

WNS (HOLDINGS) LTD
Form 6-K
July 23, 2014
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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 of
the Securities Exchange Act of 1934
For the quarter ended June 30, 2014
Commission File Number 001 32945

WNS (HOLDINGS) LIMITED
(Exact name of registrant as specified in the charter)

Not Applicable
(Translation of Registrant's name into English)

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Jersey, Channel Islands

(Jurisdiction of incorporation or organization)

Gate 4, Godrej & Boyce Complex

Pirojshanagar, Vikhroli (W)

Mumbai 400 079, India

+91-22 - 4095 - 2100

(Address of principal executive offices)

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):

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):

Indicate by check mark whether the Registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If Yes is marked, indicate below the file number assigned to registrant in connection with Rule 12g3-2(b): **Not applicable.**

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WNS (Holdings) Limited is incorporating by reference the information and exhibits set forth in this Form 6-K into its registration statements on Form S-8 (Registration No: 333-136168), Form S-8 (File No. 333-157356), Form S-8 (File No. 333-176849), and Form S-8 (File No. 333-191416).

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 and references to RMB are to the legal currency of China. 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 June 30, 2014. To the extent IASB issues any amendments or any new standards subsequent to June 30, 2014, 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, 2015. Unless otherwise indicated, references to GAAP in this report are to IFRS, as issued by the IASB .

References to a particular fiscal year are to our fiscal year ended March 31 of that calendar year. 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;

regulatory, legislative and judicial developments;

our ability to attract and retain clients;

technological innovation;

telecommunications or technology disruptions;

future regulatory actions and conditions in our operating areas;

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

our ability to expand our business or effectively manage growth;

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

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

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

increasing competition in the business process management industry;

our ability to successfully grow our revenue, expand our service offerings and market share and achieve accretive benefits from our acquisition of (1) Fusion Outsourcing Services (Proprietary) Limited, or Fusion (which we have renamed as WNS Global Services SA (Pty) Ltd following our acquisition) or (2) Aviva Global Services Singapore Pte. Ltd., or Aviva Global (which we have renamed as WNS Customer Solutions (Singapore) Private Limited, or WNS Global Singapore, following our acquisition) and our master services agreement with Aviva Global Services (Management Services) Private Limited, or Aviva MS, as described below;

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

our ability to successfully consummate and integrate strategic acquisitions; 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, 2014. 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.

Table of Contents**Part I- FINANCIAL INFORMATION****WNS (HOLDINGS) LIMITED****CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

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

	Notes	As at June 30, 2014 (Unaudited)	As at March 31, 2014
ASSETS			
Current assets:			
Cash and cash equivalents	5	\$ 31,463	\$ 33,691
Investments	6	124,972	83,817
Trade receivables, net	7	66,539	61,983
Unbilled revenue		32,863	34,716
Funds held for clients		14,563	15,936
Derivative assets	13	6,689	6,792
Prepayments and other current assets	8	18,041	16,925
Total current assets		295,130	253,860
Non-current assets:			
Goodwill	9	86,465	85,654
Intangible assets	10	61,657	67,222
Property and equipment	11	43,802	45,165
Derivative assets	13	2,626	4,131
Deferred tax assets		36,372	37,066
Investments	6		28,674
Other non-current assets	8	17,987	16,653
Total non-current assets		248,909	284,565
TOTAL ASSETS		\$ 544,039	\$ 538,425
LIABILITIES AND EQUITY			
Current liabilities:			
Trade payables		\$ 27,625	\$ 29,059
Provisions and accrued expenses	15	26,185	23,897
Derivative liabilities	13	8,071	9,076
Pension and other employee obligations	14	27,196	36,302
Short term line of credit	12	56,346	58,583
Current portion of long term debt	12	17,911	12,637
Deferred revenue	16	5,779	5,371
Current taxes payable		4,514	3,269
Other liabilities	17	6,581	6,650

Total current liabilities		180,208	184,844
Non-current liabilities:			
Derivative liabilities	13	631	1,399
Pension and other employee obligations	14	5,656	5,168
Long term debt	12	8,728	13,509
Deferred revenue	16	1,382	1,677
Other non-current liabilities	17	4,218	3,909
Deferred tax liabilities		2,780	2,949
Total non-current liabilities		23,395	28,611
TOTAL LIABILITIES		203,603	213,455
Shareholders' equity:			
Share capital (ordinary shares \$0.16 (10 pence) par value, authorized 60,000,000 shares; issued: 51,478,976 and 51,347,538 shares each as at June 30, 2014 and March 31, 2014, respectively)	18	8,066	8,044
Share premium		279,011	276,601
Retained earnings		133,800	121,731
Other components of equity		(80,441)	(81,406)
Total shareholders' equity		340,436	324,970
TOTAL LIABILITIES AND EQUITY		\$ 544,039	\$ 538,425

See accompanying notes.

Table of Contents**WNS (HOLDINGS) LIMITED****CONDENSED CONSOLIDATED STATEMENTS OF INCOME****(Unaudited, amounts in thousands, except share and per share data)**

		Three months ended June 30,	
	Notes	2014	2013
Revenue		\$ 131,004	\$ 122,146
Cost of revenue	19	86,239	84,397
Gross profit		44,765	37,749
Operating expenses:			
Selling and marketing expenses	19	7,658	7,845
General and administrative expenses	19	16,207	14,978
Foreign exchange loss, net		1,305	543
Amortization of intangible assets		6,100	6,207
Operating profit		13,495	8,176
Other income, net	21	(3,078)	(2,174)
Finance expense	20	475	795
Profit before income taxes		16,098	9,555
Provision for income taxes	23	4,029	2,810
Profit		\$ 12,069	\$ 6,745
Earnings per share of ordinary share	24		
Basic		\$ 0.23	\$ 0.13
Diluted		\$ 0.23	\$ 0.13

See accompanying notes.

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WNS (HOLDINGS) LIMITED

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/ (LOSS)

(Unaudited, amounts in thousands)

	Three months ended June 30,	
	2014	2013
Profit	\$ 12,069	\$ 6,745
Other comprehensive income/(loss), net of taxes		
Items that may not be reclassified to profit or loss:		
Pension adjustment	(307)	988
	(307)	988
Items that are or may be reclassified subsequently to profit or loss:		
Changes in fair value of cash flow hedges:		
Current period gain/ (loss)	505	(13,741)
Reclassification to profit/(loss)	618	135
Foreign currency translation	172	(22,874)
Income tax provision/ (benefit) relating to above	(23)	3,913
	\$ 1,272	\$ (32,567)
Total other comprehensive income/(loss), net of taxes	\$ 965	\$ (31,579)
Total comprehensive income/ (loss)	\$ 13,034	\$ (24,834)

See accompanying notes.

Table of Contents**WNS (HOLDINGS) LIMITED****CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(Unaudited, amounts in thousands, except share and per share data)

	Share Capital		Share premium	Retained earnings	Other components of equity			Total shareholders equity
	Number	Par value			Foreign currency translation reserve	Cash flow hedging reserve	Pension adjustments	
Balance as at April 1, 2013	50,588,044	\$ 7,922	\$ 269,300	\$ 80,084	\$ (62,056)	\$ 4,673	\$ 674	\$ 300,597
Shares issued for exercised options and restricted share units (RSUs)	182,666	28	69					97
Share-based compensation			1,484					1,484
Excess tax benefits relating to share-based options and RSUs			113					113
Transactions with owners	182,666	28	1,666					1,694
Profit				6,745				6,745
Other comprehensive (loss)/gain, net of taxes					(22,874)	(9,693)	988	(31,579)
Total comprehensive (loss)/gain for the period				6,745	(22,874)	(9,693)	988	(24,834)
Balance as at June 30, 2013	50,770,710	\$ 7,950	\$ 270,966	\$ 86,829	\$ (84,930)	\$ (5,020)	\$ 1,662	\$ 277,457

Other components of equity
Foreign currency **Cash flow** **Total**

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	Share Capital Number	Par value	Share premium	Retained Earnings	translation reserve	hedging reserve	Pension adjustments	shareholders Equity
Balance as at April 1, 2014	51,347,538	\$ 8,044	\$ 276,601	\$ 121,731	\$(81,941)	\$(1,744)	\$ 2,279	\$ 324,970
Shares issued for exercised options and RSUs	131,438	22	98					120
Share-based compensation			2,224					2,224
Excess tax benefits relating to share-based options and RSUs			88					88
Transactions with owners	131,438	22	2,410					2,432
Profit				12,069				12,069
Other comprehensive income/(loss), net of taxes					172	1,100	(307)	965
Total comprehensive income/(loss) for the period				12,069	172	1,100	(307)	13,034
Balance as at June 30, 2014	51,478,976	\$ 8,066	\$ 279,011	\$ 133,800	\$(81,769)	\$(644)	\$ 1,972	\$ 340,436

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WNS (HOLDINGS) LIMITED

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited, amounts in thousands)

	Three months ended June 30,	
	2014	2013
Cash flows from operating activities:		
Cash generated from operations	\$ 16,162	\$ 11,236
Interest paid	(455)	(888)
Interest received	76	41
Income taxes paid	(2,578)	(2,252)
Net cash provided by operating activities	13,205	8,137
Cash flows from investing activities:		
Purchase of property and equipment and intangibles	(3,868)	(5,530)
Proceeds from sale of property and equipment	117	49
Deferred consideration paid towards acquisition of Fusion (Refer note 4)		(7,608)
Dividend received	1,091	615
Marketable securities sold/(purchased), net	(54,415)	4,241
Fixed Maturity Plan (FMP) purchased		
Proceeds from sale of Fixed Maturity Plan (FMP)	42,812	
Net cash used in investing activities	(14,263)	(8,233)
Cash flows from financing activities:		
Proceeds from exercise of stock options	120	97
Excess tax benefit from share based compensation	64	32
(Repayments)/proceeds from short term borrowings, net	(3,012)	(1,802)
Net cash used in financing activities	(2,828)	(1,673)
Exchange difference on cash and cash equivalents	1,658	(2,672)
Net change in cash and cash equivalents	(2,228)	(4,441)
Cash and cash equivalents at the beginning of the period	33,691	27,878
Cash and cash equivalents at the end of the period	\$ 31,463	\$ 23,437
Non-cash transactions:		
Note: Liability towards property and equipment and intangible assets purchased on credit/deferred credit	\$ 2,008	\$ 2,366
<i>See accompanying notes.</i>		

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WNS (HOLDINGS) LIMITED

NOTES TO UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

1. Company overview

WNS (Holdings) Limited (WNS Holdings), along with its subsidiaries (collectively, the Company), is a global business process management (BPM) company with client service offices in Australia, Dubai (United Arab Emirates), London (UK), New Jersey (US) and Singapore and delivery centers in the People's Republic of China (China), Costa Rica, India, the Philippines, Poland, Romania, Republic of South Africa(South Africa), Sri Lanka, the United Kingdom (UK) and the United States (US). The Company's clients are primarily in the insurance; travel and leisure; diversified businesses including manufacturing, retail, consumer packaged goods (CPG), media and entertainment and telecommunications; utilities industries; consulting and professional services, banking and financial services; healthcare; shipping and logistics; telecommunications; and public sector.

WNS Holdings is incorporated in Jersey, Channel Islands and maintains a registered office in Jersey at Queensway House, Hilgrove Street, St Helier, Jersey JE1 1ES.

These unaudited condensed interim consolidated financial statements were authorized for issue by the Board of Directors on July 23, 2014.

2. Summary of significant accounting policies

a. Basis of preparation

These condensed interim consolidated financial statements are prepared in compliance with International Accounting Standard (IAS) 34, *Interim financial reporting* as issued by IASB. They do not include all of the information required in annual financial statements in accordance with IFRS, as issued by IASB and should be read in conjunction with the audited consolidated financial statements and related notes included in the Company's annual report on Form 20-F for the fiscal year ended March 31, 2014.

The accounting policies applied are consistent with the policies that were applied for the preparation of the consolidated financial statements for the year ended March 31, 2014.

3. New accounting pronouncements not yet adopted by the Company

Certain new standards, interpretations and amendments to existing standards have been published that are mandatory for the Company's accounting periods beginning on or after April 1, 2015 or later periods. Those which are considered to be relevant to the Company's operations are set out below.

- i. In November 2009, the IASB issued IFRS 9 Financial Instruments (IFRS 9), Classification and Measurement . This standard introduces certain new requirements for classifying and measuring financial assets and liabilities and divides all financial assets that are currently in the scope of IAS 39 into two classifications, those measured at amortized cost and those measured at fair value. In October 2010, the IASB issued a revised version of IFRS 9. The revised standard adds guidance on the classification and measurement of financial liabilities. IFRS 9 requires entities with financial liabilities designated at fair value through profit or loss to recognize changes in the fair value due to changes in the liability s credit risk in other comprehensive income. However, if recognizing these changes in other comprehensive income creates an accounting mismatch, an entity would present the entire change in fair value within profit or loss. There is no subsequent recycling of the amounts recorded in other comprehensive income to profit or loss, but accumulated gains or losses may be transferred within equity. In November 2013, IASB finalized the new hedge accounting guidance which forms part of IFRS 9. There have been significant changes to the types of transactions eligible for hedge accounting. In addition, the ineffectiveness test was overhauled and replaced with the principle of an economic relationship .

The mandatory effective date for IFRS 9 is removed temporarily and IASB will determine a new mandatory effective date when it has finalized the requirements for all the other phases of the project to replace IAS 39. Earlier application is permitted. The Company is currently evaluating the impact that this new standard will have on its consolidated financial statements.

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WNS (HOLDINGS) LIMITED

NOTES TO UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

- ii. In May 2014, the IASB issued two amendments with respect to IAS 16 Property, Plant and Equipment (IAS 16) and IAS 38 Intangible Assets (IAS 38) dealing with acceptable methods of depreciation and amortization. The amended IAS 16 prohibits entities from using a revenue based depreciation method for items of property, plant and equipment. Further the amendment under IAS 38 introduces a rebuttable presumption that revenue is not an appropriate basis for amortization of an intangible assets. However this presumption can only be rebutted in two limited circumstances;
- a) the intangible asset is expressed as a measure of revenue i.e. when the predominant limiting factor inherent in an intangible asset is the achievement of a contractually specified revenue threshold; or
 - b) it can be demonstrated that revenue and the consumption of economic benefits of the intangible assets are highly correlated.

In these circumstances, revenue expected to be generated from the intangible assets can be an appropriate basis for amortization of the intangible asset.

The amendments apply prospectively and are effective for annual periods beginning on or after January 1, 2016, with earlier application permitted.

The Company has evaluated the requirements of both the above amendments and does not believe that the adoption of these amendments will have a material effect on its consolidated financial statements.

- iii. In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers (IFRS 15). This standard provides a single, principles based five-step model to be applied to all contracts with customers. Guidance is provided on topics such as the point in which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced.

The five steps in the model under IFRS 15 are : (i) identify the contract with the customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contracts; and (v) recognize revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 replaces the following standards and interpretations:

IAS 11 Construction contracts

IAS 18 Revenue

IFRIC 13 Customer Loyalty Programmes

IFRIC 15 Agreements for the Construction of Real Estate

IFRIC 18 Transfers of Assets from Customers

SIC-31 Revenue - Barter Transactions Involving Advertising Services

When first applying IFRS 15, it should be applied in full for the current period, including retrospective application to all contracts that were not yet complete at the beginning of that period. In respect of prior periods, the transition guidance allows an option to either:

apply IFRS 15 in full to prior periods (with certain limited practical expedients being available); or

retain prior period figures as reported under the previous standards, recognizing the cumulative effect of applying IFRS 15 as an adjustment to the opening balance of equity as at the date of initial application (beginning of current reporting period).

IFRS 15 is effective for fiscal years beginning on or after January 1, 2017. Earlier application is permitted. The Company is currently evaluating the impact that this new standard will have on its consolidated financial statements.

Table of Contents**WNS (HOLDINGS) LIMITED****NOTES TO UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS****(Amounts in thousands, except share and per share data)****4. Acquisition**

On June 21, 2012, the Company acquired all outstanding equity shares of Fusion Outsourcing Services (Proprietary) Limited (Fusion) (subsequently renamed as WNS Global Services SA (Pty) Ltd), a provider of a range of outsourcing services including contact center, customer care and business continuity services to both South African and international clients.

The purchase price for the acquisition was £10,000 (\$15,680 based on the exchange rate on June 21, 2012) plus £399 (\$644 based on the exchange rate on October 30, 2012) towards adjustment for cash and working capital.

In accordance with the terms of the sale and purchase agreement entered in connection with the acquisition of Fusion, £5,000 (\$7,840 based on the exchange rate on June 21, 2012) was paid at the completion arrangement on June 21, 2012, £399 (\$644 based on the exchange rate on October 30, 2012) was paid based on completion accounts on October 30, 2012 and the remainder £5,000 (\$7,840 based on the exchange rate on June 21, 2012) was payable on or before May 31, 2013 along with interest of 3% per annum above the base rate of Barclays Bank Plc. amounting to £151.

5. Cash and cash equivalents

The Company considers all highly liquid investments with an initial maturity of up to three months to be cash equivalents. Cash and cash equivalents consist of the following:

	As at	
	June 30, 2014	March 31, 2014
Cash and bank balance	\$ 22,398	\$ 25,546
Short term deposits with bank	9,065	8,145
Total	\$ 31,463	\$ 33,691

Short term deposits can be withdrawn by the Company at any time without prior notice and are readily convertible into known amounts of cash with an insignificant risk of changes in value.

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Investments consist of the following:

	As at	
	June 30, 2014	March 31, 2014
Marketable securities(1)	\$ 72,439	\$ 18,332
Investments in Fixed Maturity Plan	52,533	94,159
Total	\$ 124,972	\$ 112,491

Note:

(1) Marketable securities represent short term investments made principally for the purpose of earning dividend income.

The current and non-current classifications of investments are as follows:

	As at	
	June 30, 2014	March 31, 2014
Current investments	\$ 124,972	\$ 83,817
Non-current investments		28,674
Total	\$ 124,972	\$ 112,491

7. Trade receivables

Trade receivables consist of the following:

	As at	
	June 30,	March 31,

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	2014	2014
Trade receivables	\$ 71,743	\$ 66,982
Allowances for doubtful trade receivables	(5,204)	(4,999)
Total	\$ 66,539	\$ 61,983

The movement in the allowances for doubtful trade receivables is as follows:

	Three months ended June 30,	
	2014	2013
Balance at the beginning of the period/year	\$ 4,999	\$ 5,145
Charged to operations	325	371
Write-off	(134)	
Reversal	(68)	(158)
Translation adjustment	82	24
Balance at the end of the period/year	\$ 5,204	\$ 5,382

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

8. Prepayment and other assets

Prepayment and other assets consist of the following:

	As at	
	June 30, 2014	March 31, 2014
Current:		
Service tax and other tax receivables	\$ 5,108	\$ 5,710
Deferred transition cost	873	702
Employee receivables	1,466	1,398
Advances to suppliers	987	1,041
Prepaid expenses	6,399	4,683
Other assets	3,208	3,391
Total	\$ 18,041	\$ 16,925
Non-current:		
Deposits	\$ 6,675	\$ 6,355
Non-current tax assets	4,604	4,288
Service tax and other tax receivables	4,208	3,324
Deferred transition cost	661	747
Others	1,839	1,939
Total	\$ 17,987	\$ 16,653

9. Goodwill

The movement in goodwill balance by reportable segment as at June 30, 2014 and March 31, 2014 is as follows:

	WNS Global BPM	WNS Auto Claims BPM	Total
Balance as at April 1, 2013	\$ 55,886	\$ 31,246	\$ 87,132
Foreign currency translation	(4,580)	3,102	(1,478)

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Balance as at March 31, 2014	\$	51,306	\$	34,348	\$	85,654
Foreign currency translation		(29)		840		811
Balance as at June 30, 2014	\$	51,277	\$	35,188	\$	86,465

Table of Contents**WNS (HOLDINGS) LIMITED****NOTES TO UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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

10. Intangible assets

The changes in the carrying value of intangible assets for the year ended March 31, 2014 are as follows:

	Customer contracts	Customer relationship	Intellectual property rights	Leasehold benefits	Covenant not-to- compete	Software	Total
Gross carrying value							
Balance as at April 1, 2013	\$ 170,858	\$ 65,475	\$ 4,675	\$ 1,835	\$ 338	\$ 6,143	\$ 249,324
Additions	167					5,083	5,250
Translation adjustments	(8,469)	(76)	464		23	(403)	(8,461)
Balance as at March 31, 2014	\$ 162,556	\$ 65,399	\$ 5,139	\$ 1,835	\$ 361	\$ 10,823	\$ 246,113
Accumulated amortization							
Balance as at April 1, 2013	\$ 105,858	\$ 43,556	\$ 4,675	\$ 1,835	\$ 338	\$ 958	\$ 157,220
Amortization	16,379	5,798				1,612	23,789
Translation adjustments	(2,802)	142	464		23	55	(2,118)
Balance as at March 31, 2014	\$ 119,435	\$ 49,496	\$ 5,139	\$ 1,835	\$ 361	\$ 2,625	\$ 178,891
Net carrying value as at March 31, 2014	\$ 43,121	\$ 15,903	\$	\$	\$	\$ 8,198	\$ 67,222

The changes in the carrying value of intangible assets for the three months ended June 30, 2014 are as follows:

	Customer contracts	Customer relationship	Intellectual property rights	Leasehold benefits	Covenant not-to- compete	Software	Total
Gross carrying value							
Balance as at April 1, 2014	\$ 162,556	\$ 65,399	\$ 5,139	\$ 1,835	\$ 361	\$ 10,823	\$ 246,113
Additions						681	681
Translation adjustments	(249)	195	126		6	(3)	75
Balance as at June 30, 2014	\$ 162,307	\$ 65,594	\$ 5,265	\$ 1,835	\$ 367	\$ 11,501	\$ 246,869
Accumulated amortization							
Balance as at April 1, 2014	\$ 119,435	\$ 49,496	\$ 5,139	\$ 1,835	\$ 361	\$ 2,625	\$ 178,891

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Amortization	4,119	1,432				549	6,100
Translation adjustments	(148)	197	126		6	40	221
Balance as at June 30, 2014	\$ 123,406	\$ 51,125	\$ 5,265	\$ 1,835	\$ 367	\$ 3,214	\$ 185,212
Net carrying value as at June 30, 2014	\$ 38,901	\$ 14,469	\$	\$	\$	\$ 8,287	\$ 61,657

Table of Contents**WNS (HOLDINGS) LIMITED****NOTES TO UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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

11. Property and equipment

The changes in the carrying value of property and equipment for the year ended March 31, 2014 are as follows:

		Computers and software	Furniture, fixtures and office equipment	Vehicles	Leasehold improvements	Total
Gross carrying value	Buildings					
Balance as at April 1, 2013	\$ 11,132	\$ 65,169	\$ 56,351	\$ 1,099	\$ 47,885	\$ 181,636
Additions		5,552	4,819	6	3,708	14,085
Disposal/Retirements			(124)	(513)	(394)	(1,031)
Translation adjustments	(509)	(2,609)	(4,367)	(104)	(4,025)	(11,614)
Balance as at March 31, 2014	\$ 10,623	\$ 68,112	\$ 56,679	\$ 488	\$ 47,174	\$ 183,076
Accumulated depreciation						
Balance as at April 1, 2013	\$ 2,344	\$ 58,222	\$ 44,148	\$ 972	\$ 33,623	\$ 139,309
Depreciation	530	4,358	4,796	75	4,201	13,960
Disposal/Retirements			(117)	(498)	(395)	(1,010)
Translation adjustments	(105)	(2,230)	(3,400)	(92)	(2,947)	(8,774)
Balance as at March 31, 2014	\$ 2,769	\$ 60,350	\$ 45,427	\$ 457	\$ 34,482	\$ 143,485
Capital work-in-progress						5,574
Net carrying value as at March 31, 2014						\$ 45,165

The changes in the carrying value of property and equipment for the three months ended June 30, 2014 are as follows:

		Computers and software	Furniture, fixtures and office equipment	Vehicles	Leasehold improvements	Total
Gross carrying value	Buildings					
Balance as at April 1, 2014	\$ 10,623	\$ 68,112	\$ 56,679	\$ 488	\$ 47,174	\$ 183,076
Additions		1,199	1,736	121	2,706	5,762

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Disposal/Retirements		(1,718)	(685)	(6)	(366)	(2,775)
Translation adjustments	(15)	376	79	(3)	59	496
Balance as at June 30, 2014	\$ 10,608	\$ 67,969	\$ 57,809	\$ 600	\$ 49,573	\$ 186,559

Accumulated depreciation

Balance as at April 1, 2014	\$ 2,769	\$ 60,350	\$ 45,427	\$ 457	\$ 34,482	\$ 143,485
Depreciation	133	1,183	1,164	15	1,110	3,605
Disposal/Retirements		(1,379)	(607)	(4)	(364)	(2,354)
Translation adjustments	(4)	347	29	(2)	(14)	356
Balance as at June 30, 2014	\$ 2,898	\$ 60,501	\$ 46,013	\$ 466	\$ 35,214	\$ 145,092

Capital work-in-progress 2,335

Net carrying value as at June 30, 2014 \$ 43,802

Table of Contents**WNS (HOLDINGS) LIMITED****NOTES TO UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS****(Amounts in thousands, except share and per share data)****12. Loans and borrowings***Short-term line of credit*

The Company's Indian subsidiary, WNS Global Services Private Limited (WNS Global), has secured and unsecured lines of credit with banks amounting to \$63,448. Out of these available lines of credit, as at June 30, 2014, \$54,609 was utilized for working capital requirements.

The Company has also established a line of credit in UK amounting to £9,880 (\$16,825 based on the exchange rate on June 30, 2014), out of which £1,020 (\$1,737 based on the exchange rate on June 30, 2014) was utilized for working capital requirements as at June 30, 2014.

Long-term debt

The long-term loans and borrowings consist of the following:

	June 30, 2014		As at March 31, 2014		Repayment schedule Fiscal year	
	Foreign currency	Total	Foreign currency	Total	2015	2016
Interest rate						
3M USD LIBOR + 3.5%*	\$	6,956	\$	6,944		6,956
Bank of England base rate + 2.25%	£ 7,904	13,441	£ 7,904	13,113	6,715	6,726
Bank of England base rate + 2.25%	£ 3,672	6,242	£ 3,672	6,089	6,242	
		\$ 26,639		\$ 26,146	\$ 12,957	\$ 13,682
Current portion of long term debt		\$ 17,911		\$ 12,637		
Long term debt		\$ 8,728		\$ 13,509		

* Effective July 16, 2014, the interest rate has been reduced to three months USD LIBOR + 3.1%.

The Company has pledged trade receivables, other financial assets, property and equipment with a carrying amount of \$147,310 and \$145,523 as at June 30, 2014 and March 31, 2014, respectively, as collateral for the aforesaid borrowings. In addition, the facility agreements for the aforesaid borrowings contain certain restrictive covenants on the indebtedness of the Company, total borrowings to tangible net worth ratio, total borrowings to EBITDA ratio and a minimum interest coverage ratio. As at June 30, 2014 the Company was in compliance with all of the covenants.

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

13. Financial instruments**Financial instruments by category**

The carrying value and fair value of financial instruments by class as at June 30, 2014 are as follows:

Financial assets

	Loans and receivables	Financial assets at FVTPL	Derivative designated as cash flow hedges (carried at fair value)	Available for sale	Total carrying value/fair value*
Cash and cash equivalents	\$ 31,463	\$	\$	\$	\$ 31,463
Investments		52,533		72,439	124,972
Trade receivables	66,539				66,539
Unbilled revenue	32,863				32,863
Funds held for clients	14,563				14,563
Prepayments and other assets ⁽¹⁾	3,619				3,619
Other non-current assets ⁽²⁾	6,675				