

Nov 30, 2016



QUARTERLY BASKET



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Buy Around: 398

SL: 370

Target: 455

Upside: 14.40%

Horizon: 3 Month

VALUE PARAMETERS

Current Mkt.Price (Rs.)	395.60
Face Value (Rs.)	5.00
52 Week High/Low	789.00/348.00
M.Cap (Rs. in Cr.)	922.28
EPS (Rs.)	5.75
P/E Ratio (times)	68.83
P/B Ratio (times)	3.26
Dividend Yield (%)	0.00
Stock Exchange	BSE

STOCK DATA

BSE Code	539289
NSE Symbol	MAJESCO
Reuters	N/A
Bloomberg	MJCO IN

SHAREHOLDING PATTERN

(As on 30 Sep 2016)	% Of Holding
Foreign	6.77
Institutions	11.00
Non corporate corp. holding	6.14
Promoters	49.15
Public & Others	26.95

According to the management of the company, it foresees steady progress towards the execution of its growth oriented strategy outlined around market penetration, investment in solutions and platform for client successes and strategic focus on its cloud business. Majesco sees good growth momentum in terms of new client wins, order backlog and revenue. The company is confident that its broad solution portfolio will continue to drive the growth. It would continue to focus on enhancing its capabilities and investing in its growth platform, sales and marketing going forward.

Business Profile

Majesco enables insurance business transformation for about 150 insurance customers worldwide by providing solutions which include software, consulting and services.

Investment Rationale

- Majesco North America contributes around 87.4% of total revenues. The company experienced strong momentum in terms of new client additions, revenue growth, successful client implementations, and growth in cloud business. It has added 16 new customer logos which is very significant in powering its market momentum and help to increase 12-month executable backlog.
- On a consolidated basis, It has reported net profit of Rs 5.21 crore in Q2 Sep 2016 compared with net loss of Rs 0.58 crore in Q2 Sep 2016. Net sales rose 12% to Rs 207.04 crore in Q2 Sep 2016 over Q2 Sep 2015.
- During the quarter, the company extended its working relationship with IBM Cloud platform that has been evolving over a number of years to provide its complete portfolio of P&C insurance software products to customers in a public cloud. Majesco offers its products on IBM.
- It has also completed the successful integration of Cover-All and Agile Technologies into Majesco business. The success was demonstrated by Majesco's client and talent retention, as well as the joint new logo wins for its newly combined offerings. As the industry consolidates, the company would continue to look for further accretive acquisition opportunities.

We recommend a buy in the stock of MAJESCO LTD for a short-term perspective. The stock is trading at its good support level with good fundamental records and is expected to move up from this level. It made a 52 week low Rs. 348.00 and 52 week high of Rs 789. Buy around at 398 with a closing below stop loss of Rs.370 levels for the target of Rs.455.



Note: Follow Strict Stop Loss.



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