

Edgar Filing: Genpact LTD - Form 10-Q

Bermuda

(441) 295-2244

(Address, including zip code, and telephone number, including area code, of registrant's principal executive office)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definition of "accelerated filer", "large accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of the registrant's common shares, par value \$0.01 per share, outstanding as of May 2, 2018 was 190,388,217.

TABLE OF CONTENTS

Item No.		Page No.
PART I	Financial Statements	
1.	Unaudited Consolidated Financial Statements	
	<u>Consolidated Balance Sheets as of December 31, 2017 and March 31, 2018</u>	1
	<u>Consolidated Statements of Income for the three months ended March 31, 2017 and 2018</u>	2
	<u>Consolidated Statements of Comprehensive Income (Loss) for the three months ended March 31, 2017 and 2018</u>	3
	<u>Consolidated Statements of Equity and Redeemable Non-controlling Interest for the three months ended March 31, 2017 and 2018</u>	5
	<u>Consolidated Statements of Cash Flows for the three months ended March 31, 2017 and 2018</u>	6
	<u>Notes to the Consolidated Financial Statements</u>	7
	<u>Management's Discussion and Analysis of Financial Condition and Results of</u>	
2.	<u>Operations</u>	43
3.	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	56
4.	<u>Controls and Procedures</u>	56
PART II	Other Information	
1.	<u>Legal Proceedings</u>	57
1A.	<u>Risk Factors</u>	57
2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	57
3.	<u>Defaults upon Senior Securities</u>	57
5.	<u>Other Information</u>	57
6.	<u>Exhibits</u>	57
	<u>SIGNATURES</u>	59

GENPACT LIMITED AND ITS SUBSIDIARIES

Consolidated Balance Sheets

(Unaudited)

(In thousands, except per share data and share count)

		As of December 31, 2017	As of March 31, 2018
	Notes		
Assets			
Current assets			
Cash and cash equivalents	4	\$ 504,468	\$ 424,226
Accounts receivable, net	5	693,085	703,066
Prepaid expenses and other current assets	8	236,342	199,208
Total current assets		\$ 1,433,895	\$ 1,326,500
Property, plant and equipment, net	9	207,030	205,035
Deferred tax assets	24	76,929	81,734
Investment in equity affiliates	25	886	919
Intangible assets, net	10	131,590	125,781
Goodwill	10	1,337,122	1,337,051
Contract cost assets	19	-	162,435
Other assets		262,169	157,672
Total assets		\$ 3,449,621	\$ 3,397,127
Liabilities and equity			
Current liabilities			
Short-term borrowings	11	\$ 170,000	\$ 275,000
Current portion of long-term debt	12	39,226	39,237
Accounts payable		15,050	13,811
Income taxes payable	24	30,026	40,026
Accrued expenses and other current liabilities	13	584,482	503,116
Total current liabilities		\$ 838,784	\$ 871,190
Long-term debt, less current portion	12	1,006,687	996,999
Deferred tax liabilities	24	6,747	7,083
Other liabilities	14	168,609	155,858
Total liabilities		\$ 2,020,827	\$ 2,031,130
Redeemable non-controlling interest		4,750	—
Shareholders' equity			
Preferred shares, \$0.01 par value, 250,000,000 authorized, none issued		—	—
Common shares, \$0.01 par value, 500,000,000 authorized, 192,825,207		1,924	1,903

and 190,613,135 issued and outstanding as of December 31, 2017

and March 31, 2018, respectively

Additional paid-in capital	1,421,368	1,422,897
Retained earnings	355,982	321,916
Accumulated other comprehensive income (loss)	(355,230)	(380,719)
Total equity	\$ 1,424,044	\$ 1,365,997
Commitments and contingencies	27	
Total liabilities, redeemable non-controlling interest and equity	\$ 3,449,621	\$ 3,397,127

See accompanying notes to the Consolidated Financial Statements.

1

GENPACT LIMITED AND ITS SUBSIDIARIES

Consolidated Statements of Income

(Unaudited)

(In thousands, except per share data and share count)

		Three months ended March 31,	
	Notes	2017	2018
Net revenues	19	\$622,995	\$688,912
Cost of revenue	20, 25	383,337	444,324
Gross profit		\$239,658	\$244,588
Operating expenses:			
Selling, general and administrative expenses	21, 25	160,858	171,109
Amortization of acquired intangible assets	10	7,242	