

Genpact LTD
Form 10-Q
November 09, 2011
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark One)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the Quarterly Period ended September 30, 2011

Or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the Transition Period from to

Commission file number: 001-33626

GENPACT LIMITED

(Exact name of registrant as specified in its charter)

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Bermuda
(State or other jurisdiction of
incorporation or organization)

98-0533350
(I.R.S. Employer
Identification No.)

Canon s Court

22 Victoria Street

Hamilton HM

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 or a smaller reporting company. See definition of accelerated filer, large accelerated filer and smaller reporting 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

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 November 2, 2011 was 222,021,263.

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Table of Contents**GENPACT LIMITED AND ITS SUBSIDIARIES****Consolidated Balance Sheets****(Unaudited)****(In thousands, except per share data)**

	Notes	As of December 31, 2010	As of September 30, 2011
Assets			
<i>Current assets</i>			
Cash and cash equivalents	4	\$ 404,034	\$ 409,065
Short term investments	5	76,985	
Accounts receivable, net	6	174,654	255,715
Accounts receivable from related party, net	6, 21	131,271	139,947
Deferred tax assets	20	21,985	19,551
Due from related party	21	3	3,791
Prepaid expenses and other current assets		126,848	171,544
Total current assets		\$ 935,780	\$ 999,613
Property, plant and equipment, net	9	197,166	180,633
Deferred tax assets	20	35,099	74,227
Investment in equity affiliates	21	1,913	286
Customer-related intangible assets, net	10	33,296	88,793
Marketing-related intangible assets, net	10		20,952
Other intangible assets, net	10	51	3,114
Goodwill	10	570,153	954,185
Other assets		120,003	106,663
Total assets		\$ 1,893,461	\$ 2,428,466

See accompanying notes to the Consolidated Financial Statements.

Table of Contents**GENPACT LIMITED AND ITS SUBSIDIARIES****Consolidated Balance Sheets****(Unaudited)****(In thousands, except per share data)**

	Notes	As of December 31, 2010	As of September 30, 2011
Liabilities and equity			
<i>Current liabilities</i>			
Short-term borrowings	14	\$	\$ 252,000
Current portion of long-term debt	15	24,950	28,932
Current portion of capital lease obligations		702	1,168
Current portion of capital lease obligations payable to related party	21	1,188	887
Accounts payable		12,206	9,785
Income taxes payable	20	8,064	54,630
Deferred tax liabilities	20	489	862
Due to related party	21	4,030	1,451
Accrued expenses and other current liabilities		270,919	290,243
Total current liabilities		\$ 322,548	\$ 639,958
Long-term debt, less current portion	15		88,714
Capital lease obligations, less current portion		741	905
Capital lease obligations payable to related party, less current portion		1,748	983
Deferred tax liabilities	20	2,953	1,650
Due to related party	21	10,683	13,982
Other liabilities		73,546	126,235
Total liabilities		\$ 412,219	\$ 872,427
Shareholders equity			
Preferred shares, \$0.01 par value, 250,000,000 authorized, none issued			
Common shares, \$0.01 par value, 500,000,000 authorized, 220,916,960 and 221,995,792 issued and outstanding as of December 31, 2010 and September 30, 2011, respectively			
		2,208	2,218
Additional paid-in capital		1,105,610	1,133,926
Retained earnings		421,092	544,266
Accumulated other comprehensive income (loss)		(50,238)	(127,566)
Genpact Limited shareholders equity		\$ 1,478,672	\$ 1,552,844
Noncontrolling interest		2,570	3,195
Total equity		\$ 1,481,242	\$ 1,556,039
Commitments and contingencies			
Total liabilities and equity		\$ 1,893,461	\$ 2,428,466

See accompanying notes to the Consolidated Financial Statements.

Table of Contents**GENPACT LIMITED AND ITS SUBSIDIARIES****Consolidated Statements of Income****(Unaudited)****(In thousands, except per share data)**

	Notes	Three months ended September 30,		Nine months ended September 30,	
		2010	2011	2010	2011
Net revenues					
Net revenues from services - related party	21	\$ 122,759	\$ 123,290	\$ 354,011	\$ 359,035
Net revenues from services - others		198,812	306,275	563,406	798,707
Total net revenues		321,571	429,565	917,417	1,157,742
Cost of revenue					
Services	16, 21	204,833	268,312	572,619	736,830
Total cost of revenue		204,833	268,312	572,619	736,830
Gross profit		\$ 116,738	\$ 161,253	\$ 344,798	\$ 420,912
<i>Operating expenses:</i>					
Selling, general and administrative expenses	17, 21	71,272	95,868	219,440	250,033
Amortization of acquired intangible assets	10	3,875	5,754	12,159	13,971
Other operating (income) expense, net	18, 21	(839)	2,883	(4,780)	2,592
Income from operations		\$ 42,430	\$ 56,748	\$ 117,979	\$ 154,316
Foreign exchange (gains) losses, net		(5,513)	(9,736)	73	(12,433)
Other income (expense), net	19, 21	1,210	2,147	3,324	8,271
Income before Equity-method investment activity, net and income tax expense		\$ 49,153	\$ 68,631	\$ 121,230	\$ 175,020
Equity-method investment activity, net		104	21	709	289
Income before income tax expense		\$ 49,049	\$ 68,610	\$ 120,521	\$ 174,731
Income tax expense	20	7,490	18,907	19,572	46,386