

WNS (HOLDINGS) LTD
Form 6-K
February 01, 2017
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 6-K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 under
the Securities Exchange Act of 1934
For the quarter ended December 31, 2016
Commission File Number 001 32945

WNS (HOLDINGS) LIMITED
(WNS (Holdings) Limited)

Gate 4, Godrej & Boyce Complex
Pirojshanagar, Vikhroli (W)

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Mumbai 400 079, India

+91-22 - 4095 - 2100

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F

Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's home country), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

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WNS (Holdings) Limited is incorporating by reference the information set forth in this Form 6-K into its registration statements on Form S-8 filed on July 31, 2006 (File No. 333-136168), Form S-8 filed on February 17, 2009 (File No. 333-157356), Form S-8 filed on September 15, 2011 (File No. 333-176849), Form S-8 filed on September 27, 2013 (File No. 333-191416) and Form S-8 filed on October 11, 2016 (File No. 333-214042).

CONVENTIONS USED IN THIS REPORT

In this report, references to **US** are to the United States of America, its territories and its possessions. References to **UK** are to the United Kingdom. References to **India** are to the Republic of India. References to **China** are to the People's Republic of China. References to **South Africa** are to the Republic of South Africa. References to **\$** or **dollars** or **US dollars** are to the legal currency of the US, references to **₹** or **rupees** or **Indian rupees** are to the legal currency of India, references to **pound sterling** or **£** are to the legal currency of the UK, references to **pence** are to the legal currency of Jersey, Channel Islands, references to **Euro** are to the legal currency of the European Monetary Union, references to **South African rand** or **R** or **ZAR** are to the legal currency of South Africa, references to **A\$** or **AUD** or **Australian dollars** are to the legal currency of Australia, references to **CHF** or **Swiss Franc** are to the legal currency of Switzerland, references to **RMB** are to the legal currency of China and references to **LKR** or **Sri Lankan rupees** are to the legal currency of Sri Lanka. Our financial statements are presented in US dollars and prepared in accordance with International Financial Reporting Standards and its interpretations, or IFRS, as issued by the International Accounting Standards Board, or the IASB, as in effect as at December 31, 2016. To the extent the IASB issues any amendments or any new standards subsequent to December 31, 2016, there may be differences between IFRS applied to prepare the financial statements included in this report and those that will be applied in our annual financial statements for the year ending March 31, 2017. Unless otherwise indicated, the financial information in this interim report on Form 6-K has been prepared in accordance with International Financial Reporting Standards, or IFRS, as issued by the IASB, which is referred to as **GAAP** and any references to **GAAP** in this report are to IFRS, as issued by the IASB. References to **our ADSs** in this report are to our American Depositary Shares, each representing one of our ordinary shares.

References to a particular **fiscal year** are to our fiscal year ended March 31 of that calendar year, also referred to as **fiscal**. Any discrepancies in any table between totals and sums of the amounts listed are due to rounding.

In this report, unless otherwise specified or the context requires, the term **WNS** refers to WNS (Holdings) Limited, a public company incorporated under the laws of Jersey, Channel Islands, and the terms **our company**, **the Company**, **we**, **our** and **us** refer to WNS (Holdings) Limited and its subsidiaries.

In this report, references to **Commission** are to the United States Securities and Exchange Commission.

We also refer in various places within this report to **revenue less repair payments**, which is a non-GAAP financial measure that is calculated as (a) revenue less (b) in our auto claims business, payments to repair centers for **fault** repair cases where we act as the principal in our dealings with the third party repair centers and our clients. This non-GAAP financial information is not meant to be considered in isolation or as a substitute for our financial results prepared in accordance with GAAP.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements that are based on our current expectations, assumptions, estimates and projections about our company and our industry. The forward-looking statements are subject to various risks and uncertainties. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as anticipate, believe, estimate, expect, intend, will, project, seek, should and similar. Those statements include, among other things, the discussions of our business strategy and expectations concerning our market position, future operations, margins, profitability, liquidity and capital resources, tax assessment orders and future capital expenditures. We caution you that reliance on any forward-looking statement inherently involves risks and uncertainties, and that although we believe that the assumptions on which our forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate, and, as a result, the forward-looking statements based on those assumptions could be materially incorrect. These risks and uncertainties include but are not limited to:

worldwide economic and business conditions;

political or economic instability in the jurisdictions where we have operations;

our dependence on a limited number of clients in a limited number of industries;

regulatory, legislative and judicial developments;

increasing competition in the business process management industry;

technological innovation;

telecommunications or technology disruptions;

our liability arising from fraud or unauthorized disclosure of sensitive or confidential client and customer data;

our ability to attract and retain clients;

negative public reaction in the US or the UK to offshore outsourcing;

our ability to expand our business or effectively manage growth;

our ability to hire and retain enough sufficiently trained employees to support our operations;

the effects of our different pricing strategies or those of our competitors;

our ability to successfully consummate, integrate and achieve accretive benefits from our strategic acquisitions, and to successfully grow our revenue and expand our service offerings and market share;

future regulatory actions and conditions in our operating areas; and

volatility of our ADS price.

These and other factors are more fully discussed in our other filings with the Securities and Exchange Commission, or the SEC, including in Risk Factors, Management's Discussion and Analysis of Financial Condition and Results of Operations and elsewhere in our annual report on Form 20-F for our fiscal year ended March 31, 2016. In light of these and other uncertainties, you should not conclude that we will necessarily achieve any plans, objectives or projected financial results referred to in any of the forward-looking statements. Except as required by law, we do not undertake to release revisions of any of these forward-looking statements to reflect future events or circumstances.

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(Amounts in thousands, except share and per share data)

	Notes	As at December 31, 2016 (Unaudited)	As at March 31, 2016
ASSETS			
Current assets:			
Cash and cash equivalents	5	\$ 70,669	\$ 41,854
Investments	6	81,938	132,989
Trade receivables, net	7	55,938	54,911
Unbilled revenue		43,862	44,318
Funds held for clients		9,001	11,895
Derivative assets	13	27,702	13,890
Prepayments and other assets	8	24,489	22,601
Total current assets		313,599	322,458
Non-current assets:			
Goodwill	9	84,116	76,242
Intangible assets	10	18,929	27,117
Property and equipment	11	46,008	50,417
Derivative assets	13	6,926	4,847
Deferred tax assets		20,643	22,522
Other non-current assets	8	26,693	21,848
Total non-current assets		203,315	202,993
TOTAL ASSETS		\$ 516,914	\$ 525,451
LIABILITIES AND EQUITY			
Current liabilities:			
Trade payables		\$ 14,782	\$ 19,862
Provisions and accrued expenses	15	22,419	24,741
Derivative liabilities	13	3,876	3,259
Pension and other employee obligations	14	39,496	44,814
Short term line of credit	12		
Deferred revenue	16	5,447	2,924
Current taxes payable		4,053	1,746
Other liabilities	17	8,592	5,985
Total current liabilities		98,665	103,331

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Non-current liabilities:			
Derivative liabilities	13	703	451
Pension and other employee obligations	14	10,294	6,899
Deferred revenue	16	209	256
Other non-current liabilities	17	8,278	4,536
Deferred tax liabilities		3,995	1,789
Total non-current liabilities		23,479	13,931
TOTAL LIABILITIES		\$ 122,144	\$ 117,262
Shareholders equity:			
Share capital (ordinary shares \$0.16 (10 pence) par value, authorized 60,000,000 shares; issued: 53,245,433 shares and 52,406,304 shares; outstanding: 49,945,433 shares and 51,306,304 shares; each as at December 31, 2016 and March 31, 2016, respectively)	18	8,324	8,211
Share premium		330,842	306,874
Retained earnings		282,964	240,225
Other components of equity		(132,748)	(116,660)
Total shareholders equity, including shares held in treasury		489,382	438,650
Less: 3,300,000 shares as of December 31, 2016 and 1,100,000 shares as of March 31, 2016, held in treasury, at cost	18	(94,612)	(30,461)
Total shareholders equity		394,770	408,189
TOTAL LIABILITIES AND EQUITY		\$ 516,914	\$ 525,451

See accompanying notes.

Table of Contents**WNS (HOLDINGS) LIMITED****UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME**

(Amounts in thousands, except share and per share data)

	Notes	Three months ended December 31,		Nine months ended December 31,	
		2016	2015	2016	2015
Revenue		\$ 145,436	\$ 144,360	\$ 443,174	\$ 419,530
Cost of revenue	19	97,535	93,818	295,913	273,111
Gross profit		47,901	50,542	147,261	146,419
Operating expenses:					
Selling and marketing expenses	19	7,868	7,935	23,591	23,398
General and administrative expenses	19	21,465	19,711	64,478	58,135
Foreign exchange (gain) / loss, net		(6,161)	(2,763)	(8,828)	(8,124)
Amortization of intangible assets		4,129	6,339	17,610	18,977
Operating profit		20,600	19,320	50,410	54,033
Other income, net	21	(2,240)	(1,897)	(6,645)	(5,865)
Finance expense	20	33	51	131	234
Profit before income taxes		22,807	21,166	56,924	59,664
Provision for income taxes	23	4,829	5,444	14,185	15,677
Profit		\$ 17,978	\$ 15,722	\$ 42,739	\$ 43,987
Earnings per share of ordinary share	24				
Basic		\$ 0.36	\$ 0.31	\$ 0.84	\$ 0.86
Diluted		\$ 0.35	\$ 0.30	\$ 0.81	\$ 0.83

See accompanying notes.

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WNS (HOLDINGS) LIMITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in thousands, except share and per share data)

	Three months ended December 31,		Nine months ended December 31,	
	2016	2015	2016	2015
Profit	\$ 17,978	\$ 15,722	\$ 42,739	\$ 43,987
Other comprehensive income, net of taxes				
Items that will not be reclassified to profit or loss:				
Pension adjustment	366	229	(2,749)	(348)
Items that will be reclassified subsequently to profit or loss:				
Changes in fair value of cash flow hedges:				
Current period gain/(loss)	10,676	1,660	34,019	(5,258)
Reclassification to profit/(loss)	(7,062)	(3,345)	(16,861)	(11,037)
Foreign currency translation	(11,082)	(5,890)	(24,464)	(22,094)
Income tax (provision)/benefit relating to above	(1,019)	429	(6,033)	4,717
	\$ (8,487)	\$ (7,146)	\$ (13,339)	\$ (33,672)
Total other comprehensive income/(loss), net of taxes	\$ (8,121)	\$ (6,917)	\$ (16,088)	\$ (34,020)
Total comprehensive income	\$ 9,857	\$ 8,805	\$ 26,651	\$ 9,967

See accompanying notes.

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WNS (HOLDINGS) LIMITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in thousands, except share and per share data)

		Other components of equity			Total
		Foreign currency	Cash flow	Treasury shares	
Share Number	Share Par value	Retained earnings	translation hedging	Pension shares	shareholders