

WNS (HOLDINGS) LTD
Form 6-K
January 29, 2018
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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, 2017
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

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(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 "rupee" 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 "RMB" are to the legal currency of China, references to "LKR" or "Sri Lankan rupees" are to the legal currency of Sri Lanka, and references to "PHP" or "Philippine Peso" are to the legal currency of the Philippines. Our financial statements are presented in US dollars and prepared in accordance with International Financial Reporting Standards and its interpretations ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), as in effect as at December 31, 2017. To the extent the IASB issues any amendments or any new standards subsequent to December 31, 2017, 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, 2018. Unless otherwise indicated, the financial information in this interim report on Form 6-K has been prepared in accordance with IFRS, as issued by the IASB. Unless otherwise indicated, 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, which is 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 the "Commission" or the "SEC" 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 ability to attract and retain clients;

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

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 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, 2017. 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, 2017 (Unaudited)	As at March 31, 2017
ASSETS			
Current assets:			
Cash and cash equivalents	5	\$ 89,664	\$ 69,803
Investments	6	118,240	111,992
Trade receivables, net	7	67,475	60,423
Unbilled revenue		56,091	48,915
Funds held for clients		10,086	9,135
Derivative assets	13	18,803	35,401
Prepayments and other current assets	8	26,548	27,385
Total current assets		386,907	363,054
Non-current assets:			
Goodwill	9	135,760	134,008
Intangible assets	10	91,794	96,624
Property and equipment	11	59,428	54,796
Derivative assets	13	3,752	6,581
Deferred tax assets		21,883	16,687
Investments	6	468	429
Other non-current assets	8	40,647	31,944
Total non-current assets		353,732	341,069
TOTAL ASSETS		\$ 740,639	\$ 704,123
LIABILITIES AND EQUITY			
Current liabilities:			
Trade payables		\$ 16,281	\$ 14,239
Provisions and accrued expenses	15	27,004	27,217
Derivative liabilities	13	2,455	3,947
Pension and other employee obligations	14	54,947	52,933
Current portion of long term debt	12	27,708	27,613
Deferred revenue	16	3,747	5,478
Current taxes payable		4,110	1,322
Other liabilities	17	15,896	16,015

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Total current liabilities		152,148	148,764
Non-current liabilities:			
Derivative liabilities	13	631	836
Pension and other employee obligations	14	10,528	10,680
Long term debt	12	75,364	89,130
Deferred revenue	16	1,048	378
Other non-current liabilities	17	17,916	18,469
Deferred tax liabilities		12,074	20,800
Total non-current liabilities		117,561	140,293
TOTAL LIABILITIES		\$ 269,709	\$ 289,057
Shareholders equity:			
Share capital (ordinary shares \$0.16 (10 pence) par value, authorized 60,000,000 shares; issued: 54,701,978 shares and 53,312,559 shares; each as at December 31, 2017 and March 31, 2017, respectively)	18	8,514	8,333
Share premium		363,730	338,284
Retained earnings		339,896	277,988
Other components of equity		(106,979)	(114,854)
Total shareholders equity, including shares held in treasury		605,161	509,751
Less: 4,400,000 shares as at December 31, 2017 and 3,300,000 shares as at March 31, 2017, held in treasury, at cost	18	(134,231)	(94,685)
Total shareholders equity		470,930	415,066
TOTAL LIABILITIES AND EQUITY		\$ 740,639	\$ 704,123

See accompanying notes.

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

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

		Three months ended December 31,		Nine months ended December 31,	
	Notes	2017	2016	2017	2016
Revenue		\$ 188,598	\$ 145,436	\$ 555,246	\$ 443,174
Cost of revenue	19	124,450	97,535	374,722	295,913
Gross profit		64,148	47,901	180,524	147,261
Operating expenses:					
Selling and marketing expenses	19	10,559	7,868	29,925	23,591
General and administrative expenses	19	28,345	21,465	87,094	64,478
Foreign exchange gain, net		(4,364)	(6,161)	(13,532)	(8,828)
Amortization of intangible assets		3,927	4,129	11,546	17,610
Operating profit		25,681	20,600	65,491	50,410
Other income, net	21	(2,473)	(2,240)	(7,676)	(6,645)
Finance expense	20	976	33	3,115	131
Profit before income taxes		27,178	22,807	70,052	56,924
Provision for income taxes	23	892	4,829	8,144	14,185
Profit		\$ 26,286	\$ 17,978	\$ 61,908	\$ 42,739
Earnings per ordinary share	24				
Basic		\$ 0.52	\$ 0.36	\$ 1.23	\$ 0.84
Diluted		\$ 0.51	\$ 0.35	\$ 1.18	\$ 0.81

See accompanying notes.

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WNS (HOLDINGS) LIMITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)

(Amounts in thousands)

	Three months ended December 31,		Six months ended December 31,	
	2017	2016	2017	2016
Profit	\$ 26,286	\$ 17,978	\$ 61,908	\$ 42,739
Other comprehensive loss, net of taxes				
Items that will not be reclassified to profit or loss:				
Pension adjustment	119	366	1,989	(2,749)
Items that will be reclassified subsequently to profit or loss:				
Changes in fair value of investment in mutual funds	(2)		(6)	
Changes in fair value of cash flow hedges:				
Current period (loss)/gain	11,149	10,676	6,215	34,019
Reclassification to profit/(loss)	(6,244)	(7,062)	(22,381)	(16,861)
Foreign currency translation	11,917	(11,082)	15,759	(24,464)
Income tax (provision)/benefit relating to above	(655)	(1,019)	6,299	(6,033)
	\$ 16,165	\$ (8,487)	\$ 5,886	\$ (13,339)
Total other comprehensive income/ (loss), net of taxes	\$ 16,284	\$ (8,121)	\$ 7,875	\$ (16,088)
Total comprehensive income	\$ 42,570	\$ 9,857	\$ 69,783	\$ 26,651

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		
			Foreign		
			Currency	Cash flow	
			translation	Hedging	Total
	Share capital	Share	Retain		