Farid, and Good Afternoon, Good Morning to all of you. This is a pretty exciting development and before I go into the Cover-All Technologies merger part I may just take a couple of minutes to talk about our insurance growth journey. As you know, we have started this as a focus of insurance around 2008 and then onwards completely focused our attention in North America in the Insurance industry. We are very pleased with what we have accomplished over last 6-years there – we have organically grown our customer base from 35 customers to close to 100 customers; 7 out of the top 25 insurance carriers are our customers there; now we have over \$80 million of revenue in our Insurance vertical globally; over 80% of that revenue comes out of North America the remaining coming out of UK and Asia Pacific; we have grown the core P&C mid market segment by a 20% compounded annual growth rate over last 3-years so we have seen a consistent growth in that business year-over-year and our team is now quite focused on the Insurance sector because that is the only work which we do, so a pretty large pool of a talented insurance professionals being developed in our entity.



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The other point I would like to mention is that we have grown this Insurance business through 3 acquisitions, and we have been pretty successful in integrating these acquisitions. We have very good track record of integrating them, retaining the core talent, and growing their business after the acquisition also investing into their IP and enhancing it to bring it to the world-class level.

I will take a minute to talk about Cover-All Technologies and I am using the slides. So I hope you can see what I am talking about if you have a slide deck with you. Cover-All Technologies is in the Policy Admin System area, they are very well known for ISO and NCCI content, which is a Bureau content on the Commercial Lines Policy Admin System; their revenue base is around \$20 million; they have a team of around 150 plus people; they have close to 30-odd customers, and again being a product company they constantly invest into enriching their product, they have invested over \$20 million in R&D in last 5-years. So, in addition to the core Policy Admin System the other asset which we found very valuable is Data Warehousing, Business Intelligence, and Data Analytics platform. They are well reputed in the market for the robust Business Intelligence platform in the industry, and they also update their Bureau content from ISO and NCCI on a monthly update service, which is quite valuable as they maintain the Bureau content on behalf of the carrier and keep them up-to-date on the Bureau content.

I would also take few minutes to talk about our last week acquisition of Agile Technologies. Now, Agile Technologies is an insurance consulting company focused primarily on Insurance sector, they are a \$9 million revenue approximately, more than 50 consulting professionals, around 20 plus customers, they were founded in 1997 based out of New Jersey. So they have an excellent track record of maintaining many of the client relationships, they have many customers who get the recurring and repeating revenues from their customers over last 10-years. Primarily, they focus on IT strategy, transformation consulting, business process optimization, IT process re-engineering, data strategy and data analytics. So Agile will become a consulting arm for Majesco and it is very synergistic to what we do. I have given you brief background of both Cover-All and Agile Technologies.

Let me just put this into a context of how the Insurance industry is looking at the IT technology. What we find is that Insurance carriers are looking at almost once in generation transformation initiatives. Many of them are replacing their core system, they are modernizing their legacy systems, we have seen very vibrant deal activities through system modernizations, and they are also embracing the digital wave, finding



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better ways to connect to their agents, connect to their customers. So, there are series of initiatives which insurance companies are taking in the areas of core system replacement, modernizing their front end and also quite a few initiatives to use and leverage data's more effectively, that is data mining and data analytics related initiatives. So we find that there is a fair amount of activities in terms of modernizing at the industry sector, and we have through these acquisitions plus what we have built organically, created a very comprehensive suite of solutions to address some of the needs.

If you look at the competition view in the industry today, it is a very fragmented market with over 50 solution providers offering core solutions to the Insurance carriers, but if we look at the vendor landscape, its size and scale, we have two main competitors who have the larger size and scale; however, if you look at our breadth of solution offering including all pieces of insurance value chain, having an ability to offer both Life as well as P&C Insurance software very domain-rich content with a depth in the Insurance domain as well as a platform for Business Intelligence and ability to support the Insurance Analytics Transformation, and lastly, more importantly an ability to have a large Consulting as well as Servicing capabilities to not only sell the software, but make it successfully implement in the Insurance carrier play. If you look at all these breadths of solutions offerings we are quite unique and very competitive in the marketplace. So we have unparallel breadth of solution offering as well as the Insurance platform components.

If you have the slide deck, in the next slide, I am showing the complete insurance value chain. The Core Modules they set in the middle and then on the front end we have the Digital Asset which includes the Portals, the Social Media, Mobile Apps to connect to insured agents, home office as well as third-parties. On the back end we have the Content Services where we have to keep the contents up-to-date on a monthly basis and the Data Assets where we look at the consolidated data across and get Data Warehouse, Data Reporting, Data Analytics as well as the Dash Boarding, making sure that we get the highest value out of the Data Assets.

Now, if you look at the insurance value chain and see both Cover-All as well as the Agile Technologies assets help us, we have comprehensive suites of Core Modules but Agile Technologies product suite helps us in the commercial lines, they help us in the Content Services. They also have the core Business Intelligence platform which is adding to our portfolio of solutions in a Data Asset side. Agile Technologies has the consulting capabilities at the data side which is very synergistic what we offer the



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end-to-end data strategy, as well as they have the consulting offerings in the areas of portals and digital assets. So as you look at, we have the offerings across the insurance value chain and both the offerings coming out of the Cover-All as well as from Agile Technologies sort of complements to solutions which we have overall in the marketplace.

So if I look at the combined entity picture and the outlook of our core value proposition in the Insurance marketplace, post all the transactions it will be over \$100 million global insurance entity with all the entity's revenues getting consolidated into that. The entity Majesco would have over 150 customers, 33-year track record in the business, and we are also applying to get a public listing in NYSE market. So, as we look at our offerings in the market, the thing which excites me quite a bit is the fact that we will have an opportunity of cross-selling to over 150 plus customers. So a very strong base of customer and we will be able to cross sell different pieces of offerings coming out of Majesco, Agile Technologies as well as Cover-All. So strong cross-sell opportunities of each other company is offering to a strong customer base of 150 plus. We would be strong in our solution offerings and the competitive landscape which I mentioned about. We will have a presence in all segments, all tiers across the Insurance business value chain and that would allow us to have a strong sales, new sale focus as well, in fact, we have the unparalleled breadth of offerings, and that would allow us to participate in all major deal opportunities in the industry.

The third key growth driver is going to be in the in and around data. Increasingly, we find a large interest of insurance carriers in making their businesses more data-driven. Through the combination of Agile's consulting capabilities, Cover-All's Business Intelligence Platform as well as our Business Intelligence practice, we have a very strong data proposition, and we will have a strong offering into this fast growing data industry. We also see that there is a strong opportunity build in the Cloud offerings with smaller tier carrier; we have strong offerings in the areas of MGAs, Program Administrators as well as the smaller markets. Cover-All has a strong offering in that marketplace where their platform is well established. Majesco also has a pretty strong offering of the Cloud offering to Tier-III, Tier-IV customers which is one of the fastest growing business on our side as well. And we look at that the Cloud offering could be a significant growth drivers moving forward to us.

The last point I would like to bring out as a synergy is the talent with the Insurance domain expertise. What we get along with this acquisition is over 200-odd insurance professionals in an industry where to get the right level of talent is hard to find. So



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we are finding overall if you look at our focus on Insurance as well as the fact that Cover-All has only been doing insurance all their journey, Agile is primarily an insurance-focused consulting company, we have put together a very strong human capital and a talent pool with a deep domain expertise in Insurance, I feel that would significantly add to our value proposition. At this point I will pass it on back to Farid to take Cover - All's timeline.

Farid Kazani:

Thanks Ketan. Before I move on to the proposed timeline with regard to Cover-All, I would just like to inform that as far as the earlier transaction which is the acquisition of the Insurance business of Agile Technologies that agreement got signed last week, and we are expecting closure to happen in the first week of January, and therefore we would expect revenues to kind of start building into the combined Majesco from the next quarter onwards. On the other hand, in terms of Cover-All, there is a much longer time frame in terms of closure, and therefore the combined Majesco revenues will reflect Cover-All revenues only after the closure happens. So these have actually been back to back transactions and clearly unfolding our strong strategy to kind of build our Insurance business globally. I am sure it will create a paradigm shift in the business and built a very strong positioning in the marketplace. Both these acquisitions and in our sweet spot which is the P&C, and as Ketan mentioned this clearly takes us to the \$100 million mark in Insurance once both these are folded under Majesco. The listing on the NYSE market has been one of our plans and merging Cover-All is also making that plan successful. In the end, our endeavor is to kind of create immense shareholder value for Mastek shareholders. So, as I go into the proposed timeline, we signed the Definitive Agreement yesterday, and there is a requirement for us as Majesco to file an S - 4 with the SEC and that will require us to submit our financial statement for historical period and on a pro forma with including the Cover-All and the Agile Technologies acquisition under US GAAP and therefore we are looking at building, preparing and finalizing our financials for Majesco Group consolidated under US GAAP and that will be filed in the 3rd or 4th week of January 2015, and there is a process that will be undertaken by SEC in terms of reviewing the entire transaction and the financial statements and that probably takes 2-months. We do expect that by mid-April or end-April 2015 we will have the S - 4 effectiveness that allows us to go ahead to call a shareholder meeting of Cover-All stockholders and that typically takes 1-month in terms of getting that completed.

One of the important milestones around that time is also completing our de-merger process in India with High Court approvals to be obtained, which is one of the pre-conditions in terms of closure for this entire transaction, and as far as timelines are



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concerned on the de-merger process in India while we have received the stock exchange and SEBI nod, we are now applying to the High Court for the hearing, and hopefully we should see the High Court approvals in both Gujarat and in Maharashtra getting done around the April/May 2015 timeframe. Once we receive the Cover-All shareholders vote we will be able to apply for the NYSE market listing, and there are certain compliances and conditions under which we will have to list Majesco as a fresh registration, and hopefully we should be able to complete that and close the transaction by June 2015. So that's as far as the timeline for Cover-All and really interlinked with the de-merger transaction also in India. And what you will see after the closure of the Cover-All transaction, you will see Majesco US being the entity which will be listed which will have multiple subsidiaries. The Cover-All Technologies will get merged into Majesco as I mentioned where Majesco shareholders will own 16.5% and the Mastek or the erstwhile Majesco shareholders holding 83.5%. Cover-All Technologies has a subsidiary which will get reflected as a subsidiary under Majesco. So on the right hand side of the chart that we have put in the presentation, you have Cover-All Systems which is a 100% subsidiary right now Cover-All Technologies will become a 100% subsidiary of Majesco US. In the reorganization in Mastek Group getting the entire Insurance business underneath Majesco, what you will see is that we will have Canada, Malaysia and Thailand getting folded in, and as I speak these transactions have got completed, and we will also be carving out the UK Insurance business under separate subsidiary of Majesco Software Solutions, which is again a subsidiary of Majesco, and the India piece which is the carve out of the India operations also will be part of Majesco Software Solutions, and therefore you will have the entire insurance value chain in the front end and the back end completely folded in an end-to-end insurance group under Majesco.

The only point that I would like to bring out is that there is a small piece of the India Insurance business which will remain with the Majesco listed entity. Now the Majesco listed entity is going to be a part of the de-merger, where you will have shareholders of Mastek getting shareholding in Majesco India Limited, and the India Insurance business will reside under Majesco India Limited so that does not find a place in Majesco US, that is primarily because it is a small piece of business and it is centered around India and which is why we wanted to just keep that under Majesco Limited, a listed company in India. So that is as far as the entire presentation that we brought to all of you all. We will now open this floor for question-and-answer. We have Sudhakar, Ketan and myself, would be happy to answer the questions. So, over to the moderator.



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Moderator: Thank you very much. We will now begin the question-and-answer session. Our first question is from the line of Srivatsan Ramachandran from Spark Capital. Please go ahead.

S Ramachandran: Just wanted to get a slightly more 2 to 3-year kind of perspective. Generally we have seen some of the larger insurance software firms grow predominantly thanks to having a large SI (System Integration) practice, not only they alone being implemented but also an SI partner ecosystem if you take the likes of maybe a Guidewire or the likes. So just wanted to know what your roadmap would be, would you prefer to be the main professional services consulting systems relation partner for all your IPO or you would look at adding global SIs or as the case may be what is more relevant or not necessarily in the next 6 to 8 months but over a 2 to 3 year road map?

Ketan Mehta: That is a great question and we have currently a strong relationship with some of the SI partners who are supporting us and the large Tier-I implementation of our software. So we already have ongoing relationship with IBM and Deloitte and they are investing, training their team on our platform, and they are working together with both of them – IBM and Deloitte – in terms of some active client engagements. So we already have started an SI practice, it is our strategic intent to work and grow that SI practice, and primarily we find that, that is most useful in Tier-I and larger part of the Tier-II customers, and we will use them effectively. So our intention is to grow SI practice especially on to larger carriers, where the programs are more complex.

S Ramachandran: Second question in terms of just running through Cover-All's historical financials, seems to be the breakeven or there is an accumulated loss of few million dollars sitting on the balance sheet, just wanted to understand how will the combined company look like what in terms of profitability, is that a key priority or would you look more at driving revenue growth, just wanted your thoughts on the same?

Ketan Mehta: So if we look at Cover-All's financials, as you would have seen over last two quarters plus, we have turned profitable and they are improving their profitability quarter-over-quarter. So yes, Cover-All has a long history and they had significantly invested R&D dollars into their platform and that has caused accumulated loss in their balance sheet, but they have taken a strong cost rationalization initiative, we see them that they have turned profitable, they have been able to maintain their profitability over the last two quarters, we actually have seen their financials, we believe that they would continue to be a profitable entity. So, I think to answer the question, we do feel that they would remain as the profitable business, in addition,



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we are expecting some cost synergies as well post integration which will help the profitability of the combined business.

S Ramachandran: Just a couple of more questions. One is, are you disclosing any consideration that you would be paying for Agile?

Farid Kazani: We are not going to be give the consideration amount due to competitive and confidentiality reason. We have structured the entire consideration as a fixed payout to the three promoters of Agile Technologies and a part of it in terms of earn out; the fixed portion is roughly 60% and the earn out is 40%; the earn outs are to be paid over three years and are based on agreed targets of revenue, EBITDA and new logos that they will add. The fixed payment has some upfront payment and some staggered payments. So unfortunately, I will not be able to give you details of the total consideration.

S Ramachandran: My last question is just to understand the structure better, so post-demerger, the entity that we listed in India which will be Mastek Services which will be the Solutions business and then Majesco India. Majesco India piece will have the India business and also the 83.5% stake in Majesco US, is my understanding correct?

Farid Kazani: Yes, your understanding is absolutely right.

Moderator: Thank you. The next question is from the line of Amar Mourya from IndiaNivesh. Please go ahead.

Amar Mourya: Sir, my first question is primarily after two acquisitions and very strategic acquisitions, what would be our growth trajectory, primarily into the Insurance business since we had grown at a CAGR of a very high double-digit over a period of three years, so do we see some acceleration in growth coming on because now we have a cross-selling of at least 150 clients opportunity from here on, so do we see that CAGR growth that we had grown we will be growing much higher than this growth rate for at least two to three years?

Ketan Mehta: As I mentioned during my conversation, we certainly see with all the synergies coming together of the entities as well as the size and scale, we see an attractive growth potential for the entity in the industry. I would not be able to comment on the specific growth number which we are targeting, but it is based on the market opportunity, based on our solution offering, as well as competitive landscape, we feel we have a pretty attractive growth opportunity there.



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Amar Mourya: Sir, second question is what is your estimate about integrating these two entities into Majesco US and finally, the results or yield or cost on the revenue front and cost front starting from there on, so what would be the timeframe for the integration for these two entities, because both the entities are actually acquired at a same time?

Ketan Mehta: In terms of the timeframe, what we plan to do is Agile would become a consulting arm for the Majesco business that would happen sooner because we are expecting to take over their business from January 2015. While the Cover-All deal is expected somewhere in the May-to-June 2015 timeframe, so it will follow after Agile's integration. So we expect Agile integration to happen pretty rapidly after the January when the business is finally taken over. We are looking at cross-training both sides so that we have a joint offering going after both our current and the future customers. We have a clear plan for integrating Cover-All team and their assets. They are in the core P&C business which is also a big part of our business, so we are looking at a core integration where we can have a joint offering to both sides of the customer base, we plan to leverage their Business Intelligence platform and offer it aggressively in the marketplace, combining with our Consulting capabilities. So, we have a clear integration plan. I would expect that post the transaction taking place, another two quarters we should be able to get most of the benefits of the integration from the marketplace perspective.

Amar Mourya: My last question is about this whole strategy of listing Majesco in the US. What are the benefits of this listing, primarily as an overall company, as well as through the minority shareholders?

Ketan Mehta: The way we look at that is, in US we have a pretty mature system of valuing the insurance or the product companies, and the benefit of that should flow through to the Indian parent, because in terms of the market valuation and we feel that given the access to larger capital as well as faster growth which we are expecting will again flow through to the parent. Farid, would you like to add anything more?

Farid Kazani: I think clearly, the listing of the Majesco arm in the US attracts the right kind of investors who understand the US business and from a company standpoint it gives us obviously access to capital if we need them for any inorganic requirements. On the minority shareholders, clearly, while Cover-All is a \$20 million company, some of the constraints that they have been facing hopefully been part of a larger entity will see them deriving of much better valuation than they would have been on a standalone basis.



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I would just like to clarify the previous question of Srivatsan, on the percentages to be held of Majesco. In the pre-merger, it will be 83.5% held by Majesco Limited India and 16.5% held by Mastek UK, which is a 100% subsidiary of Mastek Limited. Post-merger of the Cover-All entity with Majesco, the Majesco India Limited will hold 69.7% of the Majesco US arm, and Mastek UK Limited will have 13.8% shareholding in Majesco. So I just wanted to clarify pre and post holding in Majesco.

Moderator: Thank you. The next question is from the line of Satish Ramanathan from Tattva Capital. Please go ahead.

Satish Ramanathan: Just wanted to understand the retention program for the key employees in Cover-All. How would you be retaining these employees and what value do they bring to the table?

Ketan Mehta: Cover-All employees bring very deep domain expertise into the P&C industry. What we find is that a combined entity provides an excellent growth opportunity with a size and scale of a larger company for the Cover-All employees. They have cross-selling opportunities, they have enough opportunities to grow through their existing customer base, and also enhancing their own platform. So, we feel that we have a very strong career and growth opportunities for Cover-All employees, and we do plan to integrate them effectively just that we have done into some of our past acquisitions to create a strong career front, value proposition for employees to stay in the company. So, we need to lay out a clearer career path post the integration and we are confident that we will be able to retain and create a strong value proposition for them.

Satish Ramanathan: Also, in terms of the actual turnaround, do you think that they would contribute positively to the bottom line in one or two years time, in 2013 the losses were quite high, in 2014 as you mentioned it has turned around, what gives you the confidence that this performance can be maintained and improved, could you just walk us through based on you made this decision?

Ketan Mehta: What we look at is that they have a growing momentum and the momentum will get even better post this integration. As I said, we see a fair amount of cross-sell opportunities leveraging our offerings to the Cover-All customer base as well, as well as a fair amount of cross-sell opportunities are there, BI platform into our customer base. So I do feel that we will be able to maintain that level of turn around and accelerate that.



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Moderator: Thank you. The next question is from the line of Abhishek Shindadkar from ICICI Securities. Please go ahead.

Abhishek Shindadkar: Could you elaborate on what exactly would be the swap ratio? Second, will it be the swap against Majesco US or the swap against listed Majesco India?

Farid Kazani: It is basically merger of Cover-All Technologies with our US company, Majesco. Cover-All shareholders will get 16.5% of the total number of shares of Majesco and the 83.5% will be held by the erstwhile shareholders of Majesco which is going to be Mastek UK and Majesco India Limited. In terms of the ratio, today, we have the total number of shares in Majesco at 183.45 million shares, and in terms of the merger ratio, we will be issuing 36.25 million shares to the shareholders of Cover-All, and based on their diluted number of shares which is the outstanding shares plus the options and plus the Restricted Stock Units (RSUs) they would have approximately 27.5 million shares and this number will change based on the date of closing. So based on the 36.25 million shares to be issued to them in exchange for the 27.5 million shares the ratio would be 1.3 shares of Majesco for every 1 share held of Cover-All.

Abhishek Shindadkar: What does the math apply in terms of price?

Farid Kazani: Price is a function of what you see in the marketplace when the Majesco entity gets listed. Just to give you an imputed value, today, the 27.5 million shares are having a market cap of around \$35 million, and if you consider that on a merger into Majesco, this \$35 million would represent 16.5%, so you will be able to calculate the imputed value of the combined entity, that will be approximately \$210 odd million, and then you probably get the valuation of what should be the portion for Majesco shareholders.

Abhishek Shindadkar: The second part of the question is regarding the EBIT margins for Cover-All, it seems in the recent order, and they had an EBIT margin of roughly 6%. First of all, is that a correct number that we are looking at? And second if that is correct, I believe our margins are pretty high in the Insurance business relating to what Cover-All has; one, will it be dilutive in the initial period; and two, then how do we arrive at the swap ratio of 1.3:1?

Farid Kazani: In terms of their performance for the current year I think it will be important to look at that 9-month results, so for the period January to September, that is the declared results they had a revenue of little over \$15 million, and they are expecting to kind of



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end up with the revenue for the year at close to \$20 million, and are likely to make an EBITDA between 16% odd for the full year, it has been a much better performance as compared to last year. Last year they had a much higher cost base, they also had a higher expenditure on account of the amortization of the product development expenditure, so this year's performance has been much better. Now, if you compare with Majesco, yes, they have a better EBITDA margin which they will end up in this year. Our EBITDA margins are lower, specifically in this year for primarily two reasons – one is that we have had an impact of a particular client that we did mention at the start of the year and therefore there has been an impact on the revenue for the Majesco Insurance Group, plus our expenditure on product development in Majesco is much higher this year, we should be spending close to around Rs.65-70 crores for the year on the Majesco Group and because of that our EBITDA margins are likely to be lower. To your question, how will the margins look on a combined entities, Ketan did mention that there are two specific areas – one is synergies in terms of various cost areas where in terms of operations cost and the SG&A cost. That will hopefully give some improvement in the margins for the combined entity. And secondly, there are various cross-sell opportunities that will help to kind of improve the overall base of the revenue, and therefore considering a better growth in the revenue, we will see a better leverage in terms of the other cost, and we expect that the combined entity will have a much stronger margin as compared to the 2014-15 numbers.

Abhishek Shindadkar: In the quarter-ended September 30th, they had a \$0.3 million operating income on revenue of \$5 million. So, am I looking at a wrong number or the EBITDA number which you are talking includes any other component as well?

Farid Kazani: Add back the amortization and depreciation you will get the EBITDA calculation in this quarter close to around 12 or 13%, you will have to do that math.

Moderator: Thank you. The next is a follow up question from the line of Srivatsan Ramachandran from Spark Capital. Please go ahead.

S Ramachandran: Just on the holding details you mentioned, any specific reason for Mastek continuing to retain 16.5% and with scope post-demerger it is mainly because of tax implication or any other reason?

Farid Kazani: That was the erstwhile structure, it is difficult to unwind that, if you unwind that you can have tax implications, and we have continued to keep it in that manner in the structuring that we have done in demerger process, and I think it is obviously an opportunity at any point of time if there is a little dilution to be done and if we have



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to liquidate that portion it will generate funds to the Mastek Solutions Group. So that is not a decision at this point of time, but we will maintain the way it is right now.

S Ramachandran: In terms of the revenue spread, Cover-All will be predominantly US or it has any exposure to any of the other markets also?

Farid Kazani: It is predominantly US.

S Ramachandran: So the merged company will be most US and UK effectively?

Farid Kazani: If you look at the current proportion we are almost little over 80% in Majesco and if add the proportion of Cover-All that gets added and Agile that gets added we should be close to 88% in terms of ratio approximately.

S Ramachandran: In terms of what, will it be US exposure?

Farid Kazani: Yes, US exposure.

Moderator: Thank you. The next question is from the line of Pritesh Chheda from Emkay Global. Please go ahead.

Pritesh Chheda: A little bit on the structure side. So post de-merger, 70% of Majesco US will be owned by Majesco India which will get listed on BSE and NSE?

Farid Kazani: That is right.

Pritesh Chheda: Majesco US will get listed in the NYSE?

Farid Kazani: Yes, NYSE market.

Pritesh Chheda: Of the Majesco US, 70% in Indian entity, 16% on account of the Agile transaction and 13% part of Majesco UK?

Farid Kazani: It is not Agile, actually it is Cover-All. You are right, 69.7% that will be then Majesco India Limited, 13.8% held by Mastek UK, and the balance 16.5% to be held by the Cover-All shareholders.

Pritesh Chheda: So the Mastek UK part, of the value get under Mastek India?

Farid Kazani: That is right.



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Moderator: Thank you. The next question is from the line of Amar Mourya from IndiaNivesh. Please go ahead.

Amar Mourya: This is for the Mastek management. A very different question, but wanted to understand, since the kind of size we had created in the Insurance platform business in US, rather than listing through forward merger, why not an IPO?

Ketan Mehta: Amar, there are certain processes, limitations, compliances, restrictions in bringing a pure-based IPO, including cost element. Considering all these factors in mind, I think this is a much better proposition.

Moderator: Thank you. As there are no further questions, I would now like to hand the floor over to Mr. Diwakar Pingle for closing comments. Over to you, sir.

Diwakar Pingle: Thanks, everyone for joining in the call. I hope your queries we have answered. In case, any of you have any extra queries or clarifications or you would like to have a short call with Farid or any of the management to discuss, please do drop me a line, we will try to set up the call for you. Ketan, would you just like to make a closing comment?

Ketan Mehta: I think what I would like to summarize is that all these acquisitions have been synergistic to our overall Insurance vision and strategy, and combined with both Agile Technologies as well as Cover-All, we have a very strong story in the Insurance marketplace, very strong positioning relative to our competitive landscape. So, we feel very upbeat about merged entity moving forward. We will build upon what the investments we have made in the Insurance sector so far and we see fair amount of synergies and cross-sell opportunities coming out of this transaction. We are feeling upbeat about the prospects of the combined entity. With that I would like to thank all of you for participating and look forward to staying in touch.

Moderator: Thank you very much. Ladies and Gentlemen, on behalf of Mastek Limited, that concludes this conference call. Thank you for joining us. You may now disconnect your lines.