

WNS (HOLDINGS) LTD
Form 20-F
April 26, 2012
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SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 20-F

.. REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended March 31, 2012

OR

.. TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

OR

.. SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
Date of event requiring this shell company report

Commission file number 001-32945

WNS (Holdings) Limited

(Exact name of Registrant as specified in its Charter)

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

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 and Telephone number of principal executive offices)

Alok Misra

Group Chief Financial Officer

Gate 4, Godrej & Boyce Complex

Pirojshanagar, Vikhroli(W)

Mumbai 400 079, India

(91-22) 4095-2100

alok.misra@wns.com
(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Name of each exchange on which registered
American Depositary Shares, each represented by one Ordinary Share, par value 10 pence per share	The New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act.

None
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act

None
(Title of Class)

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Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

As at March 31, 2012, 50,078,881 ordinary shares, par value 10 pence per share, were issued and outstanding, of which 34,931,671 ordinary shares were held in the form of American Depositary Shares, or ADSs. Each ADS represents one ordinary share.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes No

Note: Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

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, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP International Financial Reporting Standards as issued Other

by the International Accounting Standards Board

If Other has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow: Item 17 Item 18

If this report is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

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Ex-4.3 Leave and Licence Agreement dated May 10, 2011 between Godrej & Boyce Manufacturing Company Limited and WNS Global Services Private Limited with respect to the lease of office premises with an aggregate area of 84,429 square feet at Plant 10

Ex-4.4 Leave and Licence Agreement dated May 10, 2011 between Godrej & Boyce Manufacturing Company Limited and WNS Global Services Private Limited with respect to the lease of office premises with an aggregate area of 108,000 square feet at Plant 5

Ex-4.5 Leave and Licence Agreement dated May 10, 2011 between Godrej & Boyce Manufacturing Company Limited and WNS Global Services Private Limited with respect to the lease of office premises with an aggregate area of 84,934 square feet at Plant 11

Ex-4.8 Lease Deed dated January 20, 2012 between Sri Divi Satya Mohan, Sri Attaluri Praveen, Sri Divi Satya Sayee Babu and WNS Global Services Private Limited with respect to lease of office premises

Ex-8.1 List of subsidiaries of WNS (Holdings) Limited

Ex-12.1 Certification by the Chief Executive Officer to 17 CFR 240, 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

Ex-12.2 Certification by the Chief Financial Officer to 17 CFR 240, 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

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Ex-13.1 Certification by the Chief Executive Officer to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Ex-13.2 Certification by the Chief Financial Officer to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Ex-15.1 Consent of Grant Thornton India LLP, independent registered public accounting firm

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In this annual 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 \$ 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 United Kingdom, references to pence are to the legal currency of Jersey, Channel Islands and references to Euro are to the legal currency of the European Monetary Union. Our financial statements are prepared in US dollars. Prior to April 1, 2011, we prepared our financial statements in accordance with US generally accepted accounting principles, or US GAAP. With effect from April 1, 2011, we adopted the International Financial Reporting Standards and its interpretations, or IFRS, as issued by the International Accounting Standards Board, or the IASB. Our financial statements included in this annual report are prepared in accordance with IFRS, as issued by the IASB, as in effect as at March 31, 2012. Unless otherwise indicated, references to GAAP in this annual report are to IFRS, as issued by the IASB.

The financial statements included in this annual report are our first IFRS annual consolidated financial statements and IFRS 1, *First-time Adoption of International Financial Reporting Standards* has been applied. An explanation of how the transition to IFRS has affected our reported financial position and financial performance is provided in Note 2.x and Note 2.y to the consolidated financial statements included in this annual report. Note 2.y includes reconciliations of equity as at April 1, 2010 and March 31, 2011, and profit and comprehensive income for the year ended March 31, 2011. 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 annual 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, we, our and us refer to WNS (Holdings) Limited and its subsidiaries.

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

We also refer in various places within this annual 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 (1) for fault repair cases where we act as the principal in our dealings with the third party repair centers and our clients and (2) for non fault repair cases with respect to one client (whose contract with us has been terminated with effect from April 18, 2012) as discussed in Part I Item 5. Operating and Financial Review and Prospects Overview. 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.

We also refer to information regarding the business process outsourcing, or BPO, industry, our company and our competitors from market research reports, analyst reports and other publicly available sources. Although we believe that this information is reliable, we have not independently verified the accuracy and completeness of the information. We caution you not to place undue reliance on this data.

This annual report also includes information regarding the business process outsourcing market from (1) the *Worldwide and U.S. Business Process Outsourcing Services 2011-2015 Forecast: Will BPO Providers Leverage the Opportunity and Cross the Chasm to Play a Significant Role in Transforming the Enterprise?* report dated May 2011 and the *Worldwide Offshore Key Horizontal BPO Services 2011-2015 Forecast* report dated November 2011 by International Data Corporation, or IDC (which we refer to herein collectively as the IDC 2011 Reports), and (2) the *Analysis of India as an Offshore Services Location* report dated October 13, 2011 by Gartner (which we refer to herein as the Gartner 2011 Report). The information contained in the IDC 2011 Reports and the Gartner 2011 Report represent data, research opinions or viewpoints published by IDC and by Gartner (as part of a syndicated subscription service), respectively, and are not representations of fact. Each of the IDC 2011 Reports and the Gartner 2011 Report speaks as of its original publication date (and not as of the date of this annual report) and the opinions expressed in such reports are subject to change without notice.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This annual 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, should and similar expressions. 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;

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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 outsourcing industry;

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

volatility of our ADS price.

These and other factors are more fully discussed in Part I Item 3. Key Information D. Risk Factors, Part I Item 5. Operating and Financial Review and Prospects and elsewhere in this annual report. 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.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

A. Selected Financial Data

Our consolidated financial statements as at and for the years ended March 31, 2012 and March 31, 2011 included in this annual report have been prepared in conformity with IFRS, as issued by the IASB. We adopted IFRS with effect from April 1, 2011 by applying IFRS 1, *First-time Adoption of International Financial Reporting Standards*. Our consolidated financial statements as at and for the year ended March 31, 2011 were originally prepared in accordance with US GAAP and were restated in accordance with IFRS for comparative purposes only. An explanation of how the transition to IFRS has affected our reported financial position and financial performance is provided in Note 2.x and Note 2.y to the consolidated financial statements included in this annual report.

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Since these are our first annual consolidated financial statements prepared in accordance with IFRS, pursuant to transitional relief granted by the Commission in respect of the first time adoption of IFRS, we have only provided financial statements and financial information for the fiscal years ended March 31, 2012 and March 31, 2011, and no comparative data for the fiscal year ended March 31, 2010 has been included.

The following selected financial data should be read in conjunction with Part I Item 5. Operating and Financial Review and Prospects and our consolidated financial statements included elsewhere in this annual report.

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The following consolidated statement of income data for fiscal 2012 and 2011 and consolidated statement of financial position data as at March 31, 2012 and March 31, 2011 have been derived from our audited consolidated financial statements included elsewhere in this annual report.

	For the year ended March 31,	
	2012	2011
	(US dollars in millions, except share	
	and per share data)	
Consolidated Statement of Income Data:		
Revenue ⁽¹⁾	\$ 474.1	\$ 616.3
Cost of revenue ⁽¹⁾⁽²⁾	340.9	490.0
Gross profit	133.2	126.2
Operating expenses:		
Selling and marketing expenses ⁽²⁾	26.3	23.5
General and administrative expenses ⁽²⁾	51.3	56.4
Foreign exchange loss (gains), net	(1.9)	(15.1)
Amortization of intangible assets	29.5	31.8
Operating profit	28.0	29.7
Other (income) expense, net	(0.0)	(1.1)
Finance expense	4.0	11.4
Profit before income taxes	24.0	19.4
Provision for income taxes	11.5	1.5
Profit	\$ 12.5	\$ 17.9
Earnings per share of ordinary share:		
Basic	\$ 0.28	\$ 0.40
Diluted	\$ 0.27	\$ 0.40
Basic weighted average ordinary shares outstanding	45,261,411	44,260,713
Diluted weighted average ordinary shares outstanding	46,504,282	45,232,413

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	As at March 31, 2012 2011 (US dollars in millions)	
Consolidated Statement of Financial Position Data:		
<i>Assets</i>		
Cash and cash equivalents	\$ 46.7	\$ 27.1
Bank deposits and marketable securities	26.4	0.0
Trade receivable including unbilled revenue, net	102.3	109.4
Other current assets ⁽³⁾	50.2	44.9
Total current assets	225.6	181.5
Goodwill and intangible assets, net	201.8	250.1
Property and equipment, net	45.4	47.2
Deferred tax assets	43.7	33.5
Other non-current assets ⁽⁴⁾	8.4	10.3
Total assets	525.0	522.6
<i>Liabilities and equity</i>		
Current portion of long term debt	26.0	49.4
Trade payables	47.3	43.7
Other current liabilities ⁽⁵⁾	114.3	102.7
Total current liabilities	187.6	195.8
Long term debt	36.7	42.9
Other non-current liabilities ⁽⁶⁾	16.6	19.0
Total non-current liabilities	53.3	61.9
Share capital (ordinary shares \$0.16 (10 pence) par value, authorized 60,000,000 shares; issued: 50,078,881 and 44,443,726 shares each as at March 31, 2012 and March 31, 2011 respectively)	7.8	7.0
Share premium	263.5	211.4
Other shareholders' equity ⁽⁷⁾	12.8	46.5
Total shareholders' equity	284.1	264.9
Total liabilities and equity	\$ 525.0	\$ 522.6

The following table sets forth for the periods indicated selected consolidated financial data, non-GAAP financial data and operating data:

	For the year ended March 31, 2012 2011 (US dollars in millions, except percentages and employee data)	
Other Consolidated Financial Data:		
Revenue	\$ 474.1	\$ 616.3
Gross profit as a percentage of revenue	28.1%	20.5%
Operating income as a percentage of revenue	5.9%	4.8%
Non-GAAP Financial Data:		
Revenue less repair payments ⁽⁸⁾	\$ 395.1	\$ 369.4

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Gross profit as a percentage of revenue less repair payments	33.7%	34.2%
Operating income as a percentage of revenue less repair payments	7.1%	8.0%
Operating Data:		
Number of employees (at period end)	23,874	21,523

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- (1) During fiscal 2012, we re-negotiated contracts with certain of our clients and repair centers in the auto claims business, whereby the primary responsibility for providing the services is borne by the repair centers instead of us and the credit risk that the client may not pay for the services is no longer borne by us. As a result of these changes, we are no longer considered to be the principal in providing the services. Accordingly, we no longer account for the amount received from these clients for payments to repair centers and the payments made to repair centers for cases referred by these clients as revenue and cost of revenue, respectively, resulting in lower revenue and cost of revenue. The contract re-negotiation process is ongoing and aimed at simplifying our accounting requirements.
- (2) Includes the following share-based compensation amounts:

	For the year ended March 31, 2012 2011 (US dollars in millions)	
Cost of revenue	\$ 1.0	\$ 0.7
Selling and marketing expenses	0.4	0.2
General and administrative expenses	3.9	2.3

- (3) Consists of funds held for clients, current tax assets, derivative assets and prepayments and other current assets.
- (4) Consists of investments, derivative assets and other non-current assets.
- (5) Consists of provisions and accrued expenses, derivative liabilities, pension and other employee obligations, short term line of credit, deferred revenue, current taxes payable and other liabilities.
- (6) Consists of non-current portion of derivatives liabilities, pension and other employee obligations, deferred revenue, deferred tax liabilities and other non-current liabilities.
- (7) Consists of retained earnings and other components of equity.
- (8) Revenue less repair payments is a non-GAAP financial measure which is calculated as (a) revenue less (b) in our auto claims business, payments to repair centers (1) for fault repair cases where we act as the principal in our dealings with the third party repair centers and our clients and (2) for non fault repair cases with respect to one client as discussed below. See the explanation below, as well as Part I Item 5. Operating and Financial Review and Prospects Overview and notes to our consolidated financial statements included elsewhere in this annual report. The following table reconciles our revenue (a GAAP financial measure) to revenue less repair payments (a non-GAAP financial measure) for the indicated periods:

	For the year ended March 31, 2012 2011 (US dollars in millions)	
Revenue (GAAP)	\$ 474.1	\$ 616.3
Less: Payments to repair centers ^(a)	79.1	246.9
Revenue less repair payments (non-GAAP)	\$ 395.1	\$ 369.4

Note:

- ^(a) Consists of payments to repair centers in our auto claims business (1) for fault repair cases where we act as the principal in our dealings with the third party repair centers and our clients and (2) for non fault repair cases with respect to one client as discussed below.

We have two reportable segments for financial statement reporting purposes WNS Global BPO and WNS Auto Claims BPO. In our WNS Auto Claims BPO segment, we provide both fault and non fault repairs. For fault repairs, we provide claims handling and repair management services, where we arrange for automobile repairs through a network of third party repair centers. In our repair management

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services, where we act as the principal in our dealings with the third party repair centers and our clients, the amounts which we invoice to our clients for payments made by us to third party repair centers are reported as revenue. Where we are not the principal in providing the services, we record revenue from repair services net of repair cost. Since we wholly subcontract the repairs to the repair centers, we evaluate the financial performance of our fault repair business based on revenue less repair payments to third party repair centers, which is a non-GAAP financial measure. We believe that revenue less repair payments for fault repairs reflects more accurately the value addition of the business process outsourcing services that we directly provide to our clients.

For our non fault repairs business, we generally provide a consolidated suite of accident management services including credit hire and credit repair, and we believe that measurement of such business on a basis that includes repair payments in revenue is appropriate. Revenue including repair payments is therefore used as a primary measure to allocate resources and measure operating performance for accident management services provided in our non fault repairs business. For one client in our non fault repairs business (whose contract with us has been terminated with effect from April 18, 2012), we provide only repair management services where we wholly subcontract the repairs to the repair centers (similar to our fault repairs). Accordingly, we evaluate the financial performance of our business with this client in a manner similar to how we evaluate our financial performance for our fault repairs business, that is, based on revenue less repair payments. Our non fault repairs business where we provide accident management services accounts for a relatively small portion of our revenue for our WNS Auto Claims BPO segment.

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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. We believe that the presentation of this non-GAAP financial measure in this annual report provides useful information for investors regarding the financial performance of our business and our two reportable segments. Our revenue less repair payments may not be comparable to similarly titled measures reported by other companies due to potential differences in the method of calculation.

B. Capitalization and Indebtedness

Not Applicable.

C. Reason for the Offer and the Use of Proceeds

Not Applicable.

D. Risk Factors

This annual report contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of a number of factors, including those described in the following risk factors and elsewhere in this annual report. If any of the following risks actually occur, our business, financial condition and results of operations could suffer and the trading price of our ADSs could decline.

Risks Related to Our Business

The global economic conditions have been challenging and have had, and may continue to have, an adverse effect on the financial markets and the economy in general, which has had, and may continue to have, a material adverse effect on our business, our financial performance and the prices of our equity shares and ADSs.

During the past several years, global economic conditions have been challenging as certain adverse financial developments have caused a significant slowdown in the growth of the European, US and international financial markets, accompanied by a significant reduction in consumer and business spending worldwide. These adverse financial developments have included increased market volatility, tightening of liquidity in credit markets and diminished expectations for the global economy. While the world economy has grown since 2010, the recent speculation regarding the inability of certain European countries to pay their national debts, the response by Eurozone policy makers to mitigate this sovereign debt crisis and the concerns regarding the stability of the Eurozone currency have created additional uncertainty in the European and global economies. Further, there continue to be signs of economic weakness such as relatively high levels of unemployment in major markets including Europe and the US.

These economic conditions may affect our business in a number of ways. The general level of economic activity, such as decreases in business and consumer spending, could result in a decrease in demand for our services, thus reducing our revenue. The cost and availability of credit has been and may continue to be adversely affected by illiquid credit markets and wider credit spreads. Continued turbulence in the European, US and international financial markets and economies may adversely affect our liquidity and financial condition, and the liquidity and financial condition of our customers. If these market conditions continue or worsen, they may limit our ability to access financing or increase our cost of financing to meet liquidity needs, and affect the ability of our customers to use credit to purchase our services or to make timely payments to us, resulting in adverse effects on our financial condition and results of operations.

Furthermore, a weakening of the rate of exchange for the US dollar or the pound sterling (in which our revenue is principally denominated) against the Indian rupee (in which a significant portion of our costs are denominated) also adversely affects our results. Fluctuations between the pound sterling or the Indian rupee and the US dollar also expose us to translation risk when transactions denominated in pound sterling or Indian rupees are translated to US dollars, our reporting currency. For example, while the average pound sterling/US dollar exchange rate for fiscal 2012 appreciated by 2.5% as compared to the average exchange rate for fiscal 2011, the average pound sterling/US dollar exchange rate for fiscal 2011 depreciated by 2.6% as compared to the average exchange rate for fiscal 2010. Depreciation of the pound sterling/US dollar exchange rate in fiscal 2011 adversely impacted our results of operations.

Uncertainty about current global economic conditions could also continue to increase the volatility of our share price. We cannot predict the timing or duration of an economic slowdown or the timing or strength of a subsequent economic recovery generally or in our targeted industries, including the travel and insurance industry. If macroeconomic conditions worsen or the current global economic condition continues for a prolonged period of time, we are not able to predict the impact such worsening conditions will have on our targeted industries in general, and our results of operations specifically.

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A few major clients account for a significant portion of our revenue and any loss of business from these clients could reduce our revenue and significantly harm our business.

We have derived and believe that we will continue to derive in the near term a significant portion of our revenue from a limited number of large clients. In fiscal 2012 and 2011, our five largest clients accounted for 41.4% and 54.3% of our revenue and 40.5% and 41.1% of our revenue less repair payments, respectively. In fiscal 2012 and 2011, our three largest clients accounted for 34.1% and 41.8% of our revenue and 33.7% and 33.8% of our revenue less repair payments, respectively. In fiscal 2012, our largest client, Aviva International Holdings Limited, or Aviva, individually accounted for 17.3% and 20.7% of our revenue and revenue less repair payments, respectively, as compared to 16.4% and 20.4% in fiscal 2011, respectively. Any loss of business from any major client could reduce our revenue and significantly harm our business.

For example, in early 2012, as a result of concerns that the UK Competition Commission may ban the payment of referral fees by accident management companies to claims management companies and insurance companies in the provision of credit hire replacement vehicles and third-party vehicle repairs, one of our largest auto claims clients by revenue contribution in fiscal 2012 terminated its contract with us with effect from April 18, 2012. This client accounted for 10.4% and 7.5% of our revenue and 1.3% and 1.9% of our revenue less repair payments in fiscal 2012 and 2011, respectively. For more information, see [Recent concerns over increases in car insurance premiums have led the UK competition authority to investigate referral fees, such as those paid to claims management companies and insurance companies, which could have a material adverse effect on our auto claims business.](#)

First Magnus Financial Corporation, or FMFC, a US mortgage lender, was one of our major clients from November 2005 to August 2007. FMFC was a major client of Trinity Partners Inc., which we acquired in November 2005 from the First Magnus Group. In August 2007, FMFC filed a voluntary petition for relief under Chapter 11 of the US Bankruptcy Code. In fiscal 2007, FMFC accounted for 4.3% of our revenue and 6.8% of our revenue less repair payments. The loss of revenue from FMFC materially reduced our revenue in fiscal 2008.

Our prior contracts with another major client, Aviva provided Aviva Global, which was Aviva's business process offshoring subsidiary, options to require us to transfer the relevant projects and operations of our facilities at Sri Lanka and Pune, India to Aviva Global. On January 1, 2007, Aviva Global exercised its call option requiring us to transfer the Sri Lanka facility to Aviva Global effective July 2, 2007. Effective July 2, 2007, we transferred the Sri Lanka facility to Aviva Global and we lost the revenue generated by the Sri Lanka facility. For the period from April 1, 2007 through July 2, 2007, the Sri Lanka facility contributed \$2.0 million of revenue and in fiscal 2007, it accounted for 1.9% of our revenue and 3.0% of our revenue less repair payments. We may, in the future, enter into contracts with other clients with similar call options that may result in the loss of revenue that may have a material impact on our business, results of operations, financial condition and cash flows, particularly during the quarter in which the option takes effect.

We have, through our acquisition of Aviva Global in July 2008, resumed control of the Sri Lanka facility and we have continued to retain ownership of the Pune facility. Revenue from Aviva under the Aviva master services agreement accounts for a significant portion of our revenue and we expect our dependence on Aviva to continue for the foreseeable future. The Aviva master services agreement provides for a committed amount of volume. However, notwithstanding the minimum volume commitment, there are also termination at will provisions which permit Aviva to terminate the agreement without cause with 180 days' notice upon payment of a termination fee. These termination provisions dilute the impact of the minimum volume commitment.

In addition, the volume of work performed for specific clients is likely to vary from year to year, particularly since we may not be the exclusive outside service provider for our clients. Thus, a major client in one year may not provide the same level of revenue in any subsequent year. The loss of some or all of the business of any large client could have a material adverse effect on our business, results of operations, financial condition and cash flows. A number of factors other than our performance could cause the loss of or reduction in business or revenue from a client, and these factors are not predictable. For example, a client may demand price reductions, change its outsourcing strategy or move work in-house. A client may also be acquired by a company with a different outsourcing strategy that intends to switch to another business process outsourcing service provider or return work in-house.

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Our revenue is highly dependent on clients concentrated in a few industries, as well as clients located primarily in Europe and the US. Economic slowdowns or factors that affect these industries or the economic environment in Europe or the US could reduce our revenue and seriously harm our business.

A substantial portion of our clients are concentrated in the insurance industry and the travel and leisure industry. In fiscal 2012 and 2011, 44.7% and 60.1% of our revenue, respectively, and 33.6% and 33.4% of our revenue less repair payments, respectively, were derived from clients in the insurance industry. During the same periods, clients in the travel and leisure industry contributed 18.8% and 13.6% of our revenue, respectively, and 22.6% and 22.7% of our revenue less repair payments, respectively. Our business and growth largely depend on continued demand for our services from clients in these industries and other industries that we may target in the future, as well as on trends in these industries to outsource business processes. During the past several years, certain adverse financial developments have caused a significant slowdown in the growth of the European, US and international financial markets, accompanied by a significant reduction in consumer and business spending worldwide. While the world economy has grown since 2010, the European debt crisis and fears of a new recession have created additional uncertainty in the European and global economies. Certain of our targeted industries are especially vulnerable to crises in the financial and credit markets and potential economic downturns. A downturn in any of our targeted industries, particularly the insurance or travel and leisure industries, a slowdown or reversal of the trend to outsource business processes in any of these industries or the introduction of regulation which restricts or discourages companies from outsourcing could result in a decrease in the demand for our services and adversely affect our results of operations. For example, as a result of the mortgage market crisis, in August 2007, FMFC, a US mortgage services client, filed a voluntary petition for relief under Chapter 11 of the US Bankruptcy Code. FMFC was a major client of Trinity Partners Inc. which we acquired in November 2005 from the First Magnus Group and became one of our major clients. In fiscal 2008 and 2007, FMFC accounted for 1.0% and 4.3% of our revenue, respectively, and 1.4% and 6.8% of our revenue less repair payments, respectively.

Further, the downturn in worldwide economic and business conditions has resulted in a few of our clients reducing or postponing their outsourced business requirements, which in turn has decreased the demand for our services and adversely affected our results of operations. In particular, our revenue is highly dependent on the economic environments in Europe and the US, which continue to show signs of economic weakness, such as relatively high levels of unemployment. In fiscal 2012 and 2011, 61.2% and 60.9% of our revenue, respectively, and 53.4% and 54.0% of our revenue less repair payments, respectively, were derived from clients located in the UK. During the same periods, 30.5% and 22.2% of our revenue, respectively, and 36.6% and 37.0% of our revenue less repair payments, respectively, were derived from clients located in North America (primarily the US). Further, during the same periods, 5.6% and 15.9% of our revenue, respectively, and 6.7% and 7.2% of our revenue less repair payments, respectively, were derived from clients in the rest of Europe. Any further weakening of the European or US economy will likely have a further adverse impact on our revenue.

Other developments may also lead to a decline in the demand for our services in these industries. Significant changes in the financial services industry or any of the other industries on which we focus, or a consolidation in any of these industries or acquisitions, particularly involving our clients, may decrease the potential number of buyers of our services. Any significant reduction in or the elimination of the use of the services we provide within any of these industries would result in reduced revenue and harm our business. Our clients may experience rapid changes in their prospects, substantial price competition and pressure on their profitability. Although such pressures can encourage outsourcing as a cost reduction measure, they may also result in increasing pressure on us from clients in these key industries to lower our prices which could negatively affect our business, results of operations, financial condition and cash flows.

We may fail to attract and retain enough sufficiently trained employees to support our operations, as competition for highly skilled personnel is significant and we experience significant employee attrition. These factors could have a material adverse effect on our business, results of operations, financial condition and cash flows.

The business process outsourcing industry relies on large numbers of skilled employees, and our success depends to a significant extent on our ability to attract, hire, train and retain qualified employees. The business process outsourcing industry, including our company, experiences high employee attrition. During fiscal 2012, 2011 and 2010, the attrition rate for our employees who have completed six months of employment with us was 38%, 43% and 32%, respectively. While our attrition rate for our employees who have completed six months of employment with us improved to 38% in fiscal 2012, we cannot assure you that our attrition rate will not increase. There is significant competition in the jurisdictions where our operation centers are located, including India, the Philippines and Sri Lanka, for professionals with the skills necessary to perform the services we offer to our clients. Increased competition for these professionals, in the business process outsourcing industry or otherwise, could have an adverse effect on us. A significant increase in the attrition rate among employees with specialized skills could decrease our operating efficiency and productivity and could lead to a decline in demand for our services.

In addition, our ability to maintain and renew existing engagements and obtain new business will depend largely on our ability to attract, train and retain personnel with skills that enable us to keep pace with growing demands for outsourcing, evolving industry standards and changing client preferences. Our failure either to attract, train and retain personnel with the qualifications necessary to fulfill the needs of our existing and future clients or to assimilate new employees successfully could have a material adverse effect on our business, results of operations, financial

condition and cash flows.

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If we fail to maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results or prevent or detect fraud. As a result, current and potential investors could lose confidence in our financial reporting, which could harm our business and have an adverse effect on our ADS price.

Effective internal control over financial reporting is necessary for us to provide reliable financial reports. The effective internal controls together with adequate disclosure controls and procedures are designed to prevent or detect fraud. Deficiencies in our internal controls may adversely affect our management's ability to record, process, summarize, and report financial data on a timely basis. As a public company, we are required by Section 404 of the Sarbanes-Oxley Act of 2002 to include a report of management's assessment on our internal control over financial reporting and an auditor's attestation report on our internal control over financial reporting in our annual report on Form 20-F.

Based on its evaluation, management had concluded that as at March 31, 2010, our company's disclosure controls and procedures and internal control over financial reporting were not effective due to a material weakness identified in the design and operating effectiveness of our controls over the recognition and accrual of repair payments to garages and the related fees in our WNS Auto Claims BPO segment. In fiscal 2011, we implemented remediation measures to address the material weakness. Although management concluded that our company's disclosure controls and procedures and internal control over financial reporting were effective as at March 31, 2012 and 2011, it is possible that, in the future, material weaknesses could be identified in our internal controls over financial reporting and we could be required to further implement remedial measures. If we fail to maintain effective disclosure controls and procedures or internal control over financial reporting, we could lose investor confidence in the accuracy and completeness of our financial reports, which could have a material adverse effect on our ADS price.

Any changes in accounting standards can be difficult to predict and can materially impact how we report our financial results.

We have adopted IFRS, as issued by the IASB, with effect from April 1, 2011. From time to time, the IASB changes its standards that govern the preparation of our financial statements. For example, the IASB has proposed amendments to its standards that govern hedge accounting, and these amendments, if adopted as proposed, would significantly change the way option contracts are accounted for. There is no assurance that the amendments will be adopted as proposed or at all or on the timing of any such amendments. Changes in accounting standards are difficult to anticipate and can significantly impact our reported financial condition and the results of our operations.

We may be unable to effectively manage our rapid growth and maintain effective internal controls, which could have a material adverse effect on our operations, results of operations and financial condition.

Since we were founded in April 1996, and especially since Warburg Pincus & Co. acquired a controlling stake in our company in May 2002, we have experienced rapid growth and significantly expanded our operations. Our employees have increased to 23,874 as at March 31, 2012 from 15,084 as at March 31, 2007. In January 2008, we established a new delivery center in Romania, which we expanded in fiscal 2011. Our subsidiary, WNS Philippines Inc., established a delivery center in the Philippines in April 2008, which it expanded in fiscal 2010. Additionally, in fiscal 2010, we established a new delivery center in Costa Rica and streamlined our operations by consolidating our production capacities in various delivery centers in Bangalore, Mumbai and Pune. We now have delivery centers in seven locations in Costa Rica, India, the Philippines, Romania, Sri Lanka, the UK and the US. In March 2012, we entered into a letter of intent for leasing a premise for the establishment of a delivery center in South Carolina, which we expect to be operational by June 2012. Further, in February 2011, we received in-principal approval for the allotment of a piece of land on lease for a term of 99 years, measuring 5 acres in Tiruchirapalli Navalpattu, special economic zone, or SEZ, in the state of Tamil Nadu, India from Electronics Corporation of Tamil Nadu Limited (ELCOT) for setting up delivery centers in future. We intend to expand our global delivery capability, and we are exploring plans to do so in areas such as the US, Asia Pacific, Latin America and Africa.

We have also completed numerous acquisitions. For example, in July 2008, we entered into a transaction with Aviva consisting of (1) a share sale and purchase agreement pursuant to which we acquired from Aviva all the shares of Aviva Global and (2) a master services agreement with Aviva MS pursuant to which we are providing BPO services to Aviva's UK business and Aviva's Irish subsidiary, Hibernian Aviva Direct Limited, and certain of its affiliates. Aviva Global was the business process offshoring subsidiary of Aviva. Through our acquisition of Aviva Global, we also added three facilities in Bangalore, Chennai and Sri Lanka in July 2008, and one facility in Pune in August 2008.

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This rapid growth places significant demands on our management and operational resources. In order to manage growth effectively, we must implement and improve operational systems, procedures and internal controls on a timely basis. If we fail to implement these systems, procedures and controls on a timely basis, we may not be able to service our clients' needs, hire and retain new employees, pursue new business, complete future acquisitions or operate our business effectively. Failure to effectively transfer new client business to our delivery centers, properly budget transfer costs or accurately estimate operational costs associated with new contracts could result in delays in executing client contracts, trigger service level penalties or cause our profit margins not to meet our expectations or our historical profit margins. As a result of any of these problems associated with expansion, our business, results of operations, financial condition and cash flows could be materially and adversely affected.

We may face difficulties as we expand our operations to establish delivery centers in onshore locations in the US and offshore in countries in which we have limited or no prior operating experience.

We intend to continue to expand our global footprint in order to maintain an appropriate cost structure and meet our clients' delivery needs. We plan to establish additional onshore delivery centers in the US and offshore delivery centers in Africa, the Asia Pacific and Latin America, which may involve expanding into countries other than those in which we currently operate. In March 2012, we entered into a letter of intent for leasing a premise for the establishment of a delivery center in South Carolina. We have limited prior experience in operating onshore delivery centers in the US. Our expansion plans may also involve expanding into less developed countries, which may have less political, social or economic stability and less developed infrastructure and legal systems. As we expand our business into new countries we may encounter regulatory, personnel, technological and other difficulties that increase our expenses or delay our ability to start up our operations or become profitable in such countries. This may affect our relationships with our clients and could have an adverse effect on our business, results of operations, financial condition and cash flows.

We may not be successful in achieving the expected benefits from our transaction with Aviva in July 2008, which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

In July 2008, we entered into a transaction with Aviva consisting of (1) a share sale and purchase agreement pursuant to which we acquired all the shares of Aviva Global and (2) the Aviva master services agreement pursuant to which we are providing BPO services to Aviva's UK business and Aviva's Irish subsidiary, Hibernian Aviva Direct Limited, and certain of its affiliates. We completed our acquisition of Aviva Global in July 2008. Aviva Global was the business process offshoring subsidiary of Aviva with facilities in Bangalore, India, and Colombo, Sri Lanka. In addition, through our acquisition of Aviva Global, we also acquired three facilities in Chennai, Bangalore and Sri Lanka in July 2008, and one facility in Pune in August 2008. The total consideration (including legal and professional fees) for this transaction with Aviva amounted to approximately \$249.0 million. We cannot assure you that we will be able to grow our revenue, expand our service offerings and market share, or achieve the accretive benefits that we expected from our acquisition of Aviva Global and the Aviva master services agreement.

Our loan agreements impose operating and financial restrictions on us and our subsidiaries.

Our loan agreements contain a number of covenants and other provisions that, among other things, impose operating and financial restrictions on us and our subsidiaries. These restrictions could put a strain on our financial position. For example:

they may increase our vulnerability to general adverse economic and industry conditions;

they may require us to dedicate a substantial portion of our cash flow from operations to payments on our loans, thereby reducing the availability of our cash flow to fund capital expenditure, working capital and other general corporate purposes;

they may require us to seek lenders' consent prior to paying dividends on our ordinary shares;

they may limit our ability to incur additional borrowings or raise additional financing through equity or debt instruments;

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they impose certain financial covenants on us that we may not be able to meet, which may cause the lenders to accelerate the repayment of the balance loan outstanding; and

a reduction in revenue from our top 10 clients by revenue by a specified amount or a change of control and a loss of 10% of our clients by revenue may also constitute an event of default under certain of our loan agreements.

Further, the restrictions contained in our loan agreements could limit our ability to plan for or react to market conditions, meet capital needs or make acquisitions or otherwise restrict our activities or business plans. Our ability to comply with the covenants of our loan agreements may be affected by events beyond our control, and any material deviations from our forecasts could require us to seek waivers or amendments of covenants or alternative sources of financing or to reduce expenditures. We cannot assure you that such waivers, amendments or alternative financing could be obtained, or if obtained, would be on terms acceptable to us.

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To service our indebtedness and other potential liquidity requirements, we will require a significant amount of cash. Our ability to generate cash depends on many factors beyond our control and we may need to access the credit market to meet our liquidity requirements.

Our ability to make payments on our loans and to fund planned capital expenditures will depend on our ability to generate cash in the future. This, to a large extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. Furthermore, given that the uncertainty over global economic conditions remains, there can be no assurance that our business activity will be maintained at our expected level to generate the anticipated cash flows from operations or that our credit facilities would be available or sufficient. If global economic uncertainties continue, we may experience a decrease in demand for our services, resulting in our cash flows from operations being lower than anticipated. This may in turn result in our need to obtain additional financing.

If we cannot service our loan agreements, we may have to take actions such as seeking additional equity or reducing or delaying capital expenditures, strategic acquisitions and investments. We cannot assure you that any such actions, if necessary, could be effected on commercially reasonable terms or at all.

The international nature of our business exposes us to several risks, such as significant currency fluctuations and unexpected changes in the regulatory requirements of multiple jurisdictions.

We have operations in Costa Rica, India, the Philippines, Romania, Sri Lanka, the UK and the US, and we service clients across Asia, Europe, and North America. Our corporate structure also spans multiple jurisdictions, with our parent holding company incorporated in Jersey, Channel Islands, and intermediate and operating subsidiaries incorporated in Australia, China, Costa Rica, India, Mauritius, the Netherlands, the Philippines, Romania, Singapore, Sri Lanka, the United Arab Emirates, the UK and the US. As a result, we are exposed to risks typically associated with conducting business internationally, many of which are beyond our control. These risks include:

significant currency fluctuations between the US dollar and the pound sterling (in which our revenue is principally denominated) and the Indian rupee (in which a significant portion of our costs are denominated);

legal uncertainty owing to the overlap of different legal regimes, and problems in asserting contractual or other rights across international borders;

potentially adverse tax consequences, such as scrutiny of transfer pricing arrangements by authorities in the countries in which we operate;

potential tariffs and other trade barriers;

unexpected changes in regulatory requirements;

the burden and expense of complying with the laws and regulations of various jurisdictions; and

terrorist attacks and other acts of violence or war.

The occurrence of any of these events could have a material adverse effect on our results of operations and financial condition.

Currency fluctuations among the Indian rupee, the pound sterling and the US dollar could have a material adverse effect on our results of operations.

Although substantially all of our revenue is denominated in pound sterling or US dollars, a significant portion of our expenses (other than payments to repair centers, which are primarily denominated in pound sterling) are incurred and paid in Indian rupees. We report our financial results in US dollars and our results of operations would be adversely affected if the Indian rupee appreciates against the US dollar or the pound

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sterling depreciates against the US dollar. The exchange rates between the Indian rupee and the US dollar and between the pound sterling and the US dollar have changed substantially in recent years and may fluctuate substantially in the future.

The average Indian rupee/US dollar exchange rate was approximately 47.93 per \$1.00 in fiscal 2012, which represented a depreciation of the Indian rupee of 5.2% as compared with the average exchange rate of approximately 45.57 per \$1.00 in fiscal 2011, which in turn represented an appreciation of the Indian rupee of 4.0% as compared with the average exchange rate of approximately 47.46 per \$1.00 in fiscal 2010. The average pound sterling/US dollar exchange rate was approximately £0.63 per \$1.00 in fiscal 2012, which represented an appreciation of the pound sterling of 2.5% as compared with the average exchange rate of approximately £0.64 per \$1.00 in fiscal 2011, which in turn represented a depreciation of the pound sterling of 2.6% as compared with the average exchange rate of approximately £0.63 per \$1.00 in fiscal 2010.

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Our results of operations may be adversely affected if the Indian rupee appreciates significantly against the pound sterling or the US dollar or if the pound sterling depreciates against the US dollar. We hedge a portion of our foreign currency exposures using options and forward contracts. We cannot assure you that our hedging strategy will be successful or will mitigate our exposure to currency risk.

Recent concerns over increases in car insurance premiums have led the UK competition authority to investigate referral fees, such as those paid to claims management companies and insurance companies, which could have a material adverse effect on our auto claims business.

A number of aspects of the motor insurance sector are currently being debated in the UK. The UK Office of Fair Trading, or the OFT, is investigating increases in car insurance premiums over the past two years and have identified credit hire replacement vehicle arrangements and third-party vehicle repair arrangements as two factors that may be driving up insurance premiums. The OFT's concerns relate to the practice of the payment of referral fees by accident management companies to claims management companies and insurance companies in the arrangements for the provision of credit hire replacement vehicles and third-party vehicle repairs, which it suspects has inflated the cost of insurance claims. If the OFT's concerns persist after its investigation, it has the power to refer the matter to the UK Competition Commission for a more detailed investigation. The UK Competition Commission has the power to impose remedies or recommend legislative changes that could include a ban on the payment of referral fees. A ban on such fees would likely have a material adverse effect on the business of clients that are dependent on referral fees. In turn, this would likely result in a loss of all or a significant portion of the claims handling and accident management services that we provide these clients. One of our largest auto claims clients by revenue contribution in fiscal 2012 that generates significant revenues through referral fees has terminated its contract with us with effect from April 18, 2012. This client accounted for 10.4% and 7.5% of our revenue and 1.3% and 1.9% of our revenue less repair payments in fiscal 2012 and 2011, respectively. We may lose some or all of the business from other clients that may be adversely affected by a ban on referral fees.

Our business may not develop in ways that we currently anticipate due to negative public reaction to offshore outsourcing, proposed legislation or otherwise.

We have based our strategy of future growth on certain assumptions regarding our industry, services and future demand in the market for such services. However, the trend to outsource business processes may not continue and could reverse. Offshore outsourcing is a politically sensitive topic in the UK, the US and elsewhere. For example, many organizations and public figures in the UK and the US have publicly expressed concern about a perceived association between offshore outsourcing providers and the loss of jobs in their home countries.

Such concerns have led to proposed measures in the US that are aimed at limiting or restricting outsourcing. There is also legislation that has been enacted or is pending at the state level in the US, with regard to limiting outsourcing. The measures that have been enacted to date are generally directed at restricting the ability of government agencies to outsource work to offshore business service providers. These measures have not had a significant effect on our business because governmental agencies are not a focus of our operations. However, some legislative proposals would, for example, require call centers to disclose their geographic locations, require notice to individuals whose personal information is disclosed to non-US affiliates or subcontractors, require disclosures of companies' foreign outsourcing practices, or restrict US private sector companies that have federal government contracts, federal grants or guaranteed loan programs from outsourcing their services to offshore service providers. Such legislation could have an adverse impact on the economics of outsourcing for private companies in the US, which could in turn have an adverse impact on our business with US clients.

Such concerns have also led the UK and other European Union, or EU, jurisdictions to enact regulations which allow employees who are dismissed as a result of transfer of services, which may include outsourcing to non-UK or EU companies, to seek compensation either from the company from which they were dismissed or from the company to which the work was transferred. This could discourage EU companies from outsourcing work offshore and/or could result in increased operating costs for us.

In addition, there has been publicity about the negative experiences, such as theft and misappropriation of sensitive client data, of various companies that use offshore outsourcing, particularly in India.

Current or prospective clients may elect to perform such services themselves or may be discouraged from transferring these services from onshore to offshore providers to avoid negative perceptions that may be associated with using an offshore provider. Any slowdown or reversal of existing industry trends towards offshore outsourcing would seriously harm our ability to compete effectively with competitors that operate out of facilities located in the UK or the US.

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Our executive and senior management team and other key team members in our business units are critical to our continued success and the loss of such personnel could harm our business.

Our future success substantially depends on the performance of the members of our executive and senior management team and other key team members in each of our business units. These personnel possess technical and business capabilities including domain expertise that are difficult to replace. There is intense competition for experienced senior management and personnel with technical and industry expertise in the business process outsourcing industry, and we may not be able to retain our key personnel due to various reasons, including the compensation philosophy followed by our company as described in Part I Item 6. Directors, Senior Management and Employees Compensation. Although we have entered into employment contracts with our executive officers, certain terms of those agreements may not be enforceable and in any event these agreements do not ensure the continued service of these executive officers. In the event of a loss of any key personnel, there is no assurance that we will be able to find suitable replacements for our key personnel within a reasonable time. The loss of key members of our senior management or other key team members, particularly to competitors, could have a material adverse effect on our business, results of operations, financial condition and cash flows. A loss of several members of our senior management at the same time or within a short period may lead to a disruption in the business of our company, which could materially adversely affect our performance.

Wage increases may prevent us from sustaining our competitive advantage and may reduce our profit margin.

Salaries and related benefits of our operations staff and other employees in India are among our most significant costs. Wage costs in India have historically been significantly lower than wage costs in the US and Europe for comparably skilled professionals, which has been one of our competitive advantages. However, rapid economic growth in India, increased demand for business process outsourcing to India, and increased competition for skilled employees in India may reduce this competitive advantage. In addition, if the US dollar or the pound sterling declines in value against the Indian rupee, wages in the US or the UK will further decrease relative to wages in India, which may further reduce our competitive advantage. We may need to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting the quantity and quality of employees that our business requires. Wage increases may reduce our profit margins and have a material adverse effect on our financial condition and cash flows.

Further, following our acquisitions of Aviva Global, Business Applications Associates Limited, or BizAps, and Chang Limited, our operations in the UK have expanded and our wage costs for employees located in the UK now represent a larger proportion of our total wage costs. Wage increases in the UK may therefore also reduce our profit margins and have a material adverse effect on our financial condition and cash flows.

Our operating results may differ from period to period, which may make it difficult for us to prepare accurate internal financial forecasts and respond in a timely manner to offset such period to period fluctuations.

Our operating results may differ significantly from period to period due to factors such as client losses, variations in the volume of business from clients resulting from changes in our clients' operations, the business decisions of our clients regarding the use of our services, delays or difficulties in expanding our operational facilities and infrastructure, changes to our pricing structure or that of our competitors, inaccurate estimates of resources and time required to complete ongoing projects, currency fluctuations and seasonal changes in the operations of our clients. For example, our clients in the travel and leisure industry experience seasonal changes in their operations in connection with the US summer holiday season, as well as episodic factors such as adverse weather conditions. Transaction volumes can be impacted by market conditions affecting the travel and insurance industries, including natural disasters, outbreak of infectious diseases or other serious public health concerns in Asia or elsewhere (such as the outbreak of the Influenza A (H1N1) virus in various parts of the world) and terrorist attacks. In addition, our contracts do not generally commit our clients to providing us with a specific volume of business.

In addition, the long sales cycle for our services, which typically ranges from three to 12 months, and the internal budget and approval processes of our prospective clients make it difficult to predict the timing of new client engagements. Commencement of work and ramping up of volume of work with certain new and existing clients have been slower than we had expected. Revenue is recognized upon actual provision of services and when the criteria for recognition are achieved. Accordingly, the financial benefit of gaining a new client may be delayed due to delays in the implementation of our services. These factors may make it difficult for us to prepare accurate internal financial forecasts or replace anticipated revenue that we do not receive as a result of those delays. Due to the above factors, it is possible that in some future quarters our operating results may be significantly below the expectations of the public market, analysts and investors.

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Employee strikes and other labor-related disruptions may adversely affect our operations.

Our business depends on a large number of employees executing client operations. Strikes or labor disputes with our employees at our delivery centers may adversely affect our ability to conduct business. Our employees are not unionized, although they may in the future form unions. We cannot assure you that there will not be any strike, lock out or material labor dispute in the future. Work interruptions or stoppages could have a material adverse effect on our business, results of operations, financial condition and cash flows.

Failure to adhere to the regulations that govern our business could result in us being unable to effectively perform our services. Failure to adhere to regulations that govern our clients' businesses could result in breaches of contract with our clients.

Our clients' business operations are subject to certain rules and regulations such as the Gramm-Leach-Bliley Act, the Health Insurance Portability and Accountability Act and Health Information Technology for Economic and Clinical Health Act in the US and the Financial Services Act in the UK. Our clients may contractually require that we perform our services in a manner that would enable them to comply with such rules and regulations. Failure to perform our services in such a manner could result in breaches of contract with our clients and, in some limited circumstances, civil fines and criminal penalties for us. In addition, we are required under various Indian laws to obtain and maintain permits and licenses for the conduct of our business. If we fail to comply with any applicable rules or regulations, or if we do not maintain our licenses or other qualifications to provide our services, we may not be able to provide services to existing clients or be able to attract new clients and could lose revenue, which could have a material adverse effect on our business.

Our clients may terminate contracts before completion or choose not to renew contracts which could adversely affect our business and reduce our revenue.

The terms of our client contracts typically range from three to eight years. Many of our client contracts can be terminated by our clients with or without cause, with three to six months' notice and, in most cases, without penalty. The termination of a substantial percentage of these contracts could adversely affect our business and reduce our revenue. Contracts that will expire on or before March 31, 2013 (including work orders/statements of works that will expire on or before March 31, 2013 although the related master services agreement has been renewed) represented approximately 12.5% of our revenue and 15.1% of our revenue less repair payments from our clients in fiscal 2012. Failure to meet contractual requirements could result in cancellation or non-renewal of a contract. Some of our contracts may be terminated by the client if certain of our key personnel working on the client project leave our employment and we are unable to find suitable replacements. In addition, a contract termination or significant reduction in work assigned to us by a major client could cause us to experience a higher than expected number of unassigned employees, which would increase our cost of revenue as a percentage of revenue until we are able to reduce or reallocate our headcount. We may not be able to replace any client that elects to terminate or not renew its contract with us, which would adversely affect our business and revenue. For example, one of our largest auto claims clients by revenue contribution in fiscal 2012 has terminated its contract with us with effect from April 18, 2012. This client accounted for 10.4% and 7.5% of our revenue and 1.3% and 1.9% of our revenue less repair payments in fiscal 2012 and 2011, respectively. For more information, see [Recent concerns over increases in car insurance premiums have led the UK competition authority to investigate referral fees, such as those paid to claims management companies and insurance companies, which could have a material adverse effect on our auto claims business.](#)

Some of our client contracts contain provisions which, if triggered, could result in lower future revenue and have an adverse effect on our business.

In many of our client contracts, we agree to include certain provisions which provide for downward revision of our prices under certain circumstances. For example, certain contracts allow a client in certain limited circumstances to request a benchmark study comparing our pricing and performance with that of an agreed list of other service providers for comparable services. Based on the results of the study and depending on the reasons for any unfavorable variance, we may be required to make improvements in the service we provide or to reduce the pricing for services to be performed under the remaining term of the contract. Some of our contracts also provide that, during the term of the contract and for a certain period thereafter ranging from six to twelve months, we may not provide similar services to certain or any of their competitors using the same personnel. These restrictions may hamper our ability to compete for and provide services to other clients in the same industry, which may result in lower future revenue and profitability.

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Some of our contracts specify that if a change in control of our company occurs during the term of the contract, the client has the right to terminate the contract. These provisions may result in our contracts being terminated if there is such a change in control, resulting in a potential loss of revenue. Some of our client contracts also contain provisions that would require us to pay penalties to our clients if we do not meet pre-agreed service level requirements. Failure to meet these requirements could result in the payment of significant penalties by us to our clients which in turn could have an adverse effect on our business, results of operations, financial condition and cash flows.

If our pricing structures do not accurately anticipate the cost and complexity of performing our work, our profitability may be negatively affected.

The terms of our client contracts typically range from three to eight years. In many of our contracts, we commit to long-term pricing with our clients, and we negotiate pricing terms with our clients utilizing a range of pricing structures and conditions. Depending on the particular contract, these include input-based pricing (such as full-time equivalent-based pricing arrangements), fixed-price arrangements, output-based pricing (such as transaction-based pricing), outcome-based pricing, and contracts with features of all these pricing models. Our pricing is highly dependent on our internal forecasts and predictions about our projects and the marketplace, which are largely based on limited data and could turn out to be inaccurate. If we do not accurately estimate the costs and timing for completing projects, our contracts could prove unprofitable for us or yield lower profit margins than anticipated. Some of our client contracts do not allow us to terminate the contracts except in the case of non-payment by our client. If any contract turns out to be economically non-viable for us, we may still be liable to continue to provide services under the contract.

We intend to focus on increasing our service offerings that are based on non-linear pricing models (such as fixed-price and outcome-based pricing models) that allow us to price our services based on the value we deliver to our clients rather than the headcount deployed to deliver the services to them. Non-linear revenues may be subject to short term pressure on margins as initiatives in developing the products and services take time to deliver. The risk of entering into non-linear pricing arrangements is that if we fail to properly estimate the appropriate pricing for a project, we may incur lower profits or losses as a result of being unable to execute projects with the amount of labor we expected or at a margin sufficient to recover our initial investments in our solutions. While non-linear pricing models are expected to result in higher revenue productivity per employee and improved margins, they also mean that we bear the risk of cost overruns, wage inflation, fluctuations in currency exchange rates and failure to achieve clients' business objectives in connection with these projects. Although we use our internally developed methodologies and processes and past project experience to reduce the risks associated with estimating, planning and performing transaction-based pricing, fixed-price and outcome-based pricing projects, if we fail to estimate accurately the resources required for a project, future wage inflation rates or currency exchange rates, or if we fail to meet defined performance goals or objectives, our profitability may suffer.

We have recently entered into a subcontracting arrangement for the delivery of services in South Africa. We could face greater risk when pricing our outsourcing contracts, as our outsourcing projects typically entail the coordination of operations and workforces with our subcontractor, and utilizing workforces with different skill sets and competencies. Furthermore, when outsourcing work we assume responsibility for our subcontractors' performance. Our pricing, cost and profit margin estimates on outsourced work may include anticipated long-term cost savings from transformational and other initiatives that we expect to achieve and sustain over the life of the outsourcing contract. There is a risk that we will under price our contracts, fail to accurately estimate the costs of performing the work or fail to accurately assess the risks associated with potential contracts. In particular, any increased or unexpected costs, delays or failures to achieve anticipated cost savings, or unexpected risks we encounter in connection with the performance of this work, including those caused by factors outside our control, could make these contracts less profitable or unprofitable, which could have an adverse effect on our profit margin.

Our profitability will suffer if we are not able to maintain our pricing and asset utilization levels and control our costs.

Our profit margin, and therefore our profitability, is largely a function of our asset utilization and the rates we are able to recover for our services. An important component of our asset utilization is our seat utilization rate, which is the average number of work shifts per day, out of a maximum of three, for which we are able to utilize our work stations, or seats. During fiscal 2012, we made significant investments to increase our number of seats by establishing additional delivery centers or expanding production capacities in our existing delivery centers. If we are not able to maintain the pricing for our services or an appropriate seat utilization rate, without corresponding cost reductions, our profitability will suffer. The rates we are able to recover for our services are affected by a number of factors, including our clients' perceptions of our ability to add value through our services, competition, introduction of new services or products by us or our competitors, our ability to accurately estimate, attain and sustain revenue from client contracts, margins and cash flows over increasingly longer contract periods and general economic and political conditions.

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Our profitability is also a function of our ability to control our costs and improve our efficiency. As we increase the number of our employees and execute our strategies for growth, we may not be able to manage the significantly larger and more geographically diverse workforce that may result, which could adversely affect our ability to control our costs or improve our efficiency. Further, because there is no certainty that our business will ramp up at the rate that we anticipate, we may incur expenses for the increased capacity for a significant period of time without a corresponding growth in our revenues. Commencement of work and ramping up of volume of work with certain new and existing clients have been slower than we had expected. If our revenue does not grow at our expected rate, we may not be able to maintain or improve our profitability.

We face competition from onshore and offshore business process outsourcing companies and from information technology companies that also offer business process outsourcing services. Our clients may also choose to run their business processes themselves, either in their home countries or through captive units located offshore.

The market for outsourcing services is very competitive and we expect competition to intensify and increase from a number of sources. We believe that the principal competitive factors in our markets are price, service quality, sales and marketing skills, and industry expertise. We face significant competition from our clients' own in-house groups including, in some cases, in-house departments operating offshore or captive units. Clients who currently outsource a significant proportion of their business processes or information technology services to vendors in India may, for various reasons, including diversifying geographic risk, seek to reduce their dependence on any one country. We also face competition from onshore and offshore business process outsourcing and information technology services companies. In addition, the trend toward offshore outsourcing, international expansion by foreign and domestic competitors and continuing technological changes will result in new and different competitors entering our markets. These competitors may include entrants from the communications, software and data networking industries or entrants in geographic locations with lower costs than those in which we operate.

Some of these existing and future competitors have greater financial, human and other resources, longer operating histories, greater technological expertise, more recognizable brand names and more established relationships in the industries that we currently serve or may serve in the future. In addition, some of our competitors may enter into strategic or commercial relationships among themselves or with larger, more established companies in order to increase their ability to address client needs, or enter into similar arrangements with potential clients. Increased competition, our inability to compete successfully against competitors, pricing pressures or loss of market share could result in reduced operating margins which could harm our business, results of operations, financial condition and cash flows.

We have incurred losses in the past. We may not be profitable in the future.

We incurred losses in each of the three fiscal years from fiscal 2003 through fiscal 2005. We expect our selling, general and administrative expenses to increase in future periods. If our revenue does not grow at a faster rate than these expected increases in our expenses, or if our operating expenses are higher than we anticipate, we may not be profitable and we may incur losses.

If we cause disruptions to our clients' businesses, provide inadequate service or are in breach of our representations or obligations, our clients may have claims for substantial damages against us. Our insurance coverage may be inadequate to cover these claims and, as a result, our profits may be substantially reduced.

Most of our contracts with clients contain service level and performance requirements, including requirements relating to the quality of our services and the timing and quality of responses to the client's customer inquiries. In some cases, the quality of services that we provide is measured by quality assurance ratings and surveys which are based in part on the results of direct monitoring by our clients of interactions between our employees and our client's customers. Failure to consistently meet service requirements of a client or errors made by our associates in the course of delivering services to our clients could disrupt the client's business and result in a reduction in revenue or a claim for substantial damages against us. For example, some of our agreements stipulate standards of service that, if not met by us, will result in lower payment to us. In addition, in connection with acquiring new business from a client or entering into client contracts, our employees may make various representations, including representations relating to the quality of our services, abilities of our associates and our project management techniques. A failure or inability to meet a contractual requirement or our representations could seriously damage our reputation and affect our ability to attract new business or result in a claim for substantial damages against us.

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Our dependence on our offshore delivery centers requires us to maintain active data and voice communications between our main delivery centers in Costa Rica, India, the Philippines, Romania, Sri Lanka, the UK and the US, our international technology hubs in the UK and the US and our clients' offices. Although we maintain redundant facilities and communications links, disruptions could result from, among other things, technical and electricity breakdowns, computer glitches and viruses and adverse weather conditions. Any significant failure of our equipment or systems, or any major disruption to basic infrastructure like power and telecommunications in the locations in which we operate, could impede our ability to provide services to our clients, have a negative impact on our reputation, cause us to lose clients, reduce our revenue and harm our business.

Under our contracts with our clients, our liability for breach of our obligations is generally limited to actual damages suffered by the client and capped at a portion of the fees paid or payable to us under the relevant contract. Although our contracts contain limitations on liability, such limitations may be unenforceable or otherwise may not protect us from liability for damages. In addition, certain liabilities, such as claims of third parties for which we may be required to indemnify our clients, are generally not limited under those agreements. Further, although we have professional indemnity insurance coverage, the coverage may not continue to be available on reasonable terms or in sufficient amounts to cover one or more large claims and our insurers may disclaim coverage as to any future claims. The successful assertion of one or more large claims against us that exceed available insurance coverage, or changes in our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have a material adverse effect on our business, reputation, results of operations, financial condition and cash flows.

We are liable to our clients for damages caused by unauthorized disclosure of sensitive and confidential information, whether through a breach of our computer systems, through our employees or otherwise.

We are typically required to manage, utilize and store sensitive or confidential client data in connection with the services we provide. Under the terms of our client contracts, we are required to keep such information strictly confidential. Our client contracts do not include any limitation on our liability to them with respect to breaches of our obligation to maintain confidentiality on the information we receive from them. We seek to implement measures to protect sensitive and confidential client data and have not experienced any material breach of confidentiality to date. However, if any person, including any of our employees, penetrates our network security or otherwise mismanages or misappropriates sensitive or confidential client data, we could be subject to significant liability and lawsuits from our clients or their customers for breaching contractual confidentiality provisions or privacy laws. Although we have insurance coverage for mismanagement or misappropriation of such information by our employees, that coverage may not continue to be available on reasonable terms or in sufficient amounts to cover one or more large claims against us and our insurers may disclaim coverage as to any future claims. Penetration of the network security of our data centers could have a negative impact on our reputation which would harm our business.

We may not succeed in identifying suitable acquisition targets or integrating any acquired business into our operations, which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

Our growth strategy involves gaining new clients and expanding our service offerings, both organically and through strategic acquisitions. Historically, we have expanded some of our service offerings and gained new clients through strategic acquisitions. For example, we acquired Aviva Global in July 2008, BizAps in June 2008, Chang Limited in April 2008, and Flovate Technologies Limited, or Flovate (which we subsequently renamed as WNS Workflow Technologies Limited), in June 2007. In March 2008, we entered into a joint venture with Advanced Contact Solutions, Inc., or ACS, a provider in BPO services and customer care in the Philippines, to form WNS Philippines Inc. In November 2011, we acquired ACS's shareholding in WNS Philippines Inc. and increased our share ownership from 65% to 100%. It is possible that in the future we may not succeed in identifying suitable acquisition targets available for sale or investments on reasonable terms, have access to the capital required to finance potential acquisitions or investments, or be able to consummate any acquisition or investments. The inability to identify suitable acquisition targets or investments or the inability to complete such transactions may affect our competitiveness and our growth prospects. In addition, our management may not be able to successfully integrate any acquired business into our operations or benefit from any joint ventures that we enter into, and any acquisition we do complete or any joint venture we do enter into may not result in long-term benefits to us. For example, if we acquire a company, we could experience difficulties in assimilating that company's personnel, operations, technology and software, or the key personnel of the acquired company may decide not to work for us. The lack of profitability of any of our acquisitions or joint ventures could have a material adverse effect on our operating results. Future acquisitions or joint ventures may also result in the incurrence of indebtedness or the issuance of additional equity securities, which may present difficulties in financing the acquisition or joint venture on attractive terms. Further, we may receive claims or demands by the sellers of the entities acquired by us on the indemnities that we have provided to them for losses or damages arising from any breach of contract by us. Conversely, while we may be able to claim against the sellers on their indemnities to us for breach of contract or breach of the representations and warranties given by the sellers in respect of the entities acquired by us, there can be no assurance that our claims will succeed, or if they do, that we will be able to successfully enforce our claims against the sellers at a reasonable cost. Acquisitions and joint ventures also typically involve a number of other risks, including diversion of management's attention, legal liabilities and the need to amortize acquired intangible assets, any of which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

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We recorded a significant impairment charge to our earnings in fiscal 2008 and may be required to record another significant charge to earnings in the future when we review our goodwill, intangible or other assets for potential impairment.

As at March 31, 2012, we had goodwill and intangible assets of approximately \$86.7 million and \$115.1 million, respectively, which primarily resulted from the purchases of Aviva Global, BizAps, Chang Limited, Flovate, Marketics Technologies (India) Private Limited, or Marketics, Town & Country Assistance Limited (which we subsequently rebranded as WNS Assistance) and WNS Global. Of the \$115.1 million of intangible assets as at March 31, 2012, \$112.4 million pertain to our purchase of Aviva Global. Under IFRS, we are required to review our goodwill, intangibles or other assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. In addition, goodwill, intangible or other assets with indefinite lives are required to be tested for impairment at least annually. We performed an impairment review and recorded a significant impairment charge to our earnings in fiscal 2008 relating to Trinity Partners Inc. If, for example, the insurance industry experiences a significant decline in business and we determine that we will not be able to achieve the cash flows that we had expected from our acquisition of Aviva Global, we may have to record an impairment of all or a portion of the \$112.4 million of intangible assets relating to our purchase of Aviva Global. Although our impairment review of goodwill and intangible assets in fiscal 2012 and fiscal 2011 did not indicate any impairment, we may be required in the future to record a significant charge to earnings in our financial statements during the period in which any impairment of our goodwill or other intangible assets is determined. Such charges may have a significant adverse impact on our results of operations.

Our facilities are at risk of damage by natural disasters.

Our operational facilities and communication hubs may be damaged in natural disasters such as earthquakes, floods, heavy rains, tsunamis and cyclones. For example, during floods caused by typhoons in Manila, Philippines in September 2009, our delivery center was rendered inaccessible and our associates were not able to commute to the delivery center for a few days, thereby adversely impacting our provision of services to our clients. During the floods in Mumbai in July 2005, our operations were adversely affected as a result of the disruption of the city's public utility and transport services making it difficult for our associates to commute to our office. Such natural disasters may also lead to disruption to information systems and telephone service for sustained periods. Damage or destruction that interrupts our provision of outsourcing services could damage our relationships with our clients and may cause us to incur substantial additional expenses to repair or replace damaged equipment or facilities. We may also be liable to our clients for disruption in service resulting from such damage or destruction. While we currently have property damage insurance and business interruption insurance, our insurance coverage may not be sufficient. Furthermore, we may be unable to secure such insurance coverage at premiums acceptable to us in the future or secure such insurance coverage at all. Prolonged disruption of our services as a result of natural disasters would also entitle our clients to terminate their contracts with us.

Our largest shareholder, Warburg Pincus, is able to influence our corporate actions, and may also enter into transactions that may result in a change in control of our company. A change in control transaction may have a material adverse impact on our business

As at March 31, 2012, Warburg Pincus beneficially owned approximately 29.0% of our shares and is our largest shareholder with a nominee serving on our board of directors. As a result of its ownership position and board representation, Warburg Pincus has the ability to influence matters requiring shareholder and board approval including, without limitation, the election of directors, significant corporate transactions such as amalgamations and consolidations, changes in control of our company and sales of all or substantially all of our assets. The interests of Warburg Pincus may differ from the interests of other shareholders of our company.

Warburg Pincus may also seek to sell all or a substantial portion of its shareholding in our company, which may result in a change in control in our company. A change in control in our company together with a loss of more than 10% of our clients by revenue or a credit rating downgrade (or we do not approach a credit rating agency for a rating review within one month of the change in control) may also constitute an event of default under one or more of our loan agreements. Such an event could have a material adverse effect on our business, results of operations, financial condition and cash flows, as well as cause our ADS price to fall.

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We are incorporated in Jersey, Channel Islands and are subject to Jersey rules and regulations. If the tax benefits enjoyed by our company are withdrawn or changed, we may be liable for higher tax, thereby reducing our profitability.

As a company incorporated in Jersey, Channel Islands, we operate under the zero-ten business tax regime and are not currently required to pay taxes in Jersey. In the past, however, some members of the EU's Economic and Financial Affairs Council, or ECOFIN, Code of Conduct group have suggested that this tax regime may be outside the spirit of the EU Code of Conduct for Business Taxation, or the Code of Conduct. In light of this, Jersey conducted a review of business taxation in Jersey and announced on February 15, 2011 that the zero-ten regime will remain in place, but that the personal tax provisions known as deemed distribution and attribution rules would be abolished effective from January 1, 2012. In subsequent discussions, ECOFIN formally ratified the ECOFIN Code of Conduct's group's recommendations that Jersey had rolled back on the harmful elements of the zero-ten tax regime and that what now remains (the zero-ten tax rates) is compliant with the Code of Conduct.

Although we continue to enjoy the benefits of the zero-ten business tax regime, if Jersey tax laws change or the tax benefits we enjoy are otherwise withdrawn or changed, we may become liable for higher tax, thereby reducing our profitability.

Risks Related to Key Delivery Locations

A substantial portion of our assets and operations are located in India and we are subject to regulatory, economic, social and political uncertainties in India.

Our primary operating subsidiary, WNS Global, is incorporated in India, and a substantial portion of our assets and employees are located in India. We intend to continue to develop and expand our facilities in India. The Government of India, however, has exercised and continues to exercise significant influence over many aspects of the Indian economy. The Government of India has provided significant tax incentives and relaxed certain regulatory restrictions in order to encourage foreign investment in specified sectors of the economy, including the business process outsourcing industry. Those programs that have benefited us include tax holidays, liberalized import and export duties and preferential rules on foreign investment and repatriation. We cannot assure you that such liberalization policies will continue. The Government of India may also enact new tax legislation or amend the existing legislation that could impact the way we are taxed in the future. For more information, see

New tax legislation and the results of actions by taxing authorities may have an adverse effect on our operations and our overall tax rate. Various other factors, including a collapse of the present coalition government due to the withdrawal of support of coalition members or the formation of a new unstable government with limited support, could trigger significant changes in India's economic liberalization and deregulation policies and disrupt business and economic conditions in India generally and our business in particular. Our financial performance and the market price of our ADSs may be adversely affected by changes in inflation, exchange rates and controls, interest rates, Government of India policies (including taxation regulations and policies), social stability or other political, economic or diplomatic developments affecting India in the future.

India has witnessed communal clashes in the past. Although such clashes in India have, in the recent past, been sporadic and have been contained within reasonably short periods of time, any such civil disturbance in the future could result in disruptions in transportation or communication networks, as well as have adverse implications for general economic conditions in India. Such events could have a material adverse effect on our business, the value of our ADSs and your investment in our ADSs.

If the tax benefits and other incentives that we currently enjoy are reduced or withdrawn or not available for any other reason, our financial condition would be negatively affected.

We have benefitted from, and continue to benefit from, certain tax holidays and exemptions in various jurisdictions in which we have operations.

For example, in the past, the majority of our Indian operations were eligible to claim income-tax exemption with respect to profits earned from export revenue from operating units registered under the Software Technology Parks of India, or STPI. The benefit was available for a period of 10 years from the date of commencement of operations, but not beyond March 31, 2011. We had 13 delivery centers for fiscal 2011 eligible for the income tax exemption, which expired on April 1, 2011 for all of our delivery centers. We incurred minimal income tax expense on our Indian operations in fiscal 2011 as a result of this tax exemption, compared to approximately \$13.6 million that we would have incurred if the tax exemption had not been available for the period. Effective April 1, 2011, upon the expiration of this tax exemption, income derived from our operations in India became subject to the annual tax rate of 32.45%.

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Further, in 2005, the Government of India implemented the Special Economic Zones Act, 2005, or the SEZ legislation, with the effect that taxable income of new operations established in designated SEZs may be eligible for a 15-year tax holiday scheme consisting of a complete tax holiday for the initial five years and a partial tax holiday for the subsequent ten years, subject to the satisfaction of certain capital investment conditions. We have a delivery center located in Gurgaon, India registered under the SEZ scheme and eligible for a 50% income tax exemption from fiscal 2013 until fiscal 2022. During fiscal 2012, we also started operations in delivery centers in Pune, Navi Mumbai and Chennai, India registered under the SEZ scheme, through which we are eligible for a 100% income tax exemption until fiscal 2016 and a 50% income tax exemption from fiscal 2017 until fiscal 2026. The SEZ legislation has been criticized on economic grounds by the International Monetary Fund and the SEZ legislation may be challenged by certain non-governmental organizations. It is possible that, as a result of such political pressures, the procedure for obtaining benefits under the SEZ legislation may become more onerous, the types of land eligible for SEZ status may be further restricted or the SEZ legislation may be amended or repealed. Moreover, there is continuing uncertainty as to the governmental and regulatory approvals required to establish operations in the SEZs or to qualify for the tax benefit. This uncertainty may delay our establishment of operations in the SEZs. Further, since the adoption of the Indian Finance Act, 2007, we have become subject to minimum alternate tax, or MAT, and, since fiscal 2008, we have been required to pay additional taxes. The Government of India, pursuant to the Indian Finance Act, 2011, has levied MAT on the book profits earned by the SEZ units at the rate of 20.01%.

We have operations in Costa Rica and the Philippines which are also eligible for tax exemptions which expire in fiscal 2017 and fiscal 2013, respectively. Our operations in Sri Lanka are also eligible for tax exemptions. One of our Sri Lankan subsidiaries was eligible to claim income tax exemption with respect to profits earned from export revenue by our delivery center registered with the Board of Investment, Sri Lanka, or the BOI. We incurred minimal income tax expense on our Sri Lanka operations in fiscal 2011 as a result of the tax holiday, compared to approximately \$0.5 million that we would have incurred if the tax holiday had not been available for the period. This tax holiday expired in fiscal 2011, however, effective fiscal 2012, the Government of Sri Lanka has exempted the profits earned from export revenue from tax. This enables our Sri Lankan subsidiary to continue to claim tax exemption under the Sri Lankan Inland Revenue Act following the expiry of the tax holiday.

We incurred minimal income tax expense on our operations in the Philippines and Sri Lanka and in connection with our SEZ operations in India in fiscal 2012 as a result of the tax holidays described above, compared to approximately \$1.7 million that we would have incurred if the tax holidays had not been available for the period.

When any of our tax holidays expires or terminates, or if the applicable government withdraws or reduces the benefits of a tax holiday that we enjoy, our tax expense will materially increase and this increase will have a material impact on our results of operations.

The applicable tax authorities may also disallow deductions claimed by us and assess additional taxable income on us in connection with their review of our tax returns.

New tax legislation and the results of actions by taxing authorities may have an adverse effect on our operations and our overall tax rate.

The Government of India may enact new tax legislation that could impact the way we are taxed in the future. For example, the Direct Taxes Code Bill, which was tabled in the Indian Parliament in August 2010, is intended to replace the Indian Income Tax Act, 1961 and is proposed to come into effect in April 2013, if enacted. Under the Direct Taxes Code Bill, a non-Indian company with a place of effective management in India would be treated as a tax resident in India and would be consequently liable to tax in India on its global income. The Direct Taxes Code Bill, if enacted, also proposes to discontinue the existing profit based incentives for SEZ units operational after March 31, 2014 and replace them with investment based incentive for SEZ units operational after that date. The implications of the Direct Taxes Code, if enacted, on our operations are presently still unclear and may result in a material increase in our tax liability.

Further, in Finance Bill, 2012, the Government of India has clarified that, with retrospective effect from April 1, 1962, any income accruing or arising directly or indirectly through the transfer of capital assets situated in India will be taxable in India. If we enter into such transactions, they could be investigated by the Indian tax authorities, which could lead to the issuance of tax assessment orders and a material increase in our tax liability. However, in the past our company has obtained indemnity from the sellers of assets in such transactions against any such probable tax liabilities. The Finance Bill, 2012, also introduced the General Anti Avoidance Rule, or the GAAR effective April 1, 2012, which is intended to curb sophisticated tax avoidance. Under the GAAR, a business arrangement will be deemed an impermissible avoidance arrangement if the main purpose of the arrangement is to obtain a tax benefit. Although the full implications of the Finance Bill, 2012, are presently still unclear, if we are deemed to have violated any of its provisions, we may face an increase to our tax liability.

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The Government of India, the US or other jurisdictions where we have a presence could enact new tax legislation which would have a material adverse effect on our business, results of operations and financial condition. In addition, our ability to repatriate surplus earnings from our delivery centers in a tax-efficient manner is dependent upon interpretations of local laws, possible changes in such laws and the renegotiation of existing double tax avoidance treaties. Changes to any of these may adversely affect our overall tax rate, or the cost of our services to our clients, which would have a material adverse effect on our business, results of operations and financial condition.

We are subject to transfer pricing and other tax related regulations and any determination that we have failed to comply with them could materially adversely affect our profitability.

Transfer pricing regulations to which we are subject require that any international transaction among our company and its subsidiaries, or the WNS group enterprises, be on arm's-length terms. We believe that the international transactions among the WNS group enterprises are on arm's-length terms. If, however, the applicable tax authorities determine that the transactions among the WNS group enterprises do not meet arm's-length criteria, we may incur increased tax liability, including accrued interest and penalties. This would cause our tax expense to increase, possibly materially, thereby reducing our profitability and cash flows.

We may be required to pay additional taxes in connection with audits by the Indian tax authorities.

From time to time, we receive orders of assessment from the Indian tax authorities assessing additional taxable income on us and/or our subsidiaries in connection with their review of our tax returns. We currently have orders of assessment for fiscal 2003 through fiscal 2009 pending before various appellate authorities. These orders assess additional taxable income that could in the aggregate give rise to an estimated 1,878.6 million (\$36.9 million based on the exchange rate on March 31, 2012) in additional taxes, including interest of 667.2 million (\$13.1 million based on the exchange rate on March 31, 2012).

These orders of assessment allege that the transfer prices we applied to certain of the international transactions between WNS Global, one of our Indian subsidiaries, and our other wholly-owned subsidiaries were not on arm's length terms, disallow a tax holiday benefit claimed by us, deny the set off of brought forward business losses and unabsorbed depreciation and disallow certain expenses claimed as tax deductible by WNS Global. As at March 31, 2012, we have provided a tax reserve of 701.5 million (\$13.8 million based on the exchange rate on March 31, 2012) primarily on account of the Indian tax authorities' denying the set off of brought forward business losses and unabsorbed depreciation. For more details on these assessments, see Part I Item 5. Operating and Financial Review and Prospects Tax Assessment Orders.

In addition, we currently have orders of assessment pertaining to similar issues that have been decided in our favor by first level appellate authorities, vacating tax demands of 2,244.6 million (\$44.1 million based on the exchange rate on March 31, 2012) in additional taxes, including interest of 681.8 million (\$13.4 million based on the exchange rate on March 31, 2012). The income tax authorities have filed appeals against these orders.

In case of disputes, the Indian tax authorities may require us to deposit with them all or a portion of the disputed amounts pending resolution of the matters on appeal. Any amount paid by us as deposits will be refunded to us with interest if we succeed in our appeals. We have deposited a small portion of the disputed amount with the tax authorities and may be required to deposit the remaining portion of the disputed amount with the tax authorities pending final resolution of the respective matters.

After consultation with our Indian tax advisors and based on the facts of these cases, certain legal opinions from counsel, the nature of the tax authorities' disallowances and the orders from first level appellate authorities deciding similar issues in our favor in respect of assessment orders for earlier fiscal years, we believe these orders are unlikely to be sustained at the higher appellate authorities and we intend to vigorously dispute the orders of assessment.

In March 2009, we also received an assessment order from the Indian Service Tax Authority demanding payment of 346.2 million (\$6.8 million based on the exchange rate on March 31, 2012) of service tax and related penalty for the period from March 1, 2003 to January 31, 2005. The assessment order alleges that service tax is payable in India on BPO services provided by WNS Global to clients based abroad as the export proceeds are repatriated outside India by WNS Global. In April 2009, we filed an appeal to the appellate tribunal against the assessment order and the appeal is currently pending. Based on consultations with our Indian tax advisors, we believe this order of assessment is more likely than not to be upheld in our favor. We intend to continue to vigorously dispute the assessment.

No assurance can be given, however, that we will prevail in our tax disputes. If we do not prevail, payment of additional taxes, interest and penalties may adversely affect our results of operations, financial condition and cash flows. There can also be no assurance that we will not receive similar or additional orders of assessment in the future.

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Terrorist attacks and other acts of violence involving India or its neighboring countries could adversely affect our operations, resulting in a loss of client confidence and materially adversely affecting our business, results of operations, financial condition and cash flows.

Terrorist attacks and other acts of violence or war involving India or its neighboring countries may adversely affect worldwide financial markets and could potentially lead to economic recession, which could adversely affect our business, results of operations, financial condition and cash flows. South Asia has, from time to time, experienced instances of civil unrest and hostilities among neighboring countries, including India and Pakistan. In previous years, military confrontations between India and Pakistan have occurred in the region of Kashmir and along the India/Pakistan border. There have also been incidents in and near India such as the bombings of the Taj Mahal Hotel and Oberoi Hotel in Mumbai in 2008, a terrorist attack on the Indian Parliament, troop mobilizations along the India/Pakistan border and an aggravated geopolitical situation in the region. Such military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult. Resulting political tensions could create a greater perception that investments in Indian companies involve a high degree of risk. Such political tensions could similarly create a perception that there is a risk of disruption of services provided by India-based companies, which could have a material adverse effect on the market for our services. Furthermore, if India were to become engaged in armed hostilities, particularly hostilities that were protracted or involved the threat or use of nuclear weapons, we might not be able to continue our operations.

Restrictions on entry visas may affect our ability to compete for and provide services to clients in the US and the UK, which could have a material adverse effect on future revenue.

The vast majority of our employees are Indian nationals. The ability of some of our executives to work with and meet our European and North American clients and our clients from other countries depends on the ability of our senior managers and employees to obtain the necessary visas and entry permits. In response to previous terrorist attacks and global unrest, US and European immigration authorities have increased the level of scrutiny in granting visas. Immigration laws in those countries may also require us to meet certain other legal requirements as a condition to obtaining or maintaining entry visas. These restrictions have significantly lengthened the time requirements to obtain visas for our personnel, which has in the past resulted, and may continue to result, in delays in the ability of our personnel to meet with our clients. In addition, immigration laws are subject to legislative change and varying standards of application and enforcement due to political forces, economic conditions or other events, including terrorist attacks. We cannot predict the political or economic events that could affect immigration laws or any restrictive impact those events could have on obtaining or monitoring entry visas for our personnel. If we are unable to obtain the necessary visas for personnel who need to visit our clients' sites or, if such visas are delayed, we may not be able to provide services to our clients or to continue to provide services on a timely basis, which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

If more stringent labor laws become applicable to us, our profitability may be adversely affected.

India has stringent labor legislation that protects the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes financial obligations on employers upon retrenchment. Though we are exempt from a number of these labor laws at present, there can be no assurance that such laws will not become applicable to the business process outsourcing industry in India in the future. In addition, our employees may in the future form unions. If these labor laws become applicable to our workers or if our employees unionize, it may become difficult for us to maintain flexible human resource policies, discharge employees or downsize, and our profitability may be adversely affected.

Risks Related to our ADSs

Substantial future sales of our shares or ADSs in the public market could cause our ADS price to fall.

Sales by us or our shareholders of a substantial number of our ADSs in the public market, or the perception that these sales could occur, could cause the market price of our ADSs to decline. These sales, or the perception that these sales could occur, also might make it more difficult for us to sell securities in the future at a time or at a price that we deem appropriate or to pay for acquisitions using our equity securities. As at March 31, 2012, we had 50,078,881 ordinary shares outstanding, including 34,931,671 shares represented by 34,931,671 ADSs. In addition, as at March 31, 2012, a total of 3,960,024 ordinary shares or ADSs are issuable upon the exercise or vesting of options and restricted share units, or RSUs, outstanding under our 2002 Stock Incentive Plan and our Second Amended and Restated 2006 Incentive Award Plan. All ADSs are freely transferable, except that ADSs owned by our affiliates, including Warburg Pincus, may only be sold in the US if they are registered or qualify for an exemption from registration, including pursuant to Rule 144 under the Securities Act of 1933, as amended, or the Securities Act. The remaining ordinary shares outstanding may also only be sold in the US if they are registered or qualify for an exemption from registration, including pursuant to Rule 144 under the Securities Act.

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The market price for our ADSs may be volatile.

The market price for our ADSs is likely to be highly volatile and subject to wide fluctuations in response to factors including the following:

announcements of technological developments;

regulatory developments in our target markets affecting us, our clients or our competitors;

actual or anticipated fluctuations in our operating results;

changes in financial estimates by securities research analysts;

changes in the economic performance or market valuations of other companies engaged in business process outsourcing;

addition or loss of executive officers or key employees;

sales or expected sales of additional shares or ADSs;

loss of one or more significant clients; and

a change in control, or possible change of control, of our company.

In addition, securities markets generally and from time to time experience significant price and volume fluctuations that are not related to the operating performance of particular companies. These market fluctuations may also have a material adverse effect on the market price of our ADSs.

We may not be able to pay any dividends on our shares and ADSs.

We have never declared or paid any dividends on our ordinary shares. We cannot give any assurance that we will declare dividends of any amount, at any rate or at all. Because we are a holding company, we rely principally on dividends, if any, paid by our subsidiaries to us to fund our dividend payments, if any, to our shareholders. Any limitation on the ability of our subsidiaries to pay dividends to us could have a material adverse effect on our ability to pay dividends to you.

Any future determination to pay cash dividends will be at the discretion of our Board of Directors and will be dependent upon our results of operations and cash flows, our financial position and capital requirements, general business conditions, legal, tax, regulatory and any contractual restrictions on the payment of dividends and any other factors our Board of Directors deems relevant at the time.

Subject to the provisions of the Companies (Jersey) Law 1991, or the 1991 Law, and our Articles of Association, we may by ordinary resolution declare annual dividends to be paid to our shareholders according to their respective rights and interests in our distributable reserves. Any dividends we may declare must not exceed the amount recommended by our Board of Directors. Our board may also declare and pay an interim dividend or dividends, including a dividend payable at a fixed rate, if paying an interim dividend or dividends appears to the Board to be justified by our distributable reserves. We can only declare dividends if our directors who are to authorize the distribution make a prior statement that, having made full enquiry into our affairs and prospects, they have formed the opinion that:

immediately following the date on which the distribution is proposed to be made, we will be able to discharge our liabilities as they fall due; and

having regard to our prospects and to the intentions of our directors with respect to the management of our business and to the amount and character of the financial resources that will in their view be available to us, we will be able to continue to carry on business and we will be able to discharge our liabilities as they fall due until the expiry of the period of 12 months immediately following the date on which the distribution is proposed to be made or until we are dissolved under Article 150 of the 1991 Law, whichever first occurs.

Subject to the deposit agreement governing the issuance of our ADSs, holders of ADSs will be entitled to receive dividends paid on the ordinary shares represented by such ADSs. See [Risks Related to Our Business](#) Our loan agreements impose operating and financial restrictions on us and our subsidiaries.

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At our request, the depositary of the ADSs will mail to you any notice of shareholders' meeting received from us together with information explaining how to instruct the depositary to exercise the voting rights of the ordinary shares represented by ADSs. If the depositary timely receives voting instructions from you, it will endeavor to vote the ordinary shares represented by your ADSs in accordance with such voting instructions. However, the ability of the depositary to carry out voting instructions may be limited by practical and legal limitations and the terms of the ordinary shares on deposit. We cannot assure you that you will receive voting materials in time to enable you to return voting instructions to the depositary in a timely manner. Ordinary shares for which no voting instructions have been received will not be voted.

As a foreign private issuer, we are not subject to the proxy rules of the Commission, which regulate the form and content of solicitations by US-based issuers of proxies from their shareholders. The form of notice and proxy statement that we have been using does not include all of the information that would be provided under the Commission's proxy rules.

Holders of ADSs may be subject to limitations on transfers of their ADSs.

The ADSs are transferable on the books of the depositary. However, the depositary may close its transfer books at any time or from time to time when it deems necessary or advisable in connection with the performance of its duties. In addition, the depositary may refuse to deliver, transfer or register transfers of ADSs generally when the transfer books of the depositary are closed, or at any time or from time to time if we or the depositary deem it necessary or advisable to do so because of any requirement of law or of any government or governmental body or commission or any securities exchange on which the ADRs or our ordinary shares are listed, or under any provision of the deposit agreement or provisions of or governing the deposited shares, or any meeting of our shareholders, or for any other reason.

Holders of ADSs may not be able to participate in rights offerings or elect to receive share dividends and may experience dilution of their holdings, and the sale, deposit, cancellation and transfer of our ADSs issued after exercise of rights may be restricted.

If we offer our shareholders any rights to subscribe for additional shares or any other rights, the depositary may make these rights available to them after consultation with us. We cannot make rights available to holders of our ADSs in the US unless we register the rights and the securities to which the rights relate under the Securities Act, or an exemption from the registration requirements is available. In addition, under the deposit agreement, the depositary will not distribute rights to holders of our ADSs unless we have requested that such rights be made available to them and the depositary has determined that such distribution of rights is lawful and reasonably practicable. We can give no assurance that we can establish an exemption from the registration requirements under the Securities Act, and we are under no obligation to file a registration statement with respect to these rights or underlying securities or to endeavor to have a registration statement declared effective. Accordingly, holders of our ADSs may be unable to participate in our rights offerings and may experience dilution of your holdings as a result. The depositary may allow rights that are not distributed or sold to lapse. In that case, holders of our ADSs will receive no value for them. In addition, US securities laws may restrict the sale, deposit, cancellation and transfer of ADSs issued after exercise of rights.

We may be classified as a passive foreign investment company, which could result in adverse US federal income tax consequences to US Holders of our ADSs or ordinary shares.

Based on our financial statements and relevant market and shareholder data, we believe that we should not be treated as a passive foreign investment company for US federal income tax purposes, or PFIC, with respect to our most recently closed taxable year. However, the application of the PFIC rules is subject to uncertainty in several respects, and we cannot assure you that we will not be a PFIC for any taxable year. A non-US corporation will be a PFIC for any taxable year if either (i) at least 75% of its gross income for such year is passive income or (ii) at least 50% of the value of its assets (based on an average of the quarterly values of the assets) during such year is attributable to assets that produce passive income or are held for the production of passive income. A separate determination must be made after the close of each taxable year as to whether we were a PFIC for that year. Because the value of our assets for purposes of the PFIC test will generally be determined by reference to the market price of our ADSs and ordinary shares, fluctuations in the market price of the ADSs and ordinary shares may cause us to become a PFIC. In addition, changes in the composition of our income or assets may cause us to become a PFIC. If we are a PFIC for any taxable year during which a US Holder (as defined in Part I Item 10. Additional Information E. Taxation US Federal Income Taxation) holds an ADS or ordinary share, certain adverse US federal income tax consequences could apply to such US Holder.

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We have certain anti-takeover provisions in our Articles of Association that may discourage a change in control.

Our Articles of Association contain anti-takeover provisions that could make it more difficult for a third party to acquire us without the consent of our Board of Directors. These provisions include:

a classified Board of Directors with staggered three-year terms; and

the ability of our Board of Directors to determine the rights, preferences and privileges of our preferred shares and to issue the preferred shares without shareholder approval, which could be exercised by our Board of Directors to increase the number of outstanding shares and prevent or delay a takeover attempt.

These provisions could make it more difficult for a third party to acquire us, even if the third party's offer may be considered beneficial by many shareholders. As a result, shareholders may be limited in their ability to obtain a premium for their shares.

It may be difficult for you to effect service of process and enforce legal judgments against us or our affiliates.

We are incorporated in Jersey, Channel Islands, and our primary operating subsidiary, WNS Global, is incorporated in India. A majority of our directors and senior executives are not residents of the US and virtually all of our assets and the assets of those persons are located outside the US. As a result, it may not be possible for you to effect service of process within the US upon those persons or us. In addition, you may be unable to enforce judgments obtained in courts of the US against those persons outside the jurisdiction of their residence, including judgments predicated solely upon the securities laws of the US.

ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of our Company

WNS (Holdings) Limited was incorporated as a private liability company on February 18, 2002 under the laws of Jersey, Channel Islands, and maintains a registered office in Jersey at Queensway House, Hilgrove Street, St Helier, Jersey JE1 1ES. We converted from a private limited company to a public limited company on January 4, 2006 when we acquired more than 30 shareholders as calculated in accordance with Article 17A of the 1991 Law. We gave notice of this to the Jersey Financial Services Commission, or JFSC, in accordance with Article 17(3) of the 1991 Law on January 12, 2006. Our principal executive office is located at Gate 4, Godrej & Boyce Complex, Pirojshanagar, Vikhroli(W), Mumbai 400 079, India, and the telephone number for this office is (91-22) 4095-2100. Our website address is www.wns.com. **Information contained on our website does not constitute part of this annual report.** Our agent for service in the US is our subsidiary, WNS North America Inc., 15 Exchange Place, 3rd Floor, Suite 310, Jersey City, New Jersey 07302, USA.

We began operations as an in-house unit of British Airways in 1996 and started focusing on providing business process outsourcing services to third parties in fiscal 2003. Warburg Pincus acquired a controlling stake in our company from British Airways in May 2002 and inducted a new senior management team. In fiscal 2003, we acquired Town & Country Assistance Limited, a UK-based automobile claims handling company, thereby extending our service portfolio beyond the travel industry to include insurance-based automobile claims processing. We subsequently rebranded the company as WNS Assistance, which constitutes WNS Auto Claims BPO, our reportable segment for financial statement purposes. In fiscal 2004, we acquired the health claims management business of Greensnow Inc. In fiscal 2006, we acquired Trinity Partners Inc. (which we merged into our subsidiary, WNS North America Inc.), a provider of BPO services to financial institutions, focusing on mortgage banking. In August 2006, we acquired from PRG Airlines Services Limited, or PRG Airlines, its fare audit services business. In September 2006, we acquired from GHS Holdings LLC, or GHS, its financial accounting business. In May 2007, we acquired Marketics, a provider of offshore analytics services. In June 2007, we acquired Flovate, a company engaged in the development and maintenance of software products and solutions, which we subsequently renamed as WNS Workflow Technologies Limited. In March 2008, we entered into a joint venture with ACS, a provider in BPO services and customer care in the Philippines, to form WNS Philippines Inc. and in November 2011, we acquired ACS's shareholding in WNS Philippines Inc., which became our wholly-owned subsidiary. In April 2008, we acquired Chang Limited, an auto insurance claims processing services provider in the UK, through its wholly-owned subsidiary, Accidents Happen Assistance Limited, or AHA (formerly known as Call 24-7 Limited, or Call 24-7). In June 2008, we acquired BizAps, a provider of Systems Applications and Products, or SAP®, solutions to optimize the enterprise resource planning functionality for our finance and accounting processes. In July 2008, we entered into a transaction with Aviva consisting of (1) a share sale and purchase agreement pursuant to which we acquired from Aviva all the shares of Aviva Global and (2) the Aviva master services agreement (as varied by the variation agreement entered into in March 2009), pursuant to which we are providing BPO services to Aviva's UK business and Aviva's Irish subsidiary, Hibernian Aviva Direct Limited, and certain of its affiliates.

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Aviva Global was the business process offshoring subsidiary of Aviva. See Part I Item 5. Operating and Financial Review and Prospects Revenue Our Contracts for more details on this transaction.

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In fiscal 2010, we restructured our organizational structure in order to streamline our administrative operations, achieve operational and financial synergies, and reduce the costs and expenses relating to regulatory compliance. This restructuring involved the merger of the following seven Indian subsidiaries of WNS Global into WNS Global through a Scheme of Amalgamation approved by an order of the Bombay High Court passed in August 2009 pursuant to the Indian Companies Act, 1956: Customer Operational Services (Chennai) Private Limited, Marketics, Noida Customer Operations Private Limited, or Noida, NTrance Customer Services Private Limited, WNS Customer Solutions (Private) Limited, or WNS Customer Solutions, WNS Customer Solutions Shared Services Private Limited and WNS Workflow Technologies (India) Private Limited. In another restructuring exercise, three of our subsidiaries, First Offshoring Technologies Private Limited, Hi-Tech Offshoring Services Private Limited and Servicesource Offshore Technologies Private Limited, were merged into WNS Global through a Scheme of Amalgamation approved by an order of the Bombay High Court passed in March 2010 pursuant to the Indian Companies Act, 1956. In fiscal 2011 and fiscal 2012, we restructured and rationalized our UK and US group companies, wherein two of our UK-based non-operating subsidiaries, Chang Limited and Town & Country Assistance Limited, were voluntarily dissolved and one of our subsidiaries, BizAps, has applied for voluntary dissolution pursuant to Section 1003 of the Companies Act 2006, UK. In the US, two of our subsidiaries, WNS Customer Solutions North America Inc. and Business Application Associates Inc. were merged with and into WNS North America Inc. In fiscal 2012, we also incorporated a new subsidiary in the US, WNS Global Services Inc., and a new branch of WNS (Mauritius) Limited in the Dubai Airport Free Zone, United Arab Emirates, WNS Mauritius Limited ME (Branch), and de-registered our existing subsidiary WNS Global FZE in the Ras-Al-Khaimah Free Trade Zone, United Arab Emirates. As a result of the various restructuring activities undertaken in fiscal 2010, fiscal 2011 and fiscal 2012, our organizational structure has been simplified, and now comprises 22 companies in 13 countries. Of these 22 companies, WNS Cares Foundation, which is a wholly-owned subsidiary of WNS Global, is a not-for-profit organization registered under Section 25 of the Companies Act, 1956, India formed for the purpose of promoting corporate social responsibilities and not considered for the purpose of preparing our consolidated financial statements. In April 2012, we were awarded the Golden Peacock Global Award for Corporate Social Responsibility for 2011-2012 for our contribution through WNS Cares Foundation towards education of under privileged children.

We are headquartered in Mumbai, India, and we have client service offices in New Jersey (US), New South Wales (Australia), London (UK), and Singapore and delivery centers in San Jose (Costa Rica), Bangalore, Chennai, Gurgaon, Mumbai, Nashik and Pune (India), Manila (the Philippines), Bucharest (Romania), Colombo (Sri Lanka), Ipswich and Manchester (the UK) and Houston (the US). We completed our initial public offering in July 2006 and a follow-on public offering in February 2012. Our ADSs are listed on the New York Stock Exchange, or the NYSE, under the symbol WNS.

Our capital expenditure in fiscal 2012, 2011 and 2010 amounted to \$21.2 million, \$15.3 million and \$13.3 million, respectively. Our principal capital expenditure were incurred for the purposes of setting up new delivery centers or expanding existing delivery centers and setting up related technology to enable offshore execution and management of clients' business processes. We expect our capital expenditure needs in fiscal 2013 to be approximately \$22.0 million, a significant amount of which we expect to spend on building new facilities as well as continuing to streamline our operations by further consolidating production capacities in our delivery centers. Of this amount, we expect to spend approximately \$14.0 million in India, approximately \$4.0 million in the UK, approximately \$2.0 million in North America, approximately \$1.0 million in Europe (excluding the UK) and approximately \$1.0 million in the rest of the world. As at March 31, 2012, we had commitments for capital expenditures of \$3.7 million relating to the expansion of, and purchase of property and equipment for, our delivery centers. Of this committed amount, we plan to spend \$2.7 million in India, \$0.7 million in the UK, \$0.1 million in Europe (excluding the UK) and \$0.2 million in the rest of the world. We expect to meet these estimated capital expenditures from cash generated from operating activities, existing cash and cash equivalents and use of existing credit facilities. See Part I Item 5. Operating and Financial Review and Prospects Liquidity and Capital Resources for more information.

B. Business Overview

We are a leading global provider of offshore business process outsourcing services, offering comprehensive data, voice, analytical and business transformation services. We transfer the business processes of our clients to our delivery centers, located in Costa Rica, India, the Philippines, Romania, Sri Lanka, the UK and the US, as well as to our subcontractor's delivery center in South Africa, with a view to offer cost savings to our clients as well as offer more flexibility in managing their operations. In addition, our transformation practice seeks to help our clients identify business and process optimization opportunities through technology-enabled solutions and process design improvements.

We win outsourcing engagements from our clients based on our domain knowledge of their business and our experience in managing the specific processes they seek to outsource. Accordingly, we are organized into vertical business units in order to provide more specialized focus on each of the industries that we target, to more effectively manage our sales and marketing process and to develop in-depth domain knowledge. The major industry verticals we currently target are the insurance; travel and leisure; manufacturing, retail, consumer products and telecommunication, or telecom, industries, as well as the consulting and professional services; healthcare; banking and financial services; utilities; and shipping and logistics industries.

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Our portfolio of services includes vertical-specific processes that are tailored to address our clients' specific business and industry practices. In addition, we offer a set of shared services that are common across multiple industries, including customer care, finance and accounting, legal services, procurement, research and analytics and technology services.

We monitor our execution of our clients' business processes against multiple performance parameters, and we aim to consistently meet and exceed these parameters in order to maintain and expand our client relationships. We aim to build long-term client relationships, and we typically sign multi-year contracts with our clients that provide us with recurring revenue. For clients with over \$1 million in annual revenue less repair payments, attrition has averaged less than 5% per year over the last three fiscal years. In fiscal 2012, 71 and 68 clients contributed more than \$1 million to our revenue and revenue less repair payments, respectively.

According to the National Association of Software and Service Companies, an industry association in India, we are among the top three India-based offshore business process outsourcing companies based on export revenue for fiscal 2011. We have maintained this top three ranking for the last six consecutive years.

As at March 31, 2012, we had 23,874 employees executing approximately 600 distinct business processes for our 222 clients. Our largest client in fiscal 2012 in terms of revenue contribution was Aviva. See Clients.

In fiscal 2012, our revenue was \$474.1 million, our revenue less repair payments was \$395.1 million and our profit was \$12.5 million. For a discussion of our revenue less repair payments and a reconciliation of revenue less repair payments to revenue, see Part I Item 5. Operating and Financial Review and Prospects Overview.

Industry Overview

Companies are outsourcing a growing proportion of their business processes in order to reduce costs, increase process quality, increase flexibility, and improve business outcomes. Companies have shifted their BPO activities from simpler processes such as call center related processes to a wider range of more complex business processes such as finance and accounting, insurance claims administration and market research analysis. Companies are also asking their BPO providers to deliver higher-value services, such as process re-engineering and transformation services, which increase competitive advantage and have an impact on revenues as well as profits. In order to deliver complex services and transformational capabilities, providers must increasingly leverage technology platform solutions, analytics and industry-specific knowledge to deliver better processes and business outcomes. These companies are also asking for more flexible business models that align the interests of the provider along with those of the company. Many of these companies are outsourcing to offshore locations such as India to access a high quality and cost-effective workforce. We are a leading provider in the offshore business process outsourcing industry and believe that we are well positioned to benefit from the combination of the outsourcing and offshoring trends.

The global business process outsourcing industry is a large and growing industry. According to the IDC 2011 Reports, the worldwide BPO market is estimated to have grown at a compound annual growth rate, or CAGR, of 3.9% from \$132 billion in 2007 to \$153 billion in 2011. IDC estimated that the worldwide BPO market will grow at a CAGR of 5.6% from 2011 to 2015, to \$191 billion. Furthermore, the offshore-based BPO market is expected to continue to grow at a faster rate than the worldwide BPO market. According to IDC, the offshore-based BPO market is estimated to have grown at a CAGR of approximately 17% from \$2.5 billion in 2007 to \$4.7 billion in 2011. In addition, IDC estimated that the worldwide offshore-based BPO market will grow at a CAGR of approximately 19% from 2011 to 2015, to \$9.4 billion.

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The following chart sets forth the estimated growth in revenue generated from worldwide offshore-based BPO services and worldwide BPO services:

We believe that India is considered to be an attractive destination for offshore information technology, or IT, services and BPO services. According to the Gartner 2011 Report, [a]n excellent government support system and skilled, highly scalable IT labor pool differentiates India as the top offshore destination. *

Business process outsourcing typically is a long-term strategic commitment for companies. The processes that companies outsource frequently can be complex and are integrated with their core operations. These processes require a high degree of customization and, often, a multi-stage outsource transfer program. Companies therefore would incur high switching and other costs to transfer these processes back to their internal operations or to other business process outsourcing providers, whether onshore or offshore. As a result, once a business process outsourcing provider gains the confidence of a client, the resulting business relationship usually is characterized by multi-year contracts with predictable annual revenue.

Given the long-term, strategic nature of these engagements, companies undertake a rigorous process in evaluating their business process outsourcing provider. Based on our experience, a client typically seeks several key attributes in a business process outsourcing provider, including:

domain knowledge and industry-specific expertise;

ability to innovate, add new operational expertise and drive down costs;

demonstrated ability to execute a diverse range of mission-critical and often complex business processes;

global presence via offshore, nearshore and onshore delivery centers;

capability to scale employees and infrastructure without a diminution in quality of service; and

established reputation and industry leadership.

As the offshore business process outsourcing industry evolves further, we believe that industry-specific knowledge, higher-value process expertise, a global delivery platform, scale, reputation and leadership will become increasingly important factors in this selection process.

We believe that non-linear pricing models that allow BPO providers to price their services based on the value delivered to companies will replace, in certain engagements, pricing models that are primarily based on headcount (often referred to as full-time equivalents, or FTEs) or on the volume of transactions, as companies look to share the risk of volume and cost uncertainties with BPO providers, thereby creating the incentive for BPO providers to improve the productivity of their employees and the efficiency of their operations.

* Gartner, Inc., Analysis of India as an Offshore Services Location, October 13, 2011.

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Competitive Strengths

We believe that we have the competitive strengths necessary to maintain and enhance our position as a leading provider of offshore business process outsourcing services:

Well positioned for the evolving BPO market

The offshore BPO industry, which started with basic processes, such as call center customer service activities, has now expanded to include higher-value services that involve process re-engineering and business transformation. We believe that as companies have become more experienced with outsourcing, they generally look to outsource an increasing number of processes and to outsource increasingly complex and more vertical-specific processes. We believe that our industry-specific expertise, comprehensive portfolio of complex services, transformation capabilities and technology-enabled solutions position us at the forefront of the evolving BPO services market.

Deep industry expertise

We have established deep expertise in the industries we target as a result of our legacy client relationships, acquisitions and the hiring of management with specific industry knowledge. We have developed methodologies, proprietary knowledge and industry-specific technology platforms applicable to our target industries that allow us to provide industry-focused solutions and be more responsive to customer needs within these industries.

In addition, we have organized our company into business units aligned along each of the industries on which we focus. By doing so, we are able to approach potential clients in each of our target industries with a combined sales, marketing and delivery effort that leverages our in-depth industry knowledge and industry-specific technology platforms.

For example, in the insurance sector, we have specialized expertise in multiple insurance sub-sectors including property and casualty, auto and life. We offer various insurance-specific processes such as premium and policy administration, claims management, actuarial services and underwriting.

We have received numerous recognitions for our industry leadership including:

Best 20 Leaders by Industry Focus: Financial Services (Insurance) International Association of Outsourcing Professionals (IAOP) 2010
Global Outsourcing 100

Best 5 Companies by Industry Focus: Air Transportation IAOP 2009 Global Outsourcing 100

Industry Leader in Finance and Accounting (F&A) BPO Global F&A BPO Magic Quadrant 2011, Gartner
Comprehensive portfolio of complex services, higher-value transformational services and technology-enabled solutions

We seek to focus our service portfolio on more complex processes and to evolve away from reliance on services that are less integral to our clients' operations, such as telemarketing and technical helpdesks, which characterized the offshore business process outsourcing industry in its early days. We also offer higher-value services such as transformation services, which are designed to help our clients to identify business and process optimization opportunities and leverage our industry and process expertise, technology solutions and analytics capabilities.

We also have developed and continue to develop technology-enabled solutions that utilize our proprietary software and licensed software in conjunction with our core business process outsourcing services. These integrated, technology-enabled solutions allow us to offer higher value, differentiated services which are more scalable and repeatable and create value for our clients through increased process efficiency and quality. We believe these technology-enabled solutions will enable us to grow our revenue in a non-linear way by decoupling revenue growth from headcount growth.

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For example, we offer various technology-enabled platforms as part of our broad suite of transformation services that also includes Consulting and Program Management Services, Process and Quality Services and Technology Services. For a large North American airline, we utilized our VERIFARE® fare audit platform to streamline the airline's revenue recovery process, thereby allowing the airline to increase the amount of revenue recovered from inaccurate fare charges.

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Our client-centric focus

We have a client-centric engagement model that leverages our industry-specific and shared-services expertise as well as our global delivery platform to offer business solutions designed to meet our clients' specific needs.

We have also sought to enhance our value proposition to our clients by providing them with more flexible pricing models that align our objectives with those of our clients. In addition to traditional headcount-based pricing, we provide alternative pricing models such as transaction-based pricing and outcome-based pricing.

We believe our ability to provide highly relevant solutions, alternative pricing models and our global delivery platform gives our clients the capabilities they seek from their outsourcing partner. As a result, we have built long-standing relationships with large multinationals such as Aviva, British Airways plc and Travelocity.com LP.

Proven global delivery platform

We deliver our services from 25 delivery centers around the world, located in Costa Rica, India, the Philippines, Romania, Sri Lanka, the UK and the US, as well as through a subcontractor's facility based in South Africa. Our ability to offer services delivered from onshore, nearshore and offshore locations benefits our clients by providing them with high-quality services from efficient and cost-effective locations based on their requirements and process needs.

We believe the breadth of our delivery capability allows us to meet our clients' needs, diversifies our workforce and allows us to access the local talent pool around the world.

Experience in transferring processes offshore and running them efficiently

Many of the business processes that our clients outsource to us are mission-critical and core to their operations, requiring substantial program management expertise. We have developed a sophisticated program management methodology intended to ensure the smooth transfer of business processes from our clients' facilities to our delivery centers. Our highly experienced program management team has transferred approximately 600 distinct business processes for our clients.

We focus on delivering our client processes effectively on an ongoing basis. We have also invested in a quality assurance team that helps us to satisfy the International Standard Organization, or ISO, 9001: 2000 standards for quality management systems, and applies Six Sigma, a statistical methodology for improving consistency across processes, and other process re-engineering methodologies such as LEAN to further improve our process delivery.

Extensive investment in human capital development

Our extensive recruiting process helps us screen candidates on multiple parameters and to appropriately match employees to the most suitable positions. We have established the WNS Learning Academy, which provides ongoing training to our employees for the purpose of continuously improving their leadership and professional skills. We seek to promote our team leaders and operations managers from within, thereby offering internal advancement opportunities and clear long-term career paths.

We have also invested significant management effort toward ensuring that our organization is positioned to continuously scale to meet the robust demand for offshore business process outsourcing services. We are capable of evaluating over 15,000 potential employees and recruiting, hiring and training over 1,000 employees each month, enabling us to rapidly expand and support our clients.

Experienced management team

We benefit from the effective leadership of a global management team with diverse backgrounds including extensive experience in outsourcing. Members of our executive and senior management team have, on average, over 20 years of experience in diverse industries, including in the business process and IT outsourcing sector, and in the course of their respective careers have gathered experience in successfully integrating acquisitions, developing long-standing client relationships, launching practices in new geographies, and developing new service offerings.

Business Strategy

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Our objective is to strengthen our position as a leading global business process outsourcing provider. To achieve this, we will seek to expand our client base, further develop our industry expertise, enhance our value proposition to our clients, organically develop new business services, enhance our brand, expand our global delivery platform and make selective acquisitions.

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We have made significant investments to accelerate our growth. These investments include:

the expansion and reorganization of our sales force;

an increase in the expertise and management capability within our sales force;

the expansion of other sales channels including the development of new partnerships and alliances and broadening our engagement with outsourcing industry advisors and analysts;

an increase in the amount of technology in our service offerings including the development of new technology-enabled solutions; and

the expansion of our global delivery platform.

The key elements of our growth strategy are described below.

Increase business from existing clients and add business from new clients

We have organized our company into vertical business units to focus on each of the industries that we target and to manage more effectively our sales and marketing process. We also have expanded our sales force, from 43 members as at March 31, 2010 to 68 members as at March 31, 2012, in order to provide broader sales coverage and to add management experience. Our sales force is organized into two groups, one focused primarily on expanding our relationship with our existing clients and another focused on seeking new clients.

We seek to expand our relationships with existing clients by identifying additional processes that can be transferred offshore, cross-selling new services, adding technology-based offerings and expanding into other lines of business within each client. Our account managers have industry-specific knowledge and expertise and are responsible for maintaining a thorough understanding of our clients' outsourcing roadmaps as well as identifying and advocating new offshoring opportunities. As a result of this strategy, we have a strong track record of extending the scope of our client relationships over time. For example, our relationship with a large global professional services firm started with less than 30 FTEs. We have since expanded the relationship to over 500 FTEs over a period of less than four years.

For new clients, we seek to provide value-added solutions by leveraging our deep industry expertise. As a result of our capabilities and industry vertical go-to-market approach, we have been able to compete effectively for new opportunities as they arise.

Reinforce leadership in existing industries

Through our industry-focused operating model, we have established a leading offshore business process outsourcing practice in various industries and business sectors. We intend to leverage our knowledge of the insurance; travel and leisure; manufacturing, retail, consumer products and telecom; consulting and professional services; healthcare; banking and financial services; utilities, and shipping and logistics industries to penetrate additional client opportunities within these industries. For example, we have leveraged the experience, capabilities and reputation gained through our relationship with Aviva to penetrate the multi-line insurance and other segments of the insurance industry.

Furthermore, success in penetrating the market for finance and accounting services across industries drives us to invest in talent and technology platforms with the goal of scaling our business in order to acquire industry-specific expertise.

Provide higher value added services

We seek to enhance our value proposition to our clients by leveraging our industry-specific expertise; our portfolio of higher-value services such as our research and analytics services, transformation services and technology-enabled solutions; and our flexible pricing models. We also intend to broaden the scope of our higher-value service offerings to capture new market opportunities.

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By delivering an increasing portfolio of higher-value services to our clients and migrating them towards transaction- or outcome-based pricing models, we aim to increase the value of our services to our clients and enhance the strength, size and profitability of these relationships.

For one of our large global insurance clients, we started providing back-office support services for the client's insurance underwriting line of business. Over time, we have expanded into higher-value services, providing finance and accounting and research and analytics services in the client's middle-office operations. We now also provide additional higher-value services such as risk analysis, quantitative modeling, trading compliance and investment performance management services to the client's investment advisory business.

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Enhance awareness of the WNS brand name

Our reputation for operational excellence among our clients has been instrumental in attracting and retaining new clients as well as talented and qualified employees. We believe we have benefited from strong word-of-mouth brand equity in the past to scale our business. However, as the size and the complexity of the offshore business process outsourcing market grows, we are actively increasing our efforts to enhance awareness of the WNS brand in our target markets and among potential employees. To accomplish this, we have established a dedicated global marketing team comprised of experienced industry talent. We are also focusing on developing channels to increase market awareness of the WNS brand, including through internet marketing techniques, exposure in industry publications, participation in industry events and conferences, and other initiatives that encourage innovation in the BPO industry, such as the publication of articles and white papers, webinars and podcasts. In addition, we are aggressively targeting BPO industry analysts, general management consulting firms, and boutique outsourcing firms, who are usually retained by prospective clients to provide strategic advice, act as intermediaries in the sourcing processes, develop scope specifications and aid in the partner selection process.

Expand our delivery capabilities

We currently have 25 delivery centers located in seven countries around the world. We also deliver services through a subcontractor's facility based in South Africa. In fiscal 2012, we expanded our delivery capacity by 2,650 seats or approximately 16.3% of our capacity at the end of fiscal 2011. We intend to expand our global delivery capability through additional delivery centers in both onshore and offshore locations as well through partnerships with other providers so that we can offer our clients maximum value and flexibility, as well as gain access to potential clients and markets that may have specific delivery requirements or constraints.

Broaden industry expertise and enhance growth through selective acquisitions and partnerships

Our acquisition strategy is focused on adding new capabilities and industry expertise. Our acquisition track record demonstrates our ability to integrate, manage and develop the specific capabilities we acquire. Our intention is to continue to pursue targeted acquisitions in the future and to rely on our integration capabilities to expand the growth of our business.

Business Process Outsourcing Service Offerings

We offer our services to clients through industry-focused business units. We are organized into the following vertical business units to provide more specialized focus on each of these industries and more effectively manage our sales and marketing process:

Insurance;

Travel and leisure;

Manufacturing, retail, consumer products, telecom and diversified businesses;

Consulting and professional services;

Healthcare;

Banking and financial services;

Utilities; and

Shipping and logistics.

In February 2012, we established our public sector industry group, which provides services to clients in the public sector.

In addition to industry-specific services, we offer a range of services that are common across multiple industries (which we refer to as our horizontal units), in the areas of customer care (or contact center), finance and accounting, research and analytics services, technology services, legal services and procurement. We also have a global transformation practice which offers higher-value services such as transformation services that are designed to help our clients identify business and process optimization opportunities through technology-enabled solutions, process design and improvements, including the Six Sigma principles, and other techniques and program management leverage to achieve cost savings.

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To achieve in-depth understanding of our clients' industries and provide industry-specific services, we manage and conduct our sales processes in our two key markets—Europe and North America. In addition, we have a sales team focused on the Asia Pacific market. Our sales teams are led by senior professionals who focus on target industries or processes. Each business unit is staffed by a dedicated team of managers and employees engaged in providing business process outsourcing client solutions. In addition, each business unit draws upon common support services from our information technology, human resources, training, corporate communications, corporate finance, risk management and legal departments, which we refer to as our corporate-enabling units.

Vertical Business Units

Insurance

Our insurance services are structured into three lines of business offerings customized for property and casualty insurance, life and annuities and healthcare. We cater to a diverse and sizeable number of clients globally and have significant experience across a broad range of insurance product lines.

The key insurance industry sectors we serve include:

Life, annuity, and property and casualty insurers;

Insurance brokers and loss assessors, property and casualty insurance providers, re-insurance brokers and motor insurance companies;

Self-insured auto fleet owners;

Commercial and retail banks;

Mortgage banks and loan servicers;

Asset managers and financial advisory service providers; and

Healthcare payers, providers and device manufacturers.

Our insurance business vertical includes our auto claims business, consisting of WNS Assistance and AHA, which is comprised of our WNS Auto Claims BPO segment. We offer a blended onshore, nearshore and offshore delivery model that enables us to handle the entire automobile insurance claims cycle. We offer comprehensive repair management services to our clients where we arrange for the repair of automobiles through a network of repair centers. We also offer claims management services where we process accident insurance claims for our clients. In addition, we provide third party claims handling services including the administration and settlement of property and bodily injury claims while providing repair management and rehabilitation services to our insured and self-insured fleet clients and the end-customers of our insurance company clients. Our service for uninsured losses focuses on recovering repair costs and legal expenses directly from negligent third parties. See Part I—Item 5. Operating and Financial Review and Prospects—Overview.

As at March 31, 2012, we had 5,800 employees working in this business unit. In fiscal 2012 and 2011, this business unit accounted for 44.7% and 60.1% of our revenue and 33.6% and 33.4% of our revenue less repair payments, respectively.

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The following graphic illustrates the key services provided to clients in this business unit:

Proprietary Platform:

Proprietary platforms designed to transform business processes: (i) ClaimPro End-to-End Claims Management softwareTM; (ii) Elixir Suites of Products platform for life and annuity, and property and casualty lines of business; and (iii) broker portal for premium accounting.

Case Study

In 2002, our client, a leading UK based insurer, engaged us and adopted business process outsourcing as part of its operating model to improve efficiencies, rationalize costs and enhance competitiveness.

We began working with this client with a team of 25 employees and one process documentation and recording of new business. Our team has since grown to over 125 employees delivering a suite of underwriting, claims administration, and brokerage operations processes. The number of business processes delivered by us has increased from 19 to 98 in the recent years and our corresponding range of work has evolved from simple transaction processing to complex underwriting.

As part of the underwriting process, we deliver a broad range of processes for motor cars (both individual and fleet), agricultural vehicles, motorcycles and special risk coverage. The services we offer include:

Setting up policies;

Issuing policy certificates and schedules;

Updating the UK motor insurance database;

Amending policies when required; and

Processing renewals.

In the area of claims administration, we deliver indexing and referencing processes.

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To support brokerage operations, we deliver the following processes:

Issuing quotations for new business;

Setting up new business;

Issuing policy documents and schedules;

Amending policies when required; and

Processing renewals.

In addition to the services described above, we support many high risk and complex specialist products that require underwriting to be delivered by a special risks team. Due to the specialized nature of the products insured, and the wide range of insurance schemes, underwriting a single policy requires our team to refer to over 90 different conditions and parameters. Adding to process complexity is the high frequency of updates to the schemes and the volatility of transaction volumes.

We also support our client's decision making by providing our client with management information systems, or MIS, and dashboards on underwriting, including new business and lapsed policy analyses and renewals analysis.

By consolidating and standardizing our client's business processes, we have helped our client improve process efficiencies, reduce cost of operations and enhance customer service. Specific benefits delivered to the client included:

Improved renewal accuracy;

Improved average handling time for inquiries, pre-renewal and new policy processing;

Improved turnaround time in the claims administration process;

Faster response time for customer inquiries; and

Reduced referrals to third parties.

Travel and Leisure

We deliver end-to-end services to clients across the travel and leisure industry value chain. We provide a wide range of scalable solutions that support air, car, hotel, marine and packaged travel and leisure services offered by our clients.

The key travel and leisure industry sectors we serve include:

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Airlines, travel agencies, tour operators, hospitality companies; and

Global distribution systems providers.

As at March 31, 2012, we had 6,259 employees in this business unit, several hundred of whom have International Air Transport Association, Universal Federation of Travel Agents or other travel industry related certifications. In fiscal 2012 and 2011, this business unit accounted for 18.8% and 13.6% of our revenue and 22.6% and 22.7% of our revenue less repair payments, respectively.

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The following graphic illustrates the key services provided to clients in this business unit:

Proprietary Platform:

Proprietary platform-based service offerings: VERIFARE[®], a fare audit platform, and JADE[®], a passenger revenue accounting, or PRA, platform.

Case Study

Our client, a leading European airline and travel group, decided in 2003 to outsource to us its PRA operations in order to drive greater efficiencies, reduce costs and enhance productivity. In addition to its own PRA operations, the airline outsourced to us the revenue accounting processes that it was offering to other carriers on a hosted basis.

The initiatives undertaken by us that are designed to improve efficiency and reduce costs of the revenue accounting process included:

Effecting robust and seamless transition: By leveraging our proprietary transition methodology *EnABLE* we effected a smooth transition of the client's PRA processes to us. It was a complex transition given that the client's PRA operations encompassed approximately 90 legacy applications and operated on two different revenue accounting systems, one used for the client's PRA operations and one used for the carriers for whom the client provided hosted PRA services. This required onshore training for our core team, rigorous pre-process training for our offshore team, and detailed process documentation.

Enriching the knowledge repository tool: We enriched the knowledge repository tool by developing comprehensive documentation on the system's processes, best practices and tools, and made them easily accessible to the team.

Consolidating and re-engineering processes: We re-engineered and restructured the fare audit process to help provide enhanced revenue recovery and revenue protection to the client. The processes have been consolidated from our delivery centers in Europe, the Middle East and the US.

We have helped our client improve process efficiencies, reduce costs and improve the productivity of its PRA operations. Specific benefits delivered to the client included:

Identifying recoveries of unauthorized discounts offered by travel agents, without airline consent;

Improving accuracy in interline sampling (or scientific random sampling), leading to increased revenue protection;

Improving turnaround time;

Managing a significant number of *exception* transactions, which refer to transactions that cannot be processed electronically due to non-automated ticketing by certain airlines, for which the client's PRA process is insufficient; and

Reducing the cost of revenue accounting operations.

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Manufacturing, Retail, Consumer Products, Telecom and Diversified Businesses

We deliver comprehensive BPO services for the manufacturing, retail and consumer products, and telecom industries.

As at March 31, 2012, we had 3,219 employees in this business unit. In fiscal 2012 and 2011, this business unit accounted for 12.2% and 8.9% of our revenue and 14.6% and 14.8% of our revenue less repair payments, respectively.

Manufacturing: Our manufacturing team has experience in delivering metrics-driven solutions and transformation programs for our manufacturing clients. The key manufacturing sectors we serve include:

Electronics manufacturers;

Metal and mining manufacturers;

Medical equipment manufacturers;

Surgical equipment and vision care product manufacturers; and

Building and construction product manufacturers.

The following graphic illustrates the key services provided to clients in this business unit:

Retail and Consumer Products: Our retail and consumer packaged goods, or CPG, team offers services that leverage on our proprietary tools and methodologies that are designed to help our clients improve customer service, optimize marketing expenditures, reduce operational costs and streamline processes through efficiency, quality and productivity improvements.

The key retail and CPG sectors we serve include:

Beverage companies;

Office products retailers;

Restaurants;

Discount stores;

Specialty apparel retailers;

Retailers; and

Departmental stores.

To support our operations, we have launched our proprietary research and analytics platform, WADESM, which was designed and developed to enable retail and CPG companies to access, organize and analyze data from various outside sources and use the information to take informed decisions.

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The following graphic illustrates the key services provided to clients in this business unit:

Telecom: Our experience in consolidating and centralizing the functions of our telecommunications clients with built-in variable capacity to meet business requirements helps us deliver business value. We offer analytics, optimization, domain and process expertise.

The following graphic illustrates the key services provided to clients in this business unit:

Proprietary Platform:

Proprietary platform-based service offering: research and analytics solution framework WADESM.
Case study

Our client, a large electronics, media and entertainment conglomerate, is committed to strong corporate governance. Therefore, the client set up a separate treasury services arm to act as an internal banking system for its group of companies, providing various financial services for its affiliate companies.

The client's business was growing and its treasury services team was facing a significant increase in volume of work. Therefore, the client decided to outsource some of its treasury operations to us to enhance its treasury services capabilities and reduce operational costs, while maintaining a high standard of regulatory compliance.

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Our team provides our client services in major functional areas of treasury operations, including foreign exchange hedging, inter-company loans and deposits, cashless settlement, centralized cash pooling, automatic sweeping and proxy payment. We also support the client's ancillary processes such as re-invoicing, business and financial planning and access to management for a range of treasury systems. The following outlines the key ways in which we support the client's processes:

Planning: Each day, our team updates current cash and future cash flows resulting from both accounts receivable and accounts payable. The information processed by the team is used by the client for planning purposes.

Back office: Our team performs various back office functions, including deal confirmations, foreign exchange netting, bank and inter-company settlements, bank reconciliation and managing accounts payable processes.

Middle office: Our team monitors our client's foreign exchange hedging activity, including deal reconciliation and user identity administration of the treasury system.

Accounting: Our team delivers accounting services using software from SAP®, such as the monthly book closing for treasury entities, management accounting and reporting, accounting bank reconciliation, trade accounts reconciliation, centralized cash pooling system clearing and the preparation of budgets.

Treasury operations: Our team delivers fair market value reporting based on Accounting Standards Council (ASC) 815, hedging position reports, reports on outstanding borrowing and lending positions, daily cash position updates and reports on the reconciliation of dividends from money market funds.

By delivering treasury support services with a focus on process integrity and regulatory compliance, our team has strengthened our client's corporate governance function while delivering significant cost savings. Specific benefits delivered to the client included:

Reduced operational costs; and

Improved compliance with the US Sarbanes-Oxley Act of 2002.

Consulting and Professional Services

We set up our consulting and professional services, or CPS, business unit in 2011 to cater to the growing needs of the consulting and professional services industry. Our CPS business unit has a strong India presence coupled with global delivery capabilities, which allows us to serve a diverse and large global client base.

Our CPS business unit currently provides our clients with cross industry, end-to-end services in research and analytics, finance and accounting, customer care, legal services and transformation solutions.

The consulting and professional services sectors we serve include:

Retail and pharmaceutical consulting;

Information services;

Private equity;

Property management services; and

Market research.

As at March 31, 2012, we had 1,262 employees in the business unit. In fiscal 2012 and 2011, this business unit accounted for 6.3% and 4.3% of our revenue and 7.5% and 7.1% revenue less repair payments, respectively.

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The following graphic illustrates the key services delivered in this business unit:

Case Study:

Our client, a leading retail consulting firm engaged in providing customer data analysis, wanted to establish an offshore hub to assist its onshore team in campaign management, data management and reporting jobs using analytics platform and applications such as Statistical Analysis System (SAS), Visual Basis for Applications (VBA) and Structured Query Language (SQL). Our client also wanted to encourage global efficiencies and best practices by the offshore hub.

Since the commencement of our engagement with the client, our team has provided the following services to the client:

Data and campaign management: Our team targets, segments, executes and evaluates promotional campaigns using SAS and SQL. We also manage campaign statistics and report and analyze the return on investment of the campaign.

Data solutions management: Our team manages weekly data loads on our client's scheduler tools, running customized IT applications and SAS to enhance efficiency.

Insights reporting: Our team uses third party tools to analyze and understand segment response and consumer behavior, and identify opportunities to improve campaign effectiveness.

Digital media: Our digital media team provides support on content generation through photo imaging and graphics software.

Market research: Our team conducts market research projects from our Mumbai office. Through our processes we have delivered the following benefits to our client:

An increase in the number of error-free deliveries; and

Improvements in efficiency and productivity.

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Healthcare

We deliver end-to-end BPO services across the healthcare industry value chain. We offer health information management (HIM) coding (including current procedural technology (CPT) and international classification of diseases (ICD-9)), medicare and medical claim processing, revenue management related processes and Health Insurance Portability and Accountability Act (HIPAA) compliance.

The healthcare industry sectors we serve include:

Durable medical equipment manufacturers;

Third-party billing service providers;

Third-party administrators;

Providers for utilization management and case management services; and

Providers of workers compensation, medical management and disability solutions.

As at March 31, 2012, we had 1,696 employees in this business unit. In fiscal 2012 and 2011, this business unit accounted for 6.1% and 4.2% of our revenue and 7.4% and 7.0% of our revenue less repair payments, respectively.

The following graphic illustrates the key services provided to clients in this business unit:

Proprietary Platform:

Proprietary platforms: CBPO Adjudicator and CBPO Claim Preparer .

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Case Study

Our client, a global leader in specialty home medical equipment, designs and manufactures high-end and specialty medical devices that require verification of insurance benefits and pre-authorization of complex medical claims. The client wanted to improve cash flows by optimizing its revenue cycle and selected us to provide sales order processing and support and healthcare billing and collection from insurance carriers and patients.

The initiatives undertaken by us that are designed to optimize our client's revenue cycle included:

Risk-based rewards and penalties to align our team with our client's outcomes;

Augmentation of the client's capacity;

Specific analytics to allow teams to prioritize claims with a greater likelihood of being paid; and

Creation of systems for monitoring and improving process quality and capabilities.

Through our efforts, we improved our client's revenue cycle operations, which in turn led to an increase in collections, an acceleration of cash flow and an improvement in customer service. Specific benefits delivered to the client included:

Improvement in the order-to-bill process and development of modifications with enhanced collection speed using Six Sigma tools and IT enhancements;

Establishment of an analytics-driven collections strategy that led to an increase in collections;

Dashboards that created significant visibility into detailed lead indicators and drivers; and

Reduction in costs associated with billing.

Banking and Financial Services

We provide a broad range of business operation services for the banking and financial services industry.

We aim to add value to our clients' businesses by improving their customer satisfaction, unlocking cost efficiencies and streamlining processes through technology optimization. The key banking and financial sectors we serve include:

Consumer, retail and commercial banking and mortgage;

Wealth, investment management and investment banking;

Research and analytics services;

Financial advisory firms; and

Financial research and financial market intelligence companies.

As at March 31, 2012, we had 1,508 employees working in this business unit. In fiscal 2012 and 2011, this business unit accounted for 5.2% and 4.3% of our revenue and 6.2% and 7.1% of our revenue less repair payments, respectively.

The following graphic illustrates the key services provided to clients in this business unit:

Proprietary Platform:

Proprietary software for lending management Digital Loan™.

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Case Study

Our client, a leading retail broker-dealer in the US market, provides investment tools and research to its customers. The client engaged us to build a scalable and cost-effective back office to fully support advisors and field staff for the full range of its product offerings.

We deliver to this client a wide range of broker-dealer services supporting financial products throughout their lifecycle, including:

Set-up of new brokerage accounts;

Client administration;

Advisor compensation; and

Client portfolio administration.

We also provide support for new products as they are added to the client's portfolio. These include brokerage products, annuities, insurance and managed products. We have a dedicated recovery team to manage financial plan recovery, including sending notifications and advisories to customers.

The following are the key features of our services:

Flexible pricing model: Since commencement of our engagement, we have billed the client on a unit transaction pricing model for a substantial portion of our work. This gives the client greater flexibility as its business volumes fluctuate.

Rapid scaling of operations: We rapidly scaled the client's operations, assuming the delivery of 24 processes, ranging from low to high complexity, within six months of the commencement of our engagement.

Relevant staff certifications: Our team obtained certifications from the Financial Industry Regulatory Authority (FINRA) to support certain products.

Robust quality management: We deployed quality management tools designed to evaluate the process for potential failure. We have efficiently supported our client's full range of brokerage functions, from the opening of a customer account to portfolio management. We have also helped increase the accuracy of processing and significantly improved turnaround time.

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Utilities

Our utilities team offers end-to-end solutions, which utilize our technology platforms and sophisticated analytical tools that allow utilities companies to transform their operations and thereby gain a competitive edge in the market place.

As at March 31, 2012, we had 1,384 employees working in this business unit. In fiscal 2012 and 2011, this business unit accounted for 4.5% and 3.2% of our revenue, and 5.5% and 5.3% of our revenue less repair payments, respectively.

Shipping and Logistics

We deliver a range of industry-specific business processes across the shipping and logistics industry, as well as provide services in the areas of finance and accounting, customer care, business technology, procurement and human resources administration. We also offer decision support services in the form of research and analytics. To support our shipping and logistics team, we use our proprietary consumer information system platform, which aids various customer services such as account management, billing support and analytics.

The key shipping and logistics industry sectors we serve include:

Global courier companies;

Non-vessel operating common carriers/forwarders;

Container shipping liners;

Trucking records management companies; and

Bulk and tanker carriers.

As at March 31, 2012, we had 1,158 employees working in this business unit. In fiscal 2011 and 2010, this business unit accounted for 2.2% and 1.6% of our revenue, and 2.6% and 2.6% of our revenue less repair payments, respectively.

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Horizontal Units

Contact Center

We have a strong track record of supporting customer care functions while focusing on cost-efficiency. To increase customer loyalty and satisfaction, we offer tailor-made customer care solutions by leveraging our domain expertise in customer service functions and strong talent pool.

We offer contact center services for a cross-section of industries, including:

Airlines;

Insurance;

Utilities;

Retail and CPG;

Telecommunications;

Financial services; and

Travel and leisure.

As at March 31, 2012, we had 6,863 employees in this horizontal unit. In fiscal 2012 and 2011, this horizontal unit accounted for 17.4% and 13.4% of our revenue, and 20.9% and 22.4% of our revenue less repair payments, respectively.

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The following graphic illustrates the key areas of services provided to clients in this horizontal unit:

Case Study

Our client, a large provider of Internet-enabled consumer-direct travel services worldwide, was converting itself from merely a flight booking tool into a full service travel resource backed by full time customer care. The client sought to manage its sales operations more efficiently in a growth environment in order to increase revenues. It was necessary for our client to enhance the efficiency of sales processes involving inbound calls by end-customers to its contact center and improve the productivity of its US contact center to manage the increasing volumes of customer inquiries.

The client engaged us to help it reduce operational costs, improve its process efficiencies and enhance the effectiveness of its contact center.

Since piloting a project to manage airline ticket sales in 2006, our team has expanded the scope of our services to include offline sales of travel insurance, and car and hotel bookings for multiple business lines of the client.

Our team significantly reduced our client's operational costs and delivered process efficiencies. The client was also able to use data collated by our team to fine-tune the offerings of its affiliates, leading to increased revenue. Specific benefits delivered to the client included:

Reduction in operational costs;

Reduction in average handling time;

Increase in call volumes being handled per agent; and

Increase in the sale conversion rate.

Finance and Accounting

Our finance and accounting service offerings include standardization of finance and accounting processes and transformation of finance operations.

We have experience in delivering large scale and complex transformation programs, which include:

Rapid, large scale transitions;

Implementation of shared service centers and rationalization of financial systems to optimize and consolidate our clients' information technology platforms;

Multi-location, multi-system global finance and accounting consolidation; and

End-to-end processes ranging from simple, transaction-based processes to high-end, judgment-based processes, such as analytics and treasury.

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Our finance and accounting services cover a wide range of industries, including:

Travel and leisure;

Insurance;

Shipping and logistics;

Financial services;

Information technology and telecommunications;

Utilities and energy; and

Retail and CPG.

As at March 31, 2012, we had 3,459 employees in this horizontal unit. In fiscal 2012 and 2011, this horizontal unit accounted for 15.5% and 9.7% of our revenue, and 18.6% and 16.2% of our revenue less repair payments, respectively.

The following graphic illustrates the key finance and accounting services we provide:

Proprietary Platform:

Recently launched our proprietary platform-based service offering, Xponential The ERP Card Solution™, as part of our BizAps Procure to Pay (P2P) Solutions brand umbrella.

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Case Study

In 2006, a leading US airline was seeking a cost effective and high-quality solution for its passenger revenue accounting and recovery processes, as part of the company's ongoing efforts to control costs and improve process efficiencies. The client chose to engage us to help meet those objectives and enhance recoveries from fare audits.

Our team of over 300 employees perform revenue accounting and fare audit functions to improve accuracy, efficiency and timely processing, leading to enhanced recoveries. Key features of our services include managing end-to-end passenger revenue accounting operations, including complex functions of interline, auditing, investigation, refunds and collections, by utilizing:

Stringent service level agreements;

Multi-location delivery to ensure business continuity;

Skilled staff;

Proprietary staff training capabilities;

Rigorous quality assurance and Six Sigma programs;

Robust program management and migration methodology; and

Comprehensive MIS and reporting.

Specific benefits delivered to the client included:

Significant cost savings;

Increased productivity levels;

Improved service quality;

Enabled the client to focus on strategic initiatives; and

Process efficiencies.

Research and Analytics

Leveraging our research and analytics expertise, industry expertise and global delivery model, our research and analytics outsourcing services help companies better understand their customers and provide insight-based business decision support.

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Our wide variety of services, which include analytics, market research, and business and financial research, provide actionable insights to companies across a range of industries such as banking and financial services, CPG, insurance, manufacturing and retail.

To support our operations, we have launched our proprietary research and analytics platform, WADESM, which was designed and developed to enable retail and CPG companies to access, organize and analyze data from various outside sources and use the information to take informed decisions.

As at March 31, 2012, we had 1,843 employees in this horizontal unit. In fiscal 2012 and 2011, this horizontal unit accounted for 9.9% and 6.6% of our revenue, and 11.9% and 11.0% of our revenue less repair payments, respectively.

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The following graphic illustrates the key research and analytics services we provide:

Proprietary Platform:

Proprietary platform-based service offering: research and analytics solution framework WADESM.
Case Study

The client is a leading US-based property and casualty insurer.

In a challenging economic environment with stagnating growth, the client sought to identify the drivers of demand for customer retention, mid-term cancellation and conversion of insurance policies in the auto insurance market. The client engaged us to pilot the analysis in a limited geographic area to determine its effectiveness.

The price optimization process aids the insurer in identifying the drivers of retention and in using these drivers to predict the retention behavior of their policyholders. Therefore, insurers must obtain a clear picture of customers' price elasticity at different price points. We have developed models that help identify the factors that drive demand and profile customers based on their willingness to pay. This process includes the extraction of data to create predictive models, make projections of future demand and test various scenarios to develop optimal pricing.

Working with the client, we designed an analytics solution that enabled our client to develop a better understanding of factors that drive customer demand and price products on the basis of the customer's willingness to pay. Specific benefits delivered to our client included:

Improvements in policy retention and profitability by deploying demand models in their pricing strategy; and

Extension of the demand-pricing model for auto-insurance products to other states in the US as part of its nationwide strategy.

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Technology/ Transformation Solutions

Our technology/transformation solutions team offers a suite of end-to-end services designed to help our clients to identify business and process optimization opportunities and leverage our industry and process expertise, technology solutions and analytics capabilities.

Our technology/transformation service offerings include:

Consulting and program management services: We help clients define transformational business strategies relevant to their respective industries by leveraging our consulting and program management services.

Process and quality services: We offer process and quality services, such as process re-engineering and transformation, quality program strategy and establishment, and business problem solution support.

Technology services: We leverage technology to achieve process transformation across industries and sectors through, for example, enterprise solution / enterprise resource planning (ERP) optimization, application development, maintenance and support, business process management, business intelligence and analytical solutions, and infrastructure and network services.

Business process as a service offerings: Our platform-based offerings are easy to implement and designed to provide return on investment to our clients and provide quantifiable benefits in a short time-frame

As at March 31, 2012, we had 121 employees in this horizontal unit. In fiscal 2012 and 2011, this horizontal unit accounted for 1.2% and 0.7% of our revenue, and 1.5% and 1.2% of our revenue less repair payments, respectively.

Legal Services

Our legal process outsourcing solutions team provides organizations access to a high quality talent pool of legal professionals, a global delivery model and deep domain expertise.

We aim to help our clients reduce the costs of their legal processes and, more importantly, allow their associates to focus on spending more time with their clients, thereby creating greater value for their organization.

As at March 31, 2012, we had 123 employees in this horizontal unit. In fiscal 2012 and 2011, this horizontal unit accounted for 0.7% and 0.5% of our revenue and 0.8% and 0.9% of our revenue less repair payments, respectively.

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Sales and Marketing

The offshore business process outsourcing services sales cycle can be time consuming and complex in nature. The extended sales cycle generally includes initiating client contact, submitting requests for information and proposals for client business, facilitating client visits to our operational facilities, performing analysis including diagnostic studies and conducting pilot implementations to confirm our delivery abilities. Due to the complex nature of our sales cycle, we have aligned our sales teams to our vertical business units and staffed them with both hunting, or sales, professionals, as well as farming, or client relationship, professionals. Our hunters and farmers have specialized industry knowledge, which enables them to better relate to our prospective clients. This industry-focus enables our hunters to better understand the prospective client's business needs and offer appropriate domain-specific solutions.

Our sales and sales support professionals are based in Australia, Dubai, Eastern Europe, India, Singapore, the UK and the US. Our sales teams work closely with our sales support team in India, which provides critical analytical support throughout the sales cycle. Another key function delivered by our India team is providing leads on potential business opportunities as well as providing support for telephone sales. Our front-line sales teams are responsible for identifying and initiating discussions with prospective clients, and selling services in new areas to existing clients. We assign dedicated client partners and/or account managers to our key clients. These managers work with their clients daily at the client locations. They also are the conduit to our service delivery teams addressing clients' needs. More importantly, by leveraging their detailed understanding of the client's business and outsourcing objectives gained through this close interaction, our account managers actively identify and target additional processes that can be outsourced to us. Through this methodology, we have developed a strong track record of increasing our sales to existing clients over time.

During the past two fiscal years, we have significantly grown our client facing team from 43 members as at March 31, 2010 to 68 members as at March 31, 2012, including hunters and farmers. We are committed to additional expansion as the pipeline necessitates in fiscal 2013.

Clients

As at March 31, 2012, we had a diverse client base of 222 clients across a variety of industries and process types, including companies that we believe are among the leading players in their respective industries. We define significant clients as those who represent an ongoing business commitment to us, which includes substantially all of our clients within our WNS Global BPO segment and some of our clients within our WNS Auto Claims BPO segment. The other clients in our auto claims business offer only occasional business to us because of the small size of their automobile fleets and the consequent infrequent requirement of our auto claims services.

We believe the diversity in our client profile differentiates us from our competitors. See Part I Item 5. Operating and Financial Review and Prospects Revenue for additional information on our client base.

The table below sets forth the number of our clients by revenue less repair payments for the periods indicated. We believe that the growth in the number of clients who generate more than \$1 million of annual revenue less repair payments indicates our ability to extend the depth of our relationships with existing clients over time.

	Year ended March 31,	
	2012	2011
Below \$1.0 million	154	163
\$1.0 million to \$5.0 million	49	39
\$5.0 million to \$10.0 million	11	12
More than \$10.0 million	8	6

Competition

Competition in the business process outsourcing services industry is intense and growing steadily. See Part I Item 3. Key Information D. Risk Factors Risks Related to Our Business We face competition from onshore and offshore business process outsourcing companies and from information technology companies that also offer business process outsourcing services. Our clients may also choose to run their business processes themselves, either in their home countries or through captive units located offshore.

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We compete primarily with:

focused business process outsourcing service companies based in offshore locations (primarily India), such as Genpact Limited, Firstsource Solutions Limited and EXL Service Holdings, Inc.;

business process outsourcing divisions of numerous information technology service companies located in India such as Infosys BPO Limited (formerly Progeon Limited) owned by Infosys Technologies Limited, or Infosys, Tata Consultancy Services Limited, or TCS, and Wipro BPO, owned by Wipro Technologies Limited; and

global companies such as Accenture Limited., Affiliated Computer Services Inc., Electronic Data Systems Corporation, a division of Hewlett-Packard, and International Business Machines Corporation which provide an array of products and services, including broad-based information technology, software, consulting and business process outsourcing services.

However, while companies such as Infosys (through its business process outsourcing subsidiary, Infosys BPO Limited) and TCS can offer clients integrated information technology and business outsourcing services, we believe these companies focus on information technology as their core business.

In addition, departments of certain companies may choose to perform their business processes in-house, in some cases via an owned and operated facility in an offshore location such as India. Their employees provide these services as part of their regular business operations.

Intellectual Property

We use a combination of our clients' software systems, third-party software platforms and systems and our own proprietary software and platforms to provide our services. Our proprietary and licensed software allows us to market our services with an integrated solution that combines a technology platform with our core business process outsourcing service offering. Our principal proprietary software includes our passenger revenue accounting platform and fare audit platform, which we use in our travel and leisure business unit, and auto claims software platform, which we use in WNS Assistance. In addition, we use our proprietary software to optimize our clients' finance and accounting processes. These include solutions for:

Invoice approval;

Maintaining master data, such as vendor and customer data;

Vendor and customer communication;

Purchasing card expense management for SAP®; and

Cash applications.

We customarily enter into licensing and non-disclosure agreements with our clients with respect to the use of their software systems and platforms. Our client contracts usually provide that all customized intellectual property created specifically for the use of our clients will be assigned to them.

Our employees are also required to sign confidentiality agreements as a condition to their employment. These agreements include confidentiality undertakings regarding our company's and the client's intellectual property that bind our employees even after they cease to work with us. These agreements also ensure that all intellectual property created or developed by our employees in the course of their employment is assigned to us.

We have registered the trademark WNS and WNS-Extending Your Enterprise in most of the countries where we have global presence.

Technology

We have a dedicated team of technology experts who support clients at each stage of their engagement with us. The team conducts diagnostic studies for prospective clients and designs and executes technology solutions to enable offshore execution and management of the clients business processes. The global IT infrastructure is managed by an internal IT infrastructure and operations team, which seeks to ensure that our associates face minimal loss in time and efficiency in their work processes. The team supports over 17,000 desktops across 25 locations world-wide and includes specialists in the areas of wide-area-network or local-area-network telecommunications, servers, desktop and information security.

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Wide-area-network We have designed and built WNSnet, a high-capacity global multi-protocol label switching network, connecting all of our delivery centers in Costa Rica, Europe, India, the Philippines and Sri Lanka to network points of presence, or PoPs, in the US and UK. There are two PoPs in the US: one in Ashburn, Virginia and one in Los Angeles, California. In addition, there are two PoPs in the UK: one in Telecity, London and the other in Telehouse, London. Connectivity to our clients' data centers is generally extended from two PoPs to provide redundancy. The PoPs are connected to our delivery centers on multiple high capacity leased circuits contracted from multiple telecom service providers and set up on diverse cable systems. This ensures that outage at any PoP, on any cable system or any service provider network, will not impact end-to-end connectivity to customers. WNSnet is managed 24/7 by our network operations center, or NOC, which is based in Mumbai. We have set up a backup NOC in Pune as a contingency measure.

Contact Center Technology Infrastructure We have installed the Avaya MultiVantage platform at all our call centers for delivering voice processes. The Avaya platform permits secure access to define and redefine the call flow, vectoring, agent skills, splits and other call routing parameters as and when required.

Data centers We also offer facilities for hosting client data if required. We have data centers at Mumbai, Pune and Gurgaon in India with over 25,000 square feet of floor space. We host servers for over 125 clients in the data centers and also all servers required for our corporate applications.

Technology service management methodology We have designed our technology service management methodology on the information technology infrastructure library framework. The competency developed by serving various clients across verticals is under continual upgrade and includes processes for the following: service desk, incident management, problem tracking and resolution, change control and management, configuration management and release management.

Process and Quality Assurance and Risk Management

Our process and quality assurance compliance programs are critical to the success of our operations. We have an independent quality assurance team to monitor, analyze, provide feedback on and report process performance and compliance. Our company-wide quality management system, which employs over 615 quality assurance analysts, focuses on managing our client processes effectively on an ongoing basis. Our process delivery is managed by independent empowered teams and measured regularly against pre-defined operational metrics. We also have over 796 employees in our quality assurance team that satisfies the ISO 9001:2000 standards for quality management systems. We apply the Six Sigma and LEAN methodologies which are statistical methodologies for improving consistent quality across processes as well as quality management principles for improving the operation of our clients' processes and providing a consistent level of service quality to our clients. As at March 31, 2012, more than 423 of our projects were completed using the Six Sigma and LEAN methodologies and currently 341 projects are ongoing. We were awarded the Golden Peacock National Quality Award for the year 2011 for our excellence in delivering transformational and cutting-edge outsourcing solutions. We also received the Golden Peacock Eco-Innovation Award for Green Lean Sigma Program awarded by The World Environment Foundation in 2009 and for innovation in 2007. We also apply other process re-engineering methodologies to further improve our process delivery and undertake periodic audits of both our information systems policy and implemented controls.

Our Board of Directors is primarily responsible for overseeing our risk management processes. The Board of Directors receives and reviews reports from the Head of Risk Management and Audit as considered appropriate regarding our company's assessment of risks. The Board of Directors focuses on the most significant risks facing our company and our company's general risk management strategy, and also ensures that risks undertaken by our company are consistent with the Board's appetite for risk.

Our risk management framework also focuses on two important elements: business continuity planning and information security.

Our approach to business continuity planning involves implementation of an organization-wide business continuity management framework which includes continual self-assessment, strategy formulation, execution and review. Our business continuity strategy leverages our expanding network of delivery centers for operational and technological risk mitigation in the event of a disaster. To manage our business continuity planning program, we employ a dedicated team of experienced professionals. A customized business continuity strategy is developed for key clients, depending on their specific requirements. For mission-critical processes, operations are typically split across multiple delivery centers in accordance with client-approved customized business continuity plans.

Our approach to information security involves implementation of an organization-wide information security management system, which complies with the ISO 27001:2005 to manage organizational information security risks. These measures seek to ensure that sensitive company information remains secure. Currently, information security systems at 12 delivery centers are ISO 27001:2005 certified, and we expect to seek similar certifications in our newer delivery centers. In addition, we comply with the Payment Card Industry (PCI) Data Security Standard which is a multifaceted security standard aimed at helping companies proactively protect cardholder data and sensitive authentication data.

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In addition, our clients may be governed by regulations specific to their industries or in the jurisdictions where they operate or where their customers are domiciled or in their home jurisdictions which may require them to comply with certain process-specific requirements. As we serve a large number of clients globally and across various industries, we rely on our clients to identify the process-specific compliance requirements and the measures that must be implemented in order to comply with their regulatory obligations. We assist our clients to maintain and enforce compliance in their business processes by implementing control and monitoring procedures and providing training to our clients employees. The control and monitoring procedures defined by this function are separate from and in addition to our periodic internal audits.

Human Capital

As at March 31, 2012, we had 23,874 employees, of which 2 are based in Australia, 431 are based in Costa Rica, 20,343 are based in India, 1,962 are based in the Philippines, 336 are based in Romania, 404 are based in Sri Lanka, 3 are based in United Arab Emirates, 330 are based in the UK and 63 are based in the US. Most of our associates hold university degrees. As at March 31, 2011 and 2010, we had 21,523 and 21,958 employees, respectively. Our employees are not unionized. We believe that our employee relations are good. We focus heavily on recruiting, training and retaining our employees.

Recruiting and Retention

We believe that talent acquisition is an integral part our overall organizational strategy. We have developed effective human resource strategies and demonstrated a strong track record in recruitment specific to the needs of our business units to optimize the training and development of our employees. As we continue to grow, we look to improve and enhance our candidate pool, which is sourced from recruitment agencies, job portals, advertisements, college campuses (where we focus on recruiting talented individuals) and walk-in applications. In addition, a significant number of our applicants are referred to us by existing employees. We recruit an average of 985 employees per month.

During fiscal 2012, 2011 and 2010, the attrition rate for our employees who have completed six months of employment with us was 38%, 43% and 32%, respectively.

Training and Development

We devote significant resources to the training and development of our associates. Our training typically covers modules in leadership and client processes, including the functional aspects of client processes such as quality and transfer. Training for new associates may also include behavioral and process training as well as cultural, voice and accent training, as required by our clients.

We have established the WNS Learning Academy, where we offer specialized skills development, such as leadership and management development, and behavioral programs as well as pre-process training that includes voice and accent and customer service training, for new associates. The WNS Learning Academy is staffed with over 55 full-time trainers and content designers. We customize our training programs according to the nature of the client's business, the country in which the client operates and the services the client requires. Further, the WNS Learning Academy has an in-house e-learning unit which creates computer or web-based learning modules to support ongoing learning and development.

Since the launch of the WNS Learning Academy, we have made significant efforts to improve the learning and development of our supervisory, management and leadership teams, which is visible through focused learning initiatives targeted at employees with specific job roles and based upon current and future business competency requirements. Our learning initiatives include, among others, the following:

A five-day leadership program, implemented in 2008, with a 60-90 day action learning project focused on professional and leadership skills and process improvement for over 2,000 team leaders and managers;

Our co-branded WNS-Harvard Leadership and Management Program, which has enrolled over 300 of our employees ranking Associate Vice President and above;

Educational opportunities through tie-ups with leading institutions, such as the Indian Institute of Management and Symbiosis Institute of Business Management;

The launch of LA TV, a Blackberry based corporate training tool for learning on-the-go;

Train the Trainer programs, in which master trainers visit our various locations to conduct training sessions;

The ongoing launch of virtual domain universities in each business unit, which we intend to serve as a one stop solution for domain knowledge; and

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Diversity and cross-cultural understanding training initiatives.

Through these learning initiatives and others, we are addressing developmental and functional needs at the junior management level, leadership and sales focus at the middle management level and business and strategic development at the senior leadership level. Our goal is to consolidate, build and share intellectual property and business knowledge throughout our organization, which we believe will benefit us, as well as our clients, in the long run.

Further, in connection with our focus on institutionalizing talent identification, succession planning and talent development frameworks, the WNS Learning Academy is involved with the design and implementation of talent development roadmaps that are designed to help us organically build leaders for the future and develop clear succession plans. We plan to achieve this through the design and roll-out of customized individual development plans, as well as specialized training programs run for groups of employees at similar stages of career development or in similar roles, which we call clustered interventions.

Other Development Initiatives

Diversity and inclusion As we increase our global presence, we believe it is important to grow and foster an inclusive and diverse business environment, and therefore we seek to equip our managers with the skills required to collaborate, manage and lead in a diverse global environment. Our learning and development team is proactively designing training materials related to diversity and cross-cultural understanding in order to groom successful managers who have a global mindset and the necessary soft skills to function effectively in a diverse environment. We believe that skills such as good communication and cultural adaptability and understanding are essential in the workplace. Therefore, we aim to instill in our global managers an awareness of, and an appreciation for, the differences among the cultures with which they do business and to provide them the techniques and support they need to succeed.

Representatives of the learning and development team are also involved in feasibility studies for potential new locations from a talent availability point of view. To improve our reach, we are increasingly deploying blended learning solutions via video-based and e-learning to reach our global locations.

Front line capability building As an individual advances within an organization, it is important that he or she adds the qualifications and skills required to perform the role and responsibilities to which he or she is assigned. Our Learning Academy focuses on providing new managers the necessary tools to successfully make the transition from employee to business leader. In doing so, our Learning Academy trains new managers on the technical and leadership skills necessary to manage people, understand key drivers of financial performance, provide good customer service and follow our business and shared best practices.

Regulations

Due to the industry and geographic diversity of our operations and services, our operations are subject to a variety of rules and regulations, and several federal and state agencies in Europe, India, the Philippines, Sri Lanka and the US that regulate various aspects of our business. See Part I Item 3. Key Information D. Risk Factors Risks Related to our Business Failure to adhere to the regulations that govern our business could result in us being unable to effectively perform our services. Failure to adhere to regulations that govern our clients' businesses could result in breaches of contract with our clients.

Regulation of our industry by the Indian government affects our business in several ways. We have benefitted from, and continue to benefit from, certain tax holidays and exemptions in various jurisdictions in which we have operations.

In the past, the majority of our Indian operations were eligible to claim income-tax exemption with respect to profits earned from export revenue from operating units registered under STPI. The benefit was available for a period of 10 years from the date of commencement of operations, but not beyond March 31, 2011. We had 13 delivery centers for fiscal 2011 eligible for the income tax exemption, which expired on April 1, 2011 for all of delivery centers. We incurred minimal income tax expense on our Indian operations in fiscal 2011 as a result of this tax exemption, compared to approximately \$13.6 million that we would have incurred if the tax exemption had not been available for the period. Effective April 1, 2011, upon the expiration of this tax exemption, income derived from our operations in India became subject to the annual tax rate of 32.45%.

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Further, in 2005, the Government of India implemented the SEZ legislation, with the effect that taxable income of new operations established in designated SEZs may be eligible for a 15-year tax holiday scheme consisting of a complete tax holiday for the initial five years and a partial tax holiday for the subsequent ten years, subject to the satisfaction of certain capital investment conditions. We have a delivery center located in Gurgaon, India registered under the SEZ scheme and eligible for a 50% income tax exemption from fiscal 2013 until fiscal 2022. During fiscal 2012, we also started operations in delivery centers in Pune, Navi Mumbai and Chennai, India registered under the SEZ scheme, through which we are eligible for a 100% income tax exemption until fiscal 2016 and a 50% income tax exemption from fiscal 2017 until fiscal 2026. The Ministry of Finance in India has, however, expressed concern about the potential loss of tax revenues as a result of the exemptions under the SEZ legislation. The SEZ legislation has been criticized on economic grounds by the International Monetary Fund and the SEZ legislation may be challenged by certain non-governmental organizations. It is possible that, as a result of such political pressures, the procedure for obtaining benefits under the SEZ legislation may become more onerous, the types of land eligible for SEZ status may be further restricted or the SEZ legislation may be amended or repealed. Moreover, there is continuing uncertainty as to the governmental and regulatory approvals required to establish operations in the SEZs or to qualify for the tax benefit. This uncertainty may delay our establishment of additional operations in the SEZs.

In addition to these tax holidays, our Indian subsidiaries are also entitled to certain benefits under relevant state legislation and regulations. These benefits include the preferential allotment of land in industrial areas developed by state agencies, incentives for captive power generation, rebates and waivers in relation to payments for transfer of property and registration (including for purchase or lease of premises) and commercial usage of electricity.

Further, since the adoption of the Indian Finance Act, 2007, we have become subject to MAT and, since fiscal 2008, we have been required to pay additional taxes. The Government of India, pursuant to the Indian Finance Act, 2011, has levied MAT on the profits earned by the SEZ units at the rate of 20.01%. To the extent MAT paid exceeds the actual tax payable on the taxable income; we would be able to set off such MAT credits against tax payable in the succeeding ten years, subject to the satisfaction of certain conditions. We expect to be able to set off our MAT payments against our increased tax liability based on taxable income following the expiry of our tax holiday on STPI effective fiscal 2012.

Further, in Finance Bill, 2012, the Government of India has clarified that, with retrospective effect from April 1, 1962, any income accruing or arising directly or indirectly through the transfer of capital assets situated in India will be taxable in India. If we enter into such transactions, they could be investigated by the Indian tax authorities, which could lead to the issuance of tax assessment orders and a material increase in our tax liability. However, in the past our company has obtained indemnity from the sellers of assets in such transactions against any such probable tax liabilities. The Finance Bill, 2012, also introduced the GAAR effective April 1, 2012, which is intended to curb sophisticated tax avoidance. Under the GAAR, a business arrangement will be deemed an impermissible avoidance arrangement if the main purpose of the arrangement is to obtain a tax benefit.

The Direct Taxes Code Bill, which was tabled in the Indian Parliament in August 2010, is proposed to come into effect in April 2013, if enacted. The Direct Taxes Code, if enacted, is intended to replace the Indian Income Tax Act, 1961 beginning April 1, 2013. Under the Direct Taxes Code Bill, a non-Indian company with a place of effective management in India would be treated as a tax resident in India and would be consequently liable to be taxed in India on its global income. The Direct Taxes Code Bill, if enacted, also proposes to discontinue the existing profit based incentives for SEZ units operational after March 31, 2014 and replace them with investment based incentives for SEZ units operational after that date.

Our subsidiaries in Sri Lanka, the Philippines and Costa Rica also benefit from certain tax exemptions. One of our Sri Lankan subsidiaries was eligible to claim income tax exemption with respect to profits earned from export revenue by our delivery center registered with the BOI, Sri Lanka. This tax exemption expired in fiscal 2011, however, effective fiscal 2012, the Government of Sri Lanka has exempted the profits earned from export revenue from tax. This has enabled our Sri Lankan subsidiary to continue to claim tax exemption under the Sri Lankan Inland Revenue Act following the expiry of the tax holiday provided by the BOI. The tax holiday for another Sri Lankan subsidiary expired on March 31, 2009.

Our subsidiaries in the Philippines, WNS Philippines Inc., and its wholly-owned subsidiary, WNS Global Services Philippines, Inc., are also eligible to claim income tax exemption with respect to profits earned from export revenue by our delivery centers registered with the Board of Investment and the Philippines Economic Zone Authority, respectively. This tax holiday is available for four years from the date of grant of the tax exemption. Upon expiry of the tax holiday in fiscal 2013, income generated by WNS Philippines Inc. and WNS Global Services Philippines, Inc. will be taxed at the then prevailing annual tax rate which is currently 30%.

Our subsidiary in Costa Rica is also eligible for 100% income tax exemption for an initial eight years and 50% for the four years thereafter, starting from the date of commencement of the operation on November 16, 2009.

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In addition, in May 2007, the Government of India implemented a fringe benefit tax on the allotment of shares pursuant to the exercise or vesting, on or after April 1, 2007, of options and RSUs granted to employees. The fringe benefit tax was payable by the employer at the rate of 33.99% on the difference between the fair market value of the options and RSUs on the date of vesting of the options and RSUs and the exercise price of the options and the purchase price (if any) for the RSUs, as applicable. In October 2007, the Government of India published its guidelines on how the fair market value of the options and RSUs should be determined. The legislation permitted the employer to recover the fringe benefit tax from the employees. Accordingly, the terms of our award agreements with applicable employees in India under our 2002 Stock Incentive Plan and our Amended and Restated 2006 Incentive Award Plan (as described in Part I Item 6. Directors, Senior Management and Employees B. Compensation Employee Benefit Plans) allow us to recover the fringe benefit tax from all of our employees in India except expatriate employees who are resident in India. In August 2009, the Government of India passed the Indian Finance (No. 2) Act, 2009, which abolished the levy of fringe benefit tax on certain expenses incurred by an employer and share-based compensation provided to employees, by an employer. However, it also provides that share-based compensation paid and other fringe benefits or amenities provided to employees would be taxable in the hands of the employees as salary benefit and an employer would be required to withhold taxes payable thereon.

See Part I Item 5. Operating and Financial Review and Prospects Critical Accounting Policies Income Taxes and Note 3 to our consolidated financial statements included elsewhere in this annual report for more details regarding foreign currency translations.

Enforcement of Civil Liabilities

We are incorporated in Jersey, Channel Islands. Most of our directors and executive officers reside outside of the US. Substantially all of the assets of these persons and substantially all of our assets are located outside the US. As a result, it may not be possible for investors to effect service of process on these persons or us within the US, or to enforce against these persons or us, either inside or outside the US, a judgment obtained in a US court predicated upon the civil liability provisions of the federal securities or other laws of the US or any state thereof. A judgment of a US court is not directly enforceable in Jersey, but constitutes a cause of action which will be enforced by Jersey courts provided that:

the court which pronounced the judgment has jurisdiction to entertain the case according to the principles recognized by Jersey law with reference to the jurisdiction of the US courts;

the judgment is given on the merits and is final and conclusive it cannot be altered by the courts which pronounced it;

there is payable pursuant to the judgment a sum of money, not being a sum payable in respect of tax or other charges of a like nature or in respect of a fine or other penalty;

the courts of the US have jurisdiction in the circumstances of the case;

the judgment can be enforced by execution in the jurisdiction in which the judgment is given;

the person against whom the judgment is given does not benefit from immunity under the principles of public international law;

there is no earlier judgment in another court between the same parties on the same issues as are dealt with in the judgment to be enforced;

the judgment was not obtained by fraud, duress and was not based on a clear mistake of fact; and

the recognition and enforcement of the judgment is not contrary to public policy in Jersey, including observance of the principles of natural justice which require that documents in the US proceeding were properly served on the defendant and that the defendant was given the right to be heard and represented by counsel in a free and fair trial before an impartial tribunal.

It is the policy of Jersey courts to award compensation for the loss or damage actually sustained by the person to whom the compensation is awarded. Although the award of punitive damages is generally unknown to the Jersey legal system, there is no prohibition on them either by statute or by customary law. Whether a judgment is contrary to public policy depends on the facts of each case. Exorbitant, unconscionable, or excessive awards will generally be contrary to public policy. Moreover, if a US court gives a judgment for multiple damages against a qualifying defendant, the Protection of Trading Interests Act 1980, an Act of the UK extended to Jersey by the Protection of Trading Interests Act 1980 (Jersey) Order 1983, or the Order, provides that such judgment would not be enforceable in Jersey and the amount which may be payable by such defendant may be limited. The Order provides, among others, that such qualifying defendant may be able to recover such amount paid by it as represents the excess of such multiple damages over the sum assessed as compensation by the court that gave the judgment. A qualifying defendant for these purposes is a citizen of the UK and Colonies, a body corporate incorporated in the UK, Jersey or other territory for whose international relations the UK is responsible or a person carrying on business in Jersey.

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Jersey courts cannot enter into the merits of the foreign judgment and cannot act as a court of appeal or review over the foreign courts. It is doubtful whether an original action based on US federal securities laws can be brought before Jersey courts. A plaintiff who is not resident in Jersey may be required to provide security for costs in the event of proceedings being initiated in Jersey.

There is uncertainty as to whether the courts of India would, and Mourant Ozannes, our counsel as to Jersey law, have advised us that there is uncertainty as to whether the courts of Jersey would:

recognize or enforce judgments of US courts obtained against us or our directors or officers predicated upon the civil liability provisions of the securities laws of the US or any state in the US; or

entertain original actions brought in each respective jurisdiction against us or our directors or officers predicated upon the federal securities laws of the US or any state in the US.

Section 44A of the Code of Civil Procedure, 1908 (India), or the Civil Code, as amended, provides that where a foreign judgment has been rendered by a superior court in any country or territory outside India which the Indian government has by notification declared to be a reciprocating territory, such foreign judgment may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant superior court in India. Section 44A of the Civil Code is applicable only to monetary decrees not being in the nature of amounts payable in respect of taxes or other charges of a similar nature or in respect of fines or other penalties and does not include arbitration awards. The US has not been declared by the Indian government to be a reciprocating territory for the purposes of Section 44A of the Civil Code.

A judgment of a foreign court, which is not a court in a reciprocating territory, may be enforced in India only by a suit upon the judgment, subject to Section 13 of the Civil Code and not by proceedings in execution and such judgment of a foreign court is considered as evidence. This section, which is the statutory basis for the recognition of foreign judgments, states that a foreign judgment is conclusive evidence as to any matter directly adjudicated upon except:

where the judgment has not been pronounced by a court of competent jurisdiction;

where the judgment has not been given on the merits of the case;

where the judgment appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the law of India in cases where such law is applicable;

where the proceedings in which the judgment was obtained were opposed to natural justice;

where the judgment has been obtained by fraud; or

where the judgment sustains a claim founded on a breach of any law in force in India.

The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. Generally, there are considerable delays in the disposal of suits by Indian courts. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the Reserve Bank of India under the Indian Foreign Exchange Management Act, 1999, to repatriate any amount recovered pursuant to such execution. Any judgment in a foreign currency would be converted into Indian rupees on the date of judgment and not on the date of payment.

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C. Organizational Structure

The following diagram illustrates our company's organizational structure and the place of organization of each of our subsidiaries as at the date hereof. Unless otherwise indicated, each of our subsidiary is 100% owned, directly or indirectly, by WNS (Holdings) Limited.

Notes:

- (1) Effective April 6, 2011, WNS Customer Solutions North America Inc. merged into WNS North America Inc. Effective June 29, 2011, Business Applications Associations Inc. merged into WNS North America Inc.
- (2) WNS (Holdings) Limited made a 99.99% capital contribution in WNS Global Services Netherlands Cooperative U.A., or the Co-op. The remaining 0.01% capital contribution in the Co-op was made by WNS North America Inc. to satisfy the regulatory requirement to have a minimum of two members.
- (3) Business Applications Associates Limited is in the process of voluntary dissolution.
- (4) All the shares except one share of WNS Business Consulting Services Private Limited (formerly known as WNS Mortgage Services Private Limited), or WNS BCS, are held by WNS North America Inc. The remaining one share is held by a nominee shareholder on behalf of WNS North America Inc. to satisfy the regulatory requirement to have a minimum of two shareholders.
- (5) WNS Philippines Inc. was formed as a joint venture between the Co-op and ACS. The Co-op originally held a 65% ownership in WNS Philippines Inc. Effective November 1, 2011, the joint venture was terminated and the Co-op acquired a 100% interest in WNS Philippines Inc.
- (6) WNS Cares Foundation is a not-for-profit organization registered under Section 25 of the Companies Act, 1956, India formed for the purpose of promoting corporate social responsibilities and is not considered for the purpose of preparing our consolidated financial statements.

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As at March 31, 2012, we have an installed capacity of 18,928 workstations, or seats, that can operate on an uninterrupted 24/7 basis and can be staffed on a three-shift per day basis. The majority of our properties are leased by us, as described in the table below, and most of our leases are renewable at our option. The following table describes each of our delivery centers and sales offices, including centers under construction, and sets forth our lease expiration dates:

Location	Total Space (square feet)	Total Number of Workstations/Seats	Lease Expiration	Extendable Until ⁽¹⁾
India:				
Mumbai	362,391	3,665		
Godrej Plant 10			February 15, 2016	N/A
Godrej Plant 11			February 15, 2016	N/A
Godrej Plant 5			February 15, 2016	N/A
Raheja (SEZ)			May 31, 2019	N/A
Gurgaon	207,733	2,250		
Infinity Tower A			April 30, 2014	N/A
Infinity Tower B			May 31, 2014	N/A
Infinity Tower C			March 31, 2015	N/A
DLF (SEZ) 6			September 15, 2012	September 15, 2017
Udyog Vihar			July 14, 2014	July 14, 2020
			July 20, 2014	July 20, 2020
Pune	601,086 ⁽²⁾	5,977 ⁽²⁾		
Magarpatta ⁽³⁾			N/A	N/A
Weikfield			February 14, 2014	February 14, 2018
			April 30, 2014	April 30, 2018
			June 14, 2014	June 14, 2018
Mantri Estate			May 26, 2016	May 26, 2020
Magarpatta (SEZ) - Level 5 ⁽⁴⁾			Date to be fixed ⁽⁵⁾	Date to be fixed ⁽⁵⁾
Magarpatta (SEZ) - Level 6 ⁽⁴⁾			Date to be fixed ⁽⁵⁾	Date to be fixed ⁽⁵⁾
Magarpatta (SEZ) - Level 7 ⁽⁶⁾			Date to be fixed ⁽⁵⁾	Date to be fixed ⁽⁵⁾
Nasik	88,356	987		
Shreeniketan			June 30, 2013	June 30, 2016
Vascon			October 14, 2013	October 14, 2017
Bangalore	191,890	1,971		
RMZ Centennial			June 14, 2015	June 14, 2025
			October 31, 2015	October 31, 2025
Chennai	188,777 ⁽⁷⁾	1,026 ⁽⁷⁾		
RMZ Millenia			March 31, 2012 ⁽⁸⁾	August 31, 2048
DLF (SEZ)			March 31, 2016	N/A
DLF (SEZ) - Phase 2			March 31, 2017	N/A
DLF (SEZ) - Phase 3 ^{(6) (9)}			Date to be fixed ⁽¹⁰⁾	N/A ⁽¹⁰⁾
Vishakhapatnam	31,332			
MPS Plaza ⁽¹¹⁾			March 4, 2017	March 4, 2027
Sri Lanka:				
Colombo (HNB)	33,124	410	July 31, 2014	N/A
UK:				
Ipswich	34,573	519		
			August 26, 2012	N/A
			October 31, 2012	October 31, 2014
Cheadle			July 21, 2020	N/A
Piccadilly			February 1, 2017	N/A
Mansfield			February 14, 2016	N/A
Hayes			February 28, 2021	N/A
US:				
Abby Office Center, Houston	27,598 ⁽¹²⁾	8 ⁽¹²⁾	July 31, 2012	N/A
Exchange Place, NJ			July 30, 2019	July 30, 2024

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The State Building ^{(6) (13)}			Date to be fixed ⁽¹⁴⁾	Date to be fixed ⁽¹⁴⁾
Romania:	31,635	382		
Bucharest			December 31, 2012	N/A
			January 15, 2014	N/A
The Philippines:	79,488	1,325		
Eastwood			November 30, 2015	N/A
			June 30, 2016	June 30, 2019
			August 30, 2015	August 30, 2018
Amberbase			Temporary site	N/A
Costa Rica	25,184	408		
Forum H San Jose			April 30, 2016	N/A
United Arab Emirates	510			
Dubai Airport Free Trade Zone ⁽¹⁵⁾			November 27, 2014	November 27, 2017

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Notes:

N/A means not applicable.

- (1) Reflects the expiration date if each of our applicable extension options are exercised.
- (2) The total space includes, but the total number of workstations does not include, those of Magarpatta (SEZ) Level 7, which is yet to be operational.
- (3) We own these premises.
- (4) We have entered into a letter of intent with the landlord for a lease of these premises, but the lease agreement has yet to be executed and are currently pending adjudication of stamp duties from the local governmental authorities.
- (5) The lease expiration date is five years from the commencement of the lease and the lease is extendable for up to ten years from the lease expiration date.
- (6) We have entered into a letter of intent with the landlord for a lease of the premises.
- (7) The total space includes, but the total number of workstations does not include, those of DLF (SEZ), Phase 2 and Phase 3, which are yet to be operational.
- (8) The prior lease agreement for these premises expired on March 31, 2012. We have in-principle agreement with the landlord for the renewal of the lease effective April 1, 2012 but the lease agreement has yet to be executed and is currently pending registration.
- (9) We expect to complete the interior fit out works in fiscal 2014. Rent is expected to commence in fiscal 2014.
- (10) The lease expiration date is five years from the commencement of the lease and the lease is not extendable.
- (11) We expect to complete the interior fit out works by May 2012, when the facility is expected to be operational.
- (12) The space includes, but the total number of workstation does not include, those of Exchange Place, NJ and The State Building, which are yet to be operational.
- (13) The interior fit out work is expected to be completed by June 2012. Rent is expected to commence in August 2012.
- (14) The lease expiration date is five years from the commencement of the lease and the lease is extendable for up to six years from the lease expiration date.
- (15) This is a new client facing facility.

Our delivery centers are equipped with fiber optic connectivity and have backups to their power supply designed to achieve uninterrupted operations.

In fiscal 2013, we intend to establish additional delivery centers, as well as continue to streamline our operations by further consolidating production capacities in our delivery centers.

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None.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion on the financial condition and results of operations of our company should be read in conjunction with our consolidated financial statements and the related notes included elsewhere in this annual report. Some of the statements in the following discussion contain forward-looking statements that involve risks and uncertainties. See Special Note Regarding Forward-Looking Statements. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of a number of factors, including, but not limited to, those described below and elsewhere in this annual report, particularly in the risk factors described in Part I Item 3 . Key Information D. Risk Factors.

Our consolidated financial statements, and the financial information discussed below, have been prepared in accordance with IFRS. Since these are our first annual consolidated financial statements prepared in accordance with IFRS, pursuant to transitional relief granted by the SEC in respect of the first time adoption of IFRS, we have only provided financial statements and financial information for the fiscal years ended March 31, 2012 and 2011 and no comparative data for the fiscal year ended March 31, 2010 has been included.

Overview

We are a leading global provider of offshore business process outsourcing services, offering comprehensive data, voice, analytical and business transformation services. We transfer the business processes of our clients to our delivery centers, located in Costa Rica , India, the Philippines, Romania, Sri Lanka, the UK and the US, as well as to our subcontractor s delivery center in South Africa, with a view to offer cost savings to our clients as well as offer more flexibility in managing their operations. In addition, our transformation practice seeks to help our clients identify business and process optimization opportunities through technology-enabled solutions and process design improvements.

We win outsourcing engagements from our clients based on our domain knowledge of their business and our experience in managing the specific processes they seek to outsource. Accordingly, we are organized into vertical business units in order to provide more specialized focus on each of the industries that we target, to more effectively manage our sales and marketing process and to develop in-depth domain knowledge. The major industry verticals we currently target are the insurance, travel and leisure and manufacturing, retail, consumer products and telecom industries, as well as the consulting and professional services, healthcare, banking and financial services, utilities and shipping and logistics industries.

Our portfolio of services includes vertical-specific processes that are tailored to address our clients specific business and industry practices. In addition, we offer a set of shared services that are common across multiple industries, including customer care, finance and accounting, legal services, procurement, research and analytics and technology services.

Although we typically enter into long-term contractual arrangements with our clients, these contracts can usually be terminated with or without cause by our clients and often with short notice periods. Nevertheless, our client relationships tend to be long-term in nature given the scale and complexity of the services we provide coupled with risks and costs associated with switching processes in-house or to other service providers. We structure each contract to meet our clients specific business requirements and our target rate of return over the life of the contract. In addition, since the sales cycle for offshore business process outsourcing is long and complex, it is often difficult to predict the timing of new client engagements. As a result, we may experience fluctuations in growth rates and profitability from quarter to quarter, depending on the timing and nature of new contracts. Our operating results may also differ significantly from quarter to quarter due to seasonal changes in the operations of our clients. For example, our clients in the travel and leisure industry typically experience seasonal changes in their operations due to the holiday travel season in the third quarter of each fiscal year and, as a result, we may experience seasonal fluctuations in our travel and leisure vertical during such period. Our focus, however, is on deepening our client relationships and maximizing shareholder value over the life of a client s relationship with us.

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Our revenue is generated primarily from providing business process outsourcing services. We have two reportable segments for financial statement reporting purposes WNS Global BPO and WNS Auto Claims BPO. In our WNS Auto Claims BPO segment, we provide both fault and non fault repairs. For fault repairs, we provide claims handling and repair management services, where we arrange for automobile repairs through a network of third party repair centers. In our repair management services, where we act as the principal in our dealings with the third party repair centers and our clients, the amounts which we invoice to our clients for payments made by us to third party repair centers are reported as revenue. Where we are not the principal in providing the services, we record revenue from repair services net of repair cost. See Note 2.s of the consolidated financial statements included elsewhere in this annual report. Since we wholly subcontract the repairs to the repair centers, we evaluate the financial performance of our fault repair business based on revenue less repair payments to third party repair centers, which is a non-GAAP financial measure. We believe that revenue less repair payments for fault repairs reflects more accurately the value addition of the business process outsourcing services that we directly provide to our clients.

For our non fault repairs business, we generally provide a consolidated suite of accident management services including credit hire and credit repair, and we believe that measurement of such business on a basis that includes repair payments in revenue is appropriate. Revenue including repair payments is therefore used as a primary measure to allocate resources and measure operating performance for accident management services provided in our non fault repairs business. For one client in our non fault repairs business (whose contract with us has been terminated with effect from April 18, 2012), we provide only repair management services where we wholly subcontract the repairs to the repair centers (similar to our fault repairs). Accordingly, we evaluate the financial performance of our business with this client in a manner similar to how we evaluate our financial performance for our fault repairs business, that is, based on revenue less repair payments. Our non fault repairs business where we provide accident management services accounts for a relatively small portion of our revenue for our WNS Auto Claims BPO segment.

Revenue less repair payments is a non-GAAP financial measure which is calculated as (a) revenue less (b) in our auto claims business, payments to repair centers (1) for fault repair cases where we act as the principal in our dealings with the third party repair centers and our clients and (2) for non fault repair cases with respect to one client as discussed above. 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. Our revenue less repair payments may not be comparable to similarly titled measures reported by other companies due to potential differences in the method of calculation.

The following table reconciles our revenue (a GAAP financial measure) to revenue less repair payments (a non-GAAP financial measure) for the periods indicated:

	Year ended March 31,	
	2012	2011
	(US dollars in millions)	
Revenue	\$ 474.1	\$ 616.3
Less: Payments to repair centers ⁽¹⁾	79.1	246.9
Revenue less repair payments	\$ 395.1	\$ 369.4

Note:

(1) Consists of payments to repair centers in our auto claims business (a) for fault repair cases where we act as the principal in our dealings with the third party repair centers and our clients and (b) for non fault repair cases with respect to one client as discussed above. The following table sets forth our constant currency revenue less repair payments for the periods indicated. Constant currency revenue less repair payments is a non-GAAP financial measure. We present constant currency revenue less repair payments so that revenue less repair payments may be viewed without the impact of foreign currency exchange rate fluctuations, thereby facilitating period-to-period comparisons of business performance. Constant currency revenue less repair payments is calculated by restating prior year revenue less repair payments denominated in pound sterling or Euro using the foreign exchange rate used for the latest year.

Year ended March 31,
2012 **2011**
(US dollars in millions)

Constant currency revenue less repair payments	\$ 395.1	\$ 375.2
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Global Economic Conditions

During the past several years, global economic conditions have been challenging as certain adverse financial developments have caused a significant slowdown in the growth of the European, US and international financial markets, accompanied by a significant reduction in consumer and business spending worldwide. These adverse financial developments have included increased market volatility, tightening of liquidity in credit markets and diminished expectations for the global economy. While the world economy has grown since 2010, the recent speculation regarding the inability of certain European countries to pay their national debts, the response by Eurozone policy makers to mitigate this sovereign debt crisis and the concerns regarding the stability of the Eurozone currency have created additional uncertainty in the European and global economies. Further, there continue to be signs of economic weakness such as relatively high levels of unemployment in major markets including Europe and the United States.

These economic conditions may affect our business in a number of ways. The general level of economic activity, such as decreases in business and consumer spending, could result in a decrease in demand for our services, thus reducing our revenue. The cost and availability of credit has been and may continue to be adversely affected by illiquid credit markets and wider credit spreads. Continued turbulence in the European, US and international financial markets and economies may adversely affect our liquidity and financial condition, and the liquidity and financial condition of our customers. If these market conditions continue or worsen, they may limit our ability to access financing or increase our cost of financing to meet liquidity needs, and affect the ability of our customers to use credit to purchase our services or to make timely payments to us, resulting in adverse effects on our financial condition and results of operations.

Furthermore, a weakening of the rate of exchange for the US dollar or the pound sterling (in which our revenue is principally denominated) against the Indian rupee (in which a significant portion of our costs are denominated) also adversely affects our results. Fluctuations between the pound sterling or the Indian rupee and the US dollar also expose us to translation risk when transactions denominated in pound sterling or Indian rupees are translated into US dollars, our reporting currency. For example, while the average pound sterling/US dollar exchange rate for fiscal 2012 appreciated by 2.5% as compared to the average exchange rate for fiscal 2011, the average pound sterling/US dollar exchange rate for fiscal 2011 depreciated by 2.6% as compared to the average exchange rate for fiscal 2010. Depreciation of the pound sterling/US dollar exchange rate in fiscal 2011 adversely impacted our results of operations.

Uncertainty about current global economic conditions could also continue to increase the volatility of our share price. We cannot predict the timing or duration of an economic slowdown or the timing or strength of a subsequent economic recovery generally or in our targeted industries, including the insurance industry and the travel and leisure industry. If macroeconomic conditions worsen or current global economic conditions continue for a prolonged period of time, we are not able to predict the impact that such worsening conditions will have on our targeted industries in general, and our results of operations specifically.

Our History and Milestones

We began operations as an in-house unit of British Airways in 1996, and became a focused third-party business process outsourcing service provider in fiscal 2003. The following are the key milestones in our operating history since Warburg Pincus acquired a controlling stake in our company from British Airways in May 2002 and inducted a new senior management team:

In fiscal 2003, we acquired Town & Country Assistance Limited (which we subsequently rebranded as WNS Assistance and which is part of WNS Auto Claims BPO, our reportable segment for financial statement purposes), a UK-based automobile claims handling company, thereby extending our service portfolio beyond the travel and leisure industry to include insurance-based automobile claims processing.

In fiscal 2003, we invested in capabilities to begin providing enterprise services, and research and analytics services to address the requirements of emerging industry segments in the offshore outsourcing context.

In fiscal 2003 and 2004, we invested in our infrastructure to expand our service portfolio from data-oriented processing to include complex voice and blended data/voice service capabilities, and commenced offering comprehensive processes in the travel and leisure, banking and financial services and insurance industries.

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In fiscal 2004, we acquired the health claims management business of Greensnow Inc.

In fiscal 2005, we opened facilities in Gurgaon, India, and Colombo, Sri Lanka, thereby expanding our operating footprints across India, Sri Lanka and the UK.

In fiscal 2006, we acquired Trinity Partners Inc. (which we subsequently merged into our subsidiary, WNS North America Inc.), a provider of business process outsourcing services to financial institutions, focusing on mortgage banking.

In fiscal 2007, we expanded our facilities in Gurgaon, Mumbai and Pune.

In fiscal 2007, we acquired the fare audit services business of PRG Airlines and the financial accounting business of GHS.

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In May 2007, we acquired Marketics, a provider of offshore analytics services.

In June 2007, we acquired Flovate, a company engaged in the development and maintenance of software products and solutions, which we subsequently renamed as WNS Workflow Technologies Limited.

In July 2007, we completed the transfer of our delivery center in Sri Lanka to Aviva Global.

In January 2008, we launched a 133-seat facility in Bucharest, Romania.

In March 2008, we entered into a joint venture with ACS, a provider in BPO services and customer care in the Philippines, to form WNS Philippines Inc.

In April 2008, we opened a facility in Manila, the Philippines.

In April 2008, we acquired Chang Limited, an auto insurance claims processing services provider in the UK through its wholly-owned subsidiary, Call 24-7.

In June 2008, we acquired BizAps, a provider of SAP® solutions to optimize the enterprise resource planning functionality for our finance and accounting processes.

In July 2008, we entered into the transaction with Aviva consisting of (1) a share sale and purchase agreement pursuant to which we acquired from Aviva all the shares of Aviva Global and (2) the Aviva master services agreement pursuant to which we are providing BPO services to Aviva's UK business and Aviva's Irish subsidiary, Hibernian Aviva Direct Limited, and certain of its affiliates.

In November 2009, we opened a facility in San Jose, Costa Rica.

In January 2010, we moved from our existing facility to a new and expanded facility in Manila, the Philippines.

In October 2010, we moved from our existing facility in Marple to Manchester, UK and expanded our facility in Manila, the Philippines.

In November 2010, we expanded our sales office in London, UK.

In March 2011, we expanded our facility in Bucharest, Romania.

In November 2011, we acquired ACS's shareholding in WNS Philippines Inc., which became our wholly-owned subsidiary.

In fiscal 2012, we expanded our facilities in Mumbai, Pune, Gurgaon, Chennai, the Philippines, Costa Rica and Romania.

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As a result of these acquisitions and other corporate developments, our financial results in corresponding periods may not be directly comparable.

Revenue

We generate revenue by providing business process outsourcing services to our clients. The following table shows our revenue (a GAAP financial measure) and revenue less repair payments (a non-GAAP financial measure) for the periods indicated:

	Year ended March 31,		Change	
	2012	2011	(US dollars in millions) \$	%
Revenue	474.1	616.3	(142.1)	(23.1)%
Revenue less repair payments	395.1	369.4	25.7	6.9%

During fiscal 2012, we re-negotiated contracts with certain of our clients and repair centers in the auto claims business, whereby the primary responsibility for providing the services is borne by the repair centers instead of us and the credit risk that the client may not pay for the services is no longer borne by us. As a result of these changes, we are no longer considered to be the principal in providing the services. Accordingly, we no longer account for the amount received from these clients for payments to repair centers and the payments made to repair centers for cases referred by these clients as revenue and cost of revenue, respectively, resulting in lower revenue and cost of revenue. The contract re-negotiation process is ongoing and aimed at simplifying our accounting requirements. This contract re-negotiation process does not affect our revenue less repair payments.

We have a large client base diversified across industries and geographies. Our client base grew from 14 clients in May 2002 to 222 clients as at March 31, 2012 (for our definition of significant clients, see Part I Item 4. Information on the Company B. Business Overview Clients).

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Our revenue is characterized by client, industry, service type, geographic and contract type diversity, as the analysis below indicates.

Revenue by Top Clients

For fiscal 2012 and 2011, our revenue and revenue less repair payments were derived from our largest clients in the proportions set forth in the following table:

	Revenue		Revenue less repair payments	
	Year ended March 31,		Year ended March 31,	
	2012	2011	2012	2011
Top client	17.3%	16.4%	20.7%	20.4%
Top five clients	41.4%	54.3%	40.5%	41.1%
Top ten clients	53.6%	65.8%	53.6%	53.4%
Top twenty clients	69.3%	77.8%	68.9%	70.2%

In fiscal 2012, our three largest clients individually accounted for 17.3%, 10.4% and 6.3%, respectively, of our revenue as compared to 16.4%, 13.2% and 12.2% respectively, in fiscal 2011. Revenue generated from certain clients in our WNS Global BPO segment, including our largest client by revenue contribution, has started declining since December 2011 and these clients are currently forecasting that they expect to provide us a lower volume of business in respect of the services we have been providing them as a result of automation initiatives and various reasons, including their strategic decisions to bring those functions back in-house and the current challenging market and economic conditions. We are exploring with these clients new areas of opportunity where we can provide other services to them, to offset the above decline. Further, our second largest client by revenue contribution in fiscal 2012 has terminated our contract with effect from April 18, 2012. This client accounted for 7.5% of our revenue and 1.9% of our revenue less repair payments in fiscal 2011 and 10.4% of our revenue and 1.3% of our revenue less repair payments in fiscal 2012.

Revenue by Industry

For financial statement reporting purposes, we aggregate several of our operating segments, except for the WNS Auto Claims BPO (which we market under the WNS Assistance brand) as it does not meet the aggregation criteria under IFRS. See Results by Reportable Segment.

We organize our company into the following industry-focused business units to provide more specialized focus on each of these industries: insurance, travel and leisure, manufacturing, retail, consumer products, telecom and diversified businesses, consulting and professional services, healthcare, banking and financial services, utilities, shipping and logistics and the public sector.

For fiscal 2012 and 2011, our revenue and revenue less repair payments were diversified across our industry-focused business units in the proportions set forth in the following table:

Business unit	As a percentage of revenue		As a percentage of revenue less repair payments	
	Year ended March 31,		Year ended March 31,	
	2012	2011	2012	2011
Insurance	44.7%	60.1%	33.6%	33.4%
Travel and leisure	18.8%	13.6%	22.6%	22.7%
Manufacturing, retail, consumer products, telecom and diversified businesses	12.2%	8.9%	14.6%	14.8%
Consulting & professional services	6.3%	4.2%	7.5%	7.1%
Healthcare	6.1%	4.2%	7.4%	7.0%
Banking and financial services	5.2%	4.3%	6.2%	7.1%
Utilities	4.5%	3.2%	5.4%	5.3%
Shipping and logistics	2.2%	1.5%	2.6%	2.6%
Public sector	0.0%	0.0%	0.1%	0.0%
Total	100.0%	100.0%	100.0%	100.0%

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Certain services that we provide our clients are subject to the seasonality of our clients' business. Accordingly, we see an increase in transaction related services within the travel and leisure industry during holiday seasons, such as during the US summer holidays (our fiscal second quarter); an increase in business in the insurance industry during the beginning and end of the fiscal year (our fiscal first and last quarters) and during the US peak winter season (our fiscal third quarter); and an increase in business in the consumer product industry during the US festive season towards the end of the calendar year when new product launches and campaigns typically happen (our fiscal third quarter).

Revenue by Service Type

For fiscal 2012 and 2011, our revenue and revenue less repair payments were diversified across service types in the proportions set forth in the following table:

Service Type	As a percentage of revenue Year ended March 31,		As a percentage of revenue less repair payments Year ended March 31,	
	2012	2011	2012	2011
Industry-specific	30.3%	21.9%	36.3%	36.4%
Autoclaim	23.8%	46.2%	8.6%	10.2%
Contact center	17.4%	13.4%	20.9%	22.4%
Finance and accounting	15.5%	9.7%	18.6%	16.2%
Research and analytics	9.9%	6.6%	11.9%	11.0%
Technology services	2.4%	1.7%	2.9%	2.9%
Legal services	0.7%	0.5%	0.8%	0.9%
Total	100.0%	100.0%	100.0%	100.0%

Revenue by Geography

For fiscal 2012 and 2011, our revenue and revenue less repair payments were derived from the following geographies (based on the location of our clients) in the proportions set forth below in the following table:

Geography	As a percentage of revenue Year ended March 31,		As a percentage of revenue less repair payments Year ended March 31,	
	2012	2011	2012	2011
UK	61.2%	60.9%	53.4%	54.0%
North America (primarily the US)	30.5%	22.2%	36.6%	37.0%
Europe (excluding the UK)	5.6%	15.9%	6.7%	7.2%
Rest of world	2.7%	1.0%	3.3%	1.8%
Total	100.0%	100.0%	100.0%	100.0%

Revenue by Location of Delivery Centers

For fiscal 2012 and 2011, our revenue and revenue less repair payments were derived from the following geographies (based on the location of our delivery centers) in the proportions set forth in the following table:

	As a percentage of revenue Year ended March 31,		As a percentage of revenue less repair payments Year ended March 31,	

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Location of Delivery Center	2012	2011	2012	2011
India	65.1%	47.5%	78.1%	79.4%
UK	24.7%	46.9%	9.7%	11.4%
Philippines	4.3%	2.9%	5.2%	4.8%
Romania	2.3%	1.1%	2.7%	1.8%
Sri Lanka	1.6%	1.1%	1.9%	1.9%
Costa Rica	0.9%	0.2%	1.1%	0.3%
United States	0.9%	0.3%	1.1%	0.4%
South Africa ⁽¹⁾	0.2%	0.0%	0.2%	0.0%
Total	100.0%	100.0%	100.0%	100.0%

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⁽¹⁾ Services provided through our subcontractor's delivery center in South Africa.

Our Contracts

We provide our services under contracts with our clients, the majority of which have terms ranging between three and eight years, with some being rolling contracts with no end dates. Typically, these contracts can be terminated by our clients with or without cause and with notice periods ranging from three to six months. However, we tend to have long-term relationships with our clients given the complex and comprehensive nature of the business processes executed by us, coupled with the switching costs and risks associated with relocating these processes in-house or to other service providers.

Each client contract has different terms and conditions based on the scope of services to be delivered and the requirements of that client. Occasionally, we may incur significant costs on certain contracts in the early stages of implementation, with the expectation that these costs will be recouped over the life of the contract to achieve our targeted returns. Each client contract has corresponding service level agreements that define certain operational metrics based on which our performance is measured. Some of our contracts specify penalties or damages payable by us in the event of failure to meet certain key service level standards within an agreed upon time frame.

When we are engaged by a client, we typically transfer that client's processes to our delivery centers over a two to six month period. This transfer process is subject to a number of potential delays. Therefore, we may not recognize significant revenue until several months after commencing a client engagement.

In the WNS Global BPO segment, we charge for our services based on the following pricing models:

- 1) per full-time equivalent arrangements, which typically involve billings based on the number of full-time employees (or equivalent) deployed on the execution of the business process outsourced;
- 2) per transaction arrangements, which typically involve billings based on the number of transactions processed (such as the number of e-mail responses, or airline coupons or insurance claims processed);
- 3) fixed-price arrangements, which typically involve billings based on achievements of pre-defined deliverables or milestones;
- 4) outcome-based arrangements, which typically involve billings based on the business result achieved by our clients through our service efforts (such as measured based on a reduction in days sales outstanding, an improvement in working capital, an increase in collections or a reduction in operating expenses); or
- 5) other pricing arrangements, including cost-plus arrangements, which typically involve billing the contractually agreed direct and indirect costs and a fee based on the number of employees deployed under the arrangement.

Apart from the above-mentioned pricing methods, a small portion of our revenue is comprised of reimbursements of out-of-pocket expenses incurred by us in providing services to our clients.

Outcome-based arrangements are examples of non-linear pricing models where revenues from platforms and solutions and the services we provide are linked to usage or savings by clients rather than the efforts deployed to provide these services. We intend to focus on increasing our service offerings that are based on non-linear pricing models that allow us to price our services based on the value we deliver to our clients rather than the headcount deployed to deliver the services to them. We believe that non-linear pricing models help us to grow our revenue without increasing our headcount. Accordingly, we expect increased use of non-linear pricing models to result in higher revenue per employee and improved margins. Non-linear revenues may be subject to short term pressure on margins, however, as initiatives in developing the products

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and services take time to deliver. Moreover, in outcome-based arrangements, we bear the risk of failure to achieve clients' business objectives. For more information, see Part I Item 3. Key Information D. Risk Factors. If our pricing structures do not accurately anticipate the cost and complexity of performing our work, our profitability may be negatively affected.

In our WNS Auto Claims BPO segment, we earn revenue from claims handling and repair management services. For claims handling, we charge on a per claim basis or a fixed fee per vehicle over a contract period. For automobile repair management services, where we arrange for the repairs through a network of repair centers that we have established, we invoice the client for the amount of the repair. When we direct a vehicle to a specific repair center, we receive a referral fee from that repair center. We also provide a consolidated suite of services towards accident management including credit hire and credit repair for non-fault repairs business.

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For fiscal 2012 and 2011, our revenue and revenue less repair payments were diversified by contract type in the proportions set forth in the following table:

Contract Type	As a percentage of revenue		As a percentage of revenue less repair payments	
	Year ended March 31, 2012	Year ended March 31, 2011	Year ended March 31, 2012	Year ended March 31, 2011
Full-time-equivalent	51.2%	35.7%	61.4%	59.5%
Transaction	38.5%	57.2%	26.2%	28.7%
Fixed price	5.4%	4.1%	6.4%	6.8%
Outcome-based	1.4%	0.5%	1.7%	0.8%
Others	3.5%	2.5%	4.3%	4.2%
Total	100.0%	100.0%	100.0%	100.0%

Our prior contracts with a major client, Aviva, granted Aviva Global the option to require us to transfer our facilities at Pune and Sri Lanka to Aviva Global. We transferred the Sri Lanka facility at book value, which did not result in a material gain or loss, although we lost the revenue generated by the facility upon our transfer of the facility to Aviva Global. With the transaction that we entered into with Aviva in July 2008 described below, we have, through the acquisition of Aviva Global, resumed control of the Sri Lanka facility and we have continued to retain ownership of the Pune facility and we expect these facilities to continue to generate revenue for us under the Aviva master services agreement described below. However we may in the future enter into contracts with other clients with similar call options that may result in the loss of revenue that may have a material impact on our business, results of operations, financial condition and cash flows, particularly during the quarter in which the option takes effect.

In July 2008, we entered into a transaction with Aviva consisting of a share sale and purchase agreement with Aviva and a master services agreement with Aviva MS. Pursuant to the share sale and purchase agreement with Aviva, we acquired all the shares of Aviva Global in July 2008.

Pursuant to the Aviva master services agreement with Aviva MS, we provide BPO services to Aviva's UK and Canadian businesses for a term of eight years and four months. Under the terms of the agreement, we have agreed to provide a comprehensive spectrum of life and general insurance processing functions to Aviva, including policy administration and settlement, along with finance and accounting, customer care and other support services. In addition, we have the exclusive right to provide certain services such as finance and accounting, insurance back-office, customer interaction and analytics services to Aviva's UK and Canadian businesses for the first five years, subject to the rights and obligations of the Aviva group under their existing contracts with other providers. In March 2009, we entered into a variation deed to the Aviva master services agreement pursuant to which we commenced provision of services to Aviva's Irish subsidiary, Hibernian Aviva Direct Limited, and certain of its affiliates. Aviva's Canadian business has ceased to require our BPO services and we are currently providing BPO services to Aviva's UK business and Aviva's Irish subsidiary, Hibernian Aviva Direct Limited, and certain of its affiliates.

Our clients customarily provide one to three month rolling forecasts of their service requirements. Our contracts with our clients do not generally provide for a committed minimum volume of business or committed amounts of revenue, except for the Aviva master services agreement that we entered into in July 2008 as described above. Aviva MS has agreed to provide a minimum volume of business, or minimum volume commitment, to us during the term of the contract. The minimum volume commitment is calculated as 3,000 billable full-time employees, where one billable full time employee is the equivalent of a production employee engaged by us to perform our obligations under the contract for one working day of at least nine hours for 250 days a year. In August 2009, we entered into a variation agreement to the Aviva master services agreement pursuant to which Aviva MS agreed to increase the minimum volume commitment from the current 3,000 billable full time employees to 3,300 billable full time employees for a period of 17 months from March 1, 2010 to July 31, 2011 and to 3,250 billable full time employees for a period of six months from August 1, 2011 to January 31, 2012. The minimum volume commitment has since reverted to 3,000 billable full time employees for the remaining term of the Aviva master services agreement. In the event the mean average monthly volume of business in any rolling three-month period does not reach the minimum volume commitment, Aviva MS has agreed to pay us a minimum commitment fee as liquidated damages. Notwithstanding the minimum volume commitment, there are termination at will provisions which permit Aviva MS to terminate the Aviva master services agreement without cause, with six months' notice upon payment of a termination fee. The annual minimum volume commitment under this contract was met in fiscal 2012. Based on Aviva MS's latest forecast of its service requirements for fiscal 2013 provided to us, we expect them to meet their annual minimum volume commitment under this contract in fiscal

2013.

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Under the terms of an agreement with one of our top five clients negotiated in December 2009, we are the exclusive provider of certain key services from delivery locations outside of the US, including customer service and ticketing support for the client. This agreement became effective on April 1, 2010 and expires in December 2015. Under our earlier agreement with this client, we were entitled to charge premium pricing because we had absorbed the initial transition cost in 2004. That premium pricing is no longer available in the new contract with this client. The early termination of the old agreement entitled us to a payment by the client of a termination fee of \$5.4 million which was received on April 1, 2010. As the termination fee was related to a renewal of our agreement with the client, we have determined that the recognition of the termination fee as revenue will be deferred over the term of the new agreement (i.e., over the period from April 1, 2010 to December 31, 2015).

Expenses

The majority of our expenses consist of cost of revenue and operating expenses. The key components of our cost of revenue are employee costs, payments to repair centers, facilities costs, depreciation costs, travel expenses and legal and professional costs. Our operating expenses include selling and marketing expenses, general and administrative expenses, foreign exchange gains and losses and amortization of intangible assets. Our non-operating expenses include finance expenses as well as other expenses recorded under other income, net.

Cost of Revenue

Employee costs represent the largest component of cost of revenue. In addition to employee salaries, employee costs include costs related to recruitment, training and retention. Historically, our employee costs have increased primarily due to increases in number of employees to support our growth and, to a lesser extent, to recruit, train and retain employees. Salary levels in India and our ability to efficiently manage and retain our employees significantly influence our cost of revenue. See Part I Item 4. Information on the Company B. Business Overview Human Capital. We expect our employee costs to increase as we expect to increase our headcount to service additional business and as wages continue to increase in India. See Part I Item. 3. Key Information. D. Risk Factors Risks Related to Our Business Wage increases may prevent us from sustaining our competitive advantage and may reduce our profit margin. We seek to mitigate these cost increases through improvements in employee productivity, employee retention and asset utilization.

Our WNS Auto Claims BPO segment includes repair management services, where we arrange for automobile repairs through a network of third party repair centers. The payments to repair centers represent a significant component of cost of revenue. The value of these payments in any given period is primarily driven by the volume of accidents and the amount of the repair costs related to such accidents.

Our facilities costs comprise lease rentals, facilities management and telecommunication network cost. Most of our leases for our facilities are long-term agreements and have escalation clauses which provide for increases in rent at periodic intervals commencing between three and five years from the start of the lease. Most of these agreements have clauses that cap escalation of lease rentals.

We create capacity in our operational infrastructure ahead of anticipated demand as it takes six to nine months to build up a new site. Hence, our cost of revenue as a percentage of revenue may be higher during periods in which we carry such additional capacity.

Once we are engaged by a client in a new contract, we normally have a transition period to transfer the client's processes to our delivery centers and accordingly incur costs related to such transfer. Therefore, our cost of revenue in relation to our revenue may be higher until the transfer phase is completed, which may last for two to six months.

Selling and Marketing Expenses

Our selling and marketing expenses primarily comprise employee costs for sales and marketing personnel, travel expenses, legal and professional fees, share-based compensation expense, brand building expenses and other general expenses relating to selling and marketing.

Selling and marketing expenses as a proportion of revenue were 5.6% in fiscal 2012 as compared with 3.8% for fiscal 2011. Selling and marketing expenses as a proportion of revenue less repair payments were 6.7% in fiscal 2012 as compared with 6.3% for fiscal 2011. We expect our selling and marketing expenses to increase in fiscal 2013 but at a lower rate than the increase in our revenue less repair payments.

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We expect the employee costs associated with sales and marketing and related travel costs to increase in fiscal 2013. See Part I Item 4. Information on the Company B. Business Overview Business Strategy Enhance awareness of the WNS brand name. Our sales team is compensated based on achievement of business targets set at the beginning of each fiscal year. Accordingly, we expect this variable component of the sales team costs to increase in line with overall business growth.

General and Administrative Expenses

Our general and administrative expenses primarily comprise employee costs for senior management and other support personnel, travel expenses, legal and professional fees, share-based compensation expense and other general expenses not related to cost of revenue and selling and marketing.

General and administrative expenses as a proportion of revenue were 10.8% in fiscal 2012 as compared with 9.1% for fiscal 2011. General and administrative expenses as a proportion of revenue less repair payments were 13.0% in fiscal 2012 as compared with 15.3% for fiscal 2011. We expect general and administrative expenses to increase in fiscal 2013 but at a lower rate than the increase in our revenue less repair payments.

We also expect our corporate employee costs for general and administrative and other support personnel to increase in fiscal 2013 but at a lower rate than the increase in our revenue less repair payments.

Foreign Exchange Gains or Losses, Net

Foreign exchange gains or losses, net includes:

marked to market gains or losses on derivative instruments;

realized foreign currency exchange gains or losses on settlement of transactions in foreign currency; and

unrealized foreign currency exchange gains or losses on revaluation of other assets and liabilities.

Amortization of Intangible Assets

Amortization of intangible assets is associated with our acquisitions of Marketics, in May 2007, Flovate in June 2007, AHA (formerly known as Call 24-7) in April 2008, BizAps in June 2008 and Aviva Global in July 2008.

Other Income and Expense, Net

Other income and expense, net comprise interest income and income or loss from sale of fixed assets and other miscellaneous expenses.

Finance Expense

Finance expense primarily relates to interest charges payable on our term loan and short-term borrowings. We expect our finance expense to decline in fiscal 2013 based on reducing debt levels.

Operating Data

Our profit margin is largely a function of our asset utilization and the rates we are able to recover for our services. One of the most significant components of our asset utilization is our seat utilization rate which is the average number of work shifts per day, out of a maximum of three, for which we are able to utilize our seats. Generally, an improvement in the seat utilization rate will improve our profitability unless there are other factors which increase our costs such as an increase in lease rentals, large ramp-ups to build new seats, and increases in costs related to repairs and renovations to our existing or used seats. In addition, an increase in seat utilization rate as a result of an increase in the volume of work will generally result in a lower cost per seat and a higher profit margin as the total fixed costs of our built up seats remain the same while each seat is generating more revenue.

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The following table presents certain operating data as at the dates indicated:

	As at March 31,		
	2012	2011	2010
Total headcount	23,874	21,523	21,958
Built up seats ⁽¹⁾	18,928	16,278	15,836
Used seats ⁽¹⁾	14,082	13,256	13,659
Seat utilization rate ⁽²⁾	1.3	1.4	1.4

Notes:

- (1) Built up seats refer to the total number of production seats (excluding support functions like Finance, Human Resource and Administration) that are set up in any premises. Used seats refer to the number of built up seats that are being used by employees. The remainder would be termed vacant seats. The vacant seats would get converted into used seats when we increase headcount.
- (2) The seat utilization rate is calculated by dividing the average total headcount by the average number of built up seats to show the rate at which we are able to utilize our built up seats. Average total headcount and average number of built up seats are calculated by dividing the aggregate of the total headcount or number of built up seats, as the case may be, as at the beginning and end of the fiscal year by two.
- We expect our total headcount in fiscal 2013 to increase as compared to fiscal 2012 as the impact of our declining attrition rate and an increased flow of business from new and existing clients is expected to increase our hiring requirements in fiscal 2013.

Foreign Exchange**Exchange Rates**

Although a substantial portion of our revenue and revenue less repair payments is denominated in pound sterling (60.7% and 52.9%, respectively, in fiscal 2012, and 73.1% and 55.1%, respectively, in fiscal 2011) and US dollars (32.6% and 39.2%, respectively, in fiscal 2012, and 23.5% and 39.2%, respectively, in fiscal 2011), most of our expenses (net of payments to repair centers) (64.8% in fiscal 2012 and 56.4% in fiscal 2011) are incurred and paid in Indian rupees. The exchange rates between the Indian rupee and the US dollar and between the pound sterling and the US dollar have changed substantially in recent years and may fluctuate substantially in the future. The average Indian rupee/US dollar exchange rate was approximately 47.93 per \$1.00 in fiscal 2012, which represented a depreciation of the Indian rupee of 5.2% as compared with the average exchange rate of approximately 45.57 per \$1.00 in fiscal 2011, which in turn represented an appreciation of the Indian rupee of 4.0% as compared with the average exchange rate of approximately 47.46 per \$1.00 in fiscal 2010. The average pound sterling/US dollar exchange rate was approximately £0.63 per \$1.00 in fiscal 2012, which represented an appreciation of the pound sterling of 2.5% as compared with the average exchange rate of approximately £0.64 per \$1.00 in fiscal 2011, which in turn represented a depreciation of the pound sterling of 2.6% as compared with the average exchange rate of approximately £0.63 per \$1.00 in fiscal 2010. We report our financial results in US dollars and our results of operations may be adversely affected if the pound sterling depreciates against the US dollar or the Indian rupee appreciates against the US dollar. See Part I Item 11. Quantitative and Qualitative Disclosures About Market Risk B. Risk Management Procedures Components of Market Risk Exchange Rate Risk.

We have subsidiaries in several countries and hence, the functional currencies of these entities differ from our reporting currency, the US dollar. The financial statements of these entities are translated to the reporting currency as at the balance sheet date. Adjustments resulting from the translation of these financial statements from functional currency to reporting currency are accumulated and reported as other comprehensive income (loss), which is a separate component of equity. Foreign currency transaction gains and losses are recorded as other income or expense.

Currency Regulation

Our Indian subsidiaries are registered as exporters of business process outsourcing services with STPI or SEZ. According to the prevailing foreign exchange regulations in India, an exporter of business process outsourcing services registered with STPI or SEZ is required to receive its export proceeds in India within a period of 12 months from the date of such exports in order to avail itself of the tax and other benefits. In the event that such a registered exporter has received any advance against exports in foreign exchange from its overseas customers, it is required to render the requisite services so that such advances are earned within a period of 12 months from the date of such receipt. If such a registered exporter does not meet these conditions, it will be required to obtain permission from the Reserve Bank of India to receive and realize such foreign currency earnings.

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A majority of the payments we receive from our clients are denominated in pound sterling, US dollars and Euros. For most of our clients, our subsidiaries in Mauritius, the Netherlands, the UK and the US enter into contractual agreements directly with our clients for the provision of business process outsourcing services by our Indian subsidiaries, which hold the foreign currency receipts in an export earners' foreign currency account. All foreign exchange requirements, such as for the import of capital goods, expenses incurred during overseas travel by employees and discharge of foreign exchange expenses or liabilities, can be met using the foreign currency in the export earners' foreign currency account in India. As and when funds are required by us, the funds in the export earners' foreign currency account may be transferred to an ordinary rupee-denominated account in India.

There are currently no Jersey, UK or US foreign exchange control restrictions on the payment of dividends on our ordinary shares or on the conduct of our operations.

Income Taxes

We operate in multiple tax jurisdictions including Australia, China, Costa Rica, India, Mauritius, the Netherlands, Romania, the Philippines, Singapore, Sri Lanka, United Arab Emirates, the UK and the US. As a result, our effective tax rate will change from year to year based on recurring factors such as the geographical mix of income before taxes, state and local taxes, the ratio of permanent items to pre-tax book income and the implementation of various global tax strategies, as well as non-recurring events.

In the past, the majority of our Indian operations were eligible to claim income tax exemption with respect to profits earned from export revenue from operating units registered under STPI. The benefit was available for a period of 10 years from the date of commencement of operations, but not beyond March 31, 2011. We had 13 delivery centers for fiscal 2011 eligible for the income tax exemption, which expired on April 1, 2011 for all of our delivery centers. We incurred minimal income tax expense on our Indian operations in fiscal 2011 as a result of this tax exemption, compared to approximately \$13.6 million that we would have incurred if the tax exemption had not been available for the period. Effective April 1, 2011, upon the expiration of this tax exemption, income derived from our operations in India became subject to the annual tax rate of 32.45%.

Further, in 2005, the Government of India implemented the SEZ legislation, with the effect that taxable income of new operations established in designated SEZs may be eligible for a 15 year tax holiday scheme consisting of a complete tax holiday for the initial five years and a partial tax holiday for the subsequent ten years, subject to the satisfaction of certain capital investment conditions. We have a delivery center located in Gurgaon, India registered under the SEZ scheme and eligible for a 50% income tax exemption from fiscal 2013 until fiscal 2022. During fiscal 2012, we also started operations in delivery centers in Pune, Navi Mumbai and Chennai, India registered under the SEZ scheme, through which we are eligible for a 100% income tax exemption until fiscal 2016 and a 50% income tax exemption from fiscal 2017 until fiscal 2026. The Ministry of Finance in India has, however, expressed concern about the potential loss of tax revenues as a result of the exemptions under the SEZ legislation. The SEZ legislation has been criticized on economic grounds by the International Monetary Fund and the SEZ legislation may be challenged by certain non-governmental organizations. It is possible that, as a result of such political pressures, the procedure for obtaining benefits under the SEZ legislation may become more onerous, the types of land eligible for SEZ status may be further restricted or the SEZ legislation may be amended or repealed. Moreover, there is continuing uncertainty as to the governmental and regulatory approvals required to establish operations in the SEZs or to qualify for the tax benefit. This uncertainty may delay our establishment of additional operations in the SEZs.

In addition to these tax holidays, our Indian subsidiaries are also entitled to certain benefits under relevant state legislation and regulations. These benefits include the preferential allotment of land in industrial areas developed by state agencies, incentives for captive power generation, rebates and waivers in relation to payments for transfer of property and registration (including for purchase or lease of premises) and commercial usage of electricity.

Further, since the adoption of the Indian Finance Act, 2007, we have become subject to MAT and, since fiscal 2008, we have been required to pay additional taxes. The Government of India, pursuant to the Indian Finance Act, 2011, has levied MAT on the profits earned by the SEZ units at the rate of 20.01%. To the extent MAT paid exceeds the actual tax payable on our taxable income; we would be able to set off such MAT credits against tax payable in the succeeding ten years, subject to the satisfaction of certain conditions. We expect to be able to set off our MAT payments against our increased tax liability based on taxable income following the expiry of our tax holiday on STPI effective fiscal 2012.

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Further, in Finance Bill, 2012, the Government of India has clarified that, with retrospective effect from April 1, 1962, any income accruing or arising directly or indirectly through the transfer of capital assets situated in India will be taxable in India. If we earn income from any such transactions involving the transfer of capital assets situated in India, these transactions could be investigated by the Indian tax authorities, which could lead to the issuance of tax assessment orders and a material increase in our tax liability. However, in the past our company has obtained indemnity from the sellers of assets in such transactions against any such probable tax liabilities. The Finance Bill, 2012, also introduced the GAAR effective April 1, 2012, which is intended to curb sophisticated tax avoidance. Under the GAAR, a business arrangement will be deemed an impermissible avoidance arrangement if the main purpose of the arrangement is to obtain a tax benefit.

The Direct Taxes Code Bill, which was tabled in the Indian Parliament in August 2010, is proposed to come into effect in April 2013, if enacted. The Direct Taxes Code, if enacted, is intended to replace the Indian Income Tax Act, 1961 beginning April 1, 2013. Under the Direct Taxes Code Bill, a non-Indian company with a place of effective management in India would be treated as a tax resident in India and would be consequently liable to be taxed in India on its global income. The Direct Taxes Code Bill, if enacted, also proposes to discontinue the existing profit based incentives for SEZ units operational after March 31, 2014 and replace them with investment based incentives for SEZ units operational after that date.

Our subsidiaries in Sri Lanka, the Philippines and Costa Rica also benefit from certain tax exemptions. One of our Sri Lankan subsidiaries was eligible to claim income tax exemption with respect to profits earned from export revenue by our delivery center registered with the BOI, Sri Lanka. This tax exemption expired in fiscal 2011, however, effective fiscal 2012, the Government of Sri Lanka has exempted the profits earned from export revenue from tax. This has enabled our Sri Lankan subsidiary to continue to claim tax exemption under the Sri Lankan Inland Revenue Act following the expiry of the tax holiday provided by the BOI. The tax holiday for another Sri Lankan subsidiary expired on March 31, 2009.

Our subsidiaries in the Philippines, WNS Philippines Inc., and its wholly-owned subsidiary, WNS Global Services Philippines, Inc., are also eligible to claim income tax exemption with respect to profits earned from export revenue by our delivery centers registered with the Board of Investment and the Philippines Economic Zone Authority. This tax holiday is available for four years from the date of grant of the tax exemption. Upon expiry of the tax holiday in fiscal 2013, income generated by WNS Philippines Inc. and WNS Global Services Philippines, Inc. will be taxed at the then prevailing annual tax rate which is currently 30%.

Our subsidiary in Costa Rica is also eligible for 100% income tax exemption for an initial eight years and 50% for the four years thereafter, starting from the date of commencement of the operation on November 16, 2009.

We incurred minimal income tax expense on our operations in Sri Lanka and the Philippines and in connection with our SEZ operations in India, in fiscal 2012 as a result of the tax holidays described above, compared to approximately \$1.7 million that we would have incurred if the tax holidays had not been available for the period.

In addition, in May 2007, the Government of India implemented a fringe benefit tax on the allotment of shares pursuant to the exercise or vesting, on or after April 1, 2007, of options and RSUs granted to employees. The fringe benefit tax was payable by the employer at the rate of 33.99% on the difference between the fair market value of the options and RSUs on the date of vesting of the options and RSUs and the exercise price of the options and the purchase price (if any) for the RSUs, as applicable. In October 2007, the Government of India published its guidelines on how the fair market value of the options and RSUs should be determined. The legislation permitted the employer to recover the fringe benefit tax from the employees. Accordingly, the terms of our award agreements with applicable employees in India under our 2002 Stock Incentive Plan and our Amended and Restated 2006 Incentive Award Plan (as described in Part I Item 6. Directors, Senior Management and Employees B. Compensation Employee Benefit Plans) allow us to recover the fringe benefit tax from all of our employees in India except expatriate employees who are resident in India. In August 2009, the Government of India passed the Indian Finance (No. 2) Act, 2009, which abolished the levy of fringe benefit tax on certain expenses incurred by an employer and share-based compensation provided to employees, by an employer. However, it also provides that share-based compensation paid and other fringe benefits or amenities provided to employees would be taxable in the hands of the employees as salary benefit and an employer would be required to withhold taxes payable thereon.

Critical Accounting Policies

The discussion and analysis of our financial condition and results of operations are based on our consolidated financial statements included elsewhere in this annual report which have been prepared in accordance IFRS, as issued by the IASB. Note 2 to our consolidated financial statements included elsewhere in this annual report describes our significant accounting policies and is an essential part of our consolidated financial statements.

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We believe the following to be critical accounting policies. By critical accounting policies, we mean policies that are both important to the portrayal of our financial condition and financial results and require critical management judgments and estimates. Although we believe that our judgments and estimates are appropriate, actual future results may differ from our estimates.

Revenue Recognition

We derive revenue from providing BPO services to our clients, which primarily include providing back office administration, data management, contact center management and automobile claims handling services. We recognize revenue when the significant terms of the arrangement are enforceable, services are being delivered and the collectability is reasonably assured. We recognize revenue on an accrual basis when services are performed.

When the terms of the agreement specify service level parameters that must be met, we monitor such service level parameters and determine if there are any service credits or penalties that we need to account for. Revenue is recognized net of any service credits that are due to a client. Generally, our revenue is from large companies, where we do not believe we have a significant credit risk.

We invoice our clients depending on the terms of the arrangement, which include billing based on a per employee basis, a per transaction basis, a fixed price basis, an outcome based basis or other pricing arrangements including cost-plus arrangements. Amounts billed or payments received, where all the conditions for revenue recognition have not been met, are recorded as deferred revenue and are recognized as revenue when all recognition criteria have been met. However, the costs related to the performance of BPO services unrelated to transition services (discussed below) are recognized in the period in which the services are rendered. An upfront payment received towards future services is recognized ratably over the period when such services are provided.

For certain of our clients, we perform transition activities at the outset of entering into a new contract for the provision of BPO services. We have determined these transition activities do not meet the revenue recognition criteria to be accounted for as a separate unit of accounting with stand-alone value separate from the on-going BPO contract. Accordingly, transition revenue and costs are subsequently recognized ratably over the period in which the BPO services are performed. Further, the deferral of costs is limited to the amount of the deferred revenue. Any costs in excess of the deferred transition revenue are recognized in the period it was incurred.

In limited instances, we have entered into minimum commitment arrangements that provide for a minimum revenue commitment on an annual basis or a cumulative basis over multiple years, stated in terms of annual minimum amounts. Where a minimum commitment is specific to an annual period, any revenue shortfall is invoiced and recognized at the end of this period. When the shortfall in a particular year can be offset with revenue received in excess of minimum commitments in a subsequent year, we recognize deferred revenue for the shortfall which has been invoiced and received. To the extent we have sufficient experience to conclude that the shortfall will not be satisfied by excess revenue in a subsequent period, the deferred revenue will be recorded as revenue in that period. In order to determine whether we have sufficient experience, we consider several factors which include (i) the historical volume of business done with a client as compared with initial projections of volume as agreed to by the client with us, (ii) the length of time for which we have such historical experience, (iii) future volume expected based on projections received from the client, and (iv) our internal expectations of the ongoing volume with the client. Otherwise, the deferred revenue will remain until such time when we can conclude that we will not receive revenue in excess of the minimum commitment. For certain agreements, we have retroactive discounts related to meeting agreed volumes. In such situations, we record revenue at the discounted rate, although we initially bill at the higher rate, unless we can determine that the agreed volumes will not be met, based on the factors discussed above.

Our revenue is net of value-added taxes and includes reimbursements of out-of-pocket expenses, with the corresponding out-of-pocket expenses included in cost of revenue.

We provide automobile claims handling services, which include claims handling and administration (which we refer to as claims handling), car hire and arranging for repairs with repair centers across the UK and the related payment processing for such repairs (which we refer to as repair management).

We also provide services where motorists involved in accidents were not at fault. Our service offerings include the provision of replacement hire vehicles (which we refer to as credit hire), repair management services and claims handling (which we collectively refer to as accident management).

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With respect to claims handling, we enter into contracts with our clients to process all their claims over the contract period, where the fees are determined either on a per claim basis or a fixed payment for the contract period. Where our contracts are on a per claim basis, we invoice the client at the inception of the claim process. We estimate the processing period for the claims and recognize revenue over the estimated processing period. This processing period generally ranges between one to two months. The processing time may be greater for new clients and the estimated service period is adjusted accordingly. The processing period is estimated based on historical experience and other relevant factors, if any. Where the fee is a fixed payment for the contract period, revenue is recognized on a straight line basis over the period of the contract. In certain cases, where the fee is contingent upon the successful recovery of a claim by the client, revenue is not recognized until the contingency is resolved. Revenue in respect of car hire is recognized over the car hire term.

In order to provide repair management services, we arrange for the repair of vehicles involved in an accident through a network of repair centers. The repair costs are invoiced to customers. In determining whether the receipt from the customers related to payments to repair centers should be recognized as revenue, we consider the criteria established by IAS 18, *Illustrative example (IE) 21 Determining whether an entity is acting as a principal or as an agent*. When we determine that we are the principal in providing repair management services, amounts received from customers are recognized and presented as third party revenue and the payments to repair centers are recognized as cost of revenue in the consolidated statement of income.

Factors considered in determining whether we are the principal in the transaction include whether,

- (a) we have the primary responsibility of providing the services,
- (b) we negotiate the labor rates with repair centers,
- (c) we are responsible for timely and satisfactory completion of repairs, and
- (d) we bear the risk that the customer may not pay for the services provided (credit risk).

If there are circumstances where we do not have exposure to the significant risk and rewards associated with the rendering of services and therefore we are not the principal in providing repair management services, amounts received from customers are recognized and presented net of payments to repair centers in the consolidated statement of income. Revenue from repair management services is recorded net of the repairer referral fees passed on to customers.

Share-based Compensation

We provide share-based awards such as share options and RSUs to our employees, directors and executive officers through various equity compensation plans. We account for share-based compensation expense relating to share-based payments using a fair-value method in accordance with IFRS 2, *Share-based Payments*. IFRS 2 addresses the accounting for share-based payment transactions in which an enterprise receives employee services in exchange for equity instruments of the enterprise or liabilities that are based on the fair value of the enterprise's equity instruments or that may be settled by the issuance of such equity instruments.

Equity instruments granted is measured by reference to the fair value of the instrument at the date of grant. The grants vest in a graded manner. Under the fair value method, the estimated fair value of awards is charged to income over the requisite service period, which is generally the vesting period of the award, for each separately vesting portion of the award as if the award was, in substance, multiple awards. We include a forfeiture estimate in the amount of compensation expense being recognized based on our estimate of equity instrument that will eventually vest.

IFRS 2 requires the use of a valuation model to calculate the fair value of share-based awards. Based on our judgment, we have elected to use the Black-Scholes-Merton pricing model to determine the fair value of share-based awards on the date of grant. RSUs are measured based on the fair market value of the underlying shares on the date of grant.

We believe the Black-Scholes-Merton model to be the most appropriate model for determination of fair value of the share-based awards. In determining the fair value of share-based awards using the Black-Scholes-Merton option pricing model, we are required to make certain estimates of the key assumptions that include expected term, expected volatility of our shares, dividend yield and risk free interest rate.

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Estimating these key assumptions involves judgment regarding subjective future expectations of market prices and trends. The assumptions for expected term and expected volatility have the most significant effect on calculating the fair value of our share options. We use the historical volatility of our ADSs in order to estimate future share price trends. In order to determine the estimated period of time that we expect employees to hold their share-based options, we have used historical exercise pattern of employees. The aforementioned inputs entered into the option valuation model that we use to determine the fair value of our share awards are subjective estimates and changes to these estimates will cause the fair value of our share-based awards and related share-based compensation expense we record to vary.

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We are required to estimate the share-based awards that we expect to vest and to reduce share-based compensation expense for the effects of estimated forfeitures of awards over the expense recognition period. Although we estimate forfeitures based on historical experience and other factors, actual forfeitures in the future may differ. To the extent our actual forfeitures are different than our estimates, we record a true-up for the difference in the period in which the awards vest, and such true-ups could materially affect our operating results.

We record deferred tax assets for share-based awards based on the future tax deduction which will be based on our ADS price at the reporting date. If the amount of the future tax deduction exceeds the cumulative amount of share-based compensation expense, the excess deferred tax is directly recognized in equity.

Business Combinations, Goodwill and Intangible Assets

Business combinations are accounted for using the acquisition method. As a part of acquisition accounting, we allocate the purchase price of acquired companies to the identified tangible and intangible assets based on the estimated fair values on the date of the acquisition. The purchase price allocation process requires management to make significant estimates and assumptions, especially at acquisition date with respect to intangible assets, income taxes, contingent consideration and estimated restructuring liabilities. Although we believe the assumptions and estimates we have made in the past have been reasonable and appropriate, they are based in part on historical experience and information obtained from the management of the acquired companies and are inherently uncertain. Examples of critical estimates in valuing certain of the intangible assets we have acquired or may acquire in the future include but are not limited to appropriate method of valuation, future cash flow projections, weighted average cost of capital, discount rates, risk-free rates, market rate of return and risk premiums.

Unanticipated events and circumstances may occur which may affect the accuracy or validity of such assumptions, estimates or actual results.

Goodwill is initially measured at cost, being the excess of the cost of the acquisition of the acquiree over our share of the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities on the date of the acquisition. If the cost of acquisition is less than the fair value of the net assets of the business acquired, the difference is recognized immediately in the income statement. Goodwill is tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The goodwill impairment test is performed at the level of cash-generating unit or groups of cash-generating units which represent the lowest level at which goodwill is monitored for internal management purposes.

We use market related information and estimates (generally risk adjusted discounted cash flows) to determine the fair values. Cash flow projections take into account past experience and represents management's best estimate about future developments. Key assumptions on which management has based its determination of fair value less costs to sell and value in use include estimated growth rates, weighted average cost of capital and tax rates. These estimates, including the methodology used, can have a material impact on the respective values and ultimately the amount of any goodwill impairment. See also the discussion on impairment testing under [Impairment of Goodwill and Intangible Assets](#) below.

Intangible assets are recognized only when it is probable that the expected future economic benefits attributable to the assets will accrue to us and the cost can be reliably measured. Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition determined using generally accepted valuation methods appropriate for the type of intangible asset. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Intangible assets with finite lives are amortized over the estimated useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization of an intangible asset with a finite useful life reflects the manner in which the economic benefit is expected to be generated and consumed. These estimates are reviewed at least at each financial year end. Intangible assets with indefinite lives are not amortized, but instead are tested for impairment at least annually and written down to the fair value as required. See also the discussion on impairment testing under [Impairment of Goodwill and Intangible Assets](#) below.

Table of Contents***Impairment of Goodwill and Intangible Assets***

Goodwill is not subject to amortization and is instead tested annually for impairment and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the cash generating unit level, which is the lowest level for which there are separately identifiable cash flows. Impairment losses recognized in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash generating units (or group of cash generating units) and then, to reduce the carrying amount of the other assets in the cash generating unit (or group of cash generating units) on a pro rata basis. Intangible assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

An impairment loss is recognized for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each asset or cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows management makes assumptions about future operating results. These assumptions relate to future events and circumstances. In arriving at our forecasts, we consider past experience, economic trends and inflation as well as industry and market trends. The projections also take into account factors such as the expected impact from new client contracts and expansion of business from existing clients, efficiency initiatives, and the maturity of the markets in which each business operates. The actual results may vary, and may cause significant adjustments to our assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

We cannot predict the occurrence of future events that might adversely affect the reported value of goodwill, intangible assets. Such events include, but are not limited to, strategic decisions made in response to economic and competitive conditions, the impact of the environment on our customer base, and material negative changes in relationships with significant customers.

Income Taxes

Income tax comprises current and deferred tax. Income tax expense is recognized in statements of income except to the extent it relates to items directly recognized in equity, in which case it is recognized in equity.

Current Income Tax

As part of the process of preparing our consolidated financial statements, we are required to estimate our income taxes in each of the jurisdictions in which we operate. We are subject to tax assessments in each of these jurisdictions. Current income taxes for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable profit for the period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. We offset current tax assets and current tax liabilities, where we have a legally enforceable right to set off the recognized amounts and where we intend either to settle on a net basis, or to realize the asset and liability simultaneously.

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. The recognition of taxes that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances. Though we have considered all these issues in estimating our income taxes, there could be an unfavorable resolution of such issues that may affect results of our operations.

Deferred Income Tax

We recognize deferred income tax using the balance sheet approach. Deferred income tax assets and liabilities are recognized for all deductible temporary differences arising between the tax bases of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of transaction.

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Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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Deferred income tax asset in respect of carry forward of unused tax credits and unused tax losses are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

The measurement of deferred tax assets involves judgment regarding the deductibility of costs not yet subject to taxation and estimates regarding sufficient future taxable income to enable utilization of unused tax losses in different tax jurisdictions. We consider the expected reversal of deferred tax assets and projected future taxable income in making this assessment. All deferred tax assets are subject to review of probable utilization. The assessment of the probability of future taxable profit in various years in which deferred tax assets can be utilized is based on the latest approved budget forecast, which is adjusted for significant non-taxable profit and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in the various jurisdictions in which we operate are also carefully taken into consideration. If a positive forecast of taxable profit indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, that deferred tax asset is usually recognized in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

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We recognize deferred tax liabilities for all taxable temporary differences, except those associated with investments in subsidiaries and associates where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

As part of our accounting for business combinations, some of the purchase price is allocated to goodwill and intangible assets. Impairment charges associated with goodwill are generally not tax deductible and will result in an increased effective income tax rate in the quarter any impairment is recorded. Amortization expenses associated with acquired intangible assets are generally not tax deductible pursuant to our existing tax structure; however, deferred taxes have been recorded for non-deductible amortization expenses as a part of the purchase price allocation process. We have taken into account the allocation of these identified intangibles among different taxing jurisdictions, including those with nominal or zero percent tax rates, in establishing the related deferred tax liabilities. Income tax contingencies existing as of the acquisition dates of the acquired companies are evaluated quarterly and any adjustments are recorded as adjustments to goodwill during the measurement period.

Uncertainties in income taxes are not addressed specifically in IAS 12 *Income Taxes* and hence the general measurement principles in IAS 12 are applied in measuring the uncertain tax positions. Uncertain tax positions are reflected at the amount likely to be paid to the taxation authorities. A liability is recognized in connection with each item that is not probable of being sustained on examination by taxing authority. The liability is measured using single best estimate of the most likely outcome for each position taken in the tax return. Thus the provision would be the aggregate liability in connection with all uncertain tax positions. We also include interest related to such uncertain tax positions within our provision for income tax expense.

Evaluation of tax positions and recognition of provisions, as discussed above, involves interpretation of tax laws, estimates of probabilities of tax positions being sustained and the amounts of payments to be made under various scenarios. Although we believe we are adequately reserved for our unresolved disputes with the taxation authorities, no assurance can be given with respect to the final outcome on these matters. To the extent that the final outcome on these matters is different than the amounts recorded, such differences will impact our provision for income taxes in the period in which such a determination is made.

Derivative Financial Instruments and Hedge Accounting

We are exposed to foreign currency fluctuations on foreign currency assets, liabilities, net investment in foreign operations and forecasted cash flows denominated in foreign currency. We limit the effect of foreign exchange rate fluctuation by following established risk management policies including the use of derivatives. We enter into derivative financial instruments where the counter party is a bank. We hold derivative financial instruments such as foreign exchange forward and option contracts and interest rate swaps to hedge certain foreign currency and interest rate exposures. Forward and option contracts on various foreign currencies are entered into to manage the foreign currency exchange rate risk on forecasted revenue denominated in foreign currencies and monetary assets and liabilities held in non-functional currencies. Interest rate swaps are entered into to manage interest rate risk associated with floating rate borrowings. Our primary exchange rate exposure is with the US dollars, pound sterling and the Indian rupee.

Cash Flow Hedges

We recognize derivative instruments as either assets or liabilities in the statement of financial position at fair value. Derivative instruments qualify for hedge accounting when the instrument is designated as a hedge; the hedged item is specifically identifiable and exposes us to risk; and it is expected that a change in fair value of the derivative instrument and an opposite change in the fair value of the hedged item will have a high degree of correlation. Determining that there is a high degree of correlation between the change in fair value of the hedged item and the derivative instruments involves significant judgment including the probability of the occurrence of the forecasted transaction. Although our estimates of the forecasted transactions are based on historical experience and we believe that they are reasonable, the final occurrence of such transactions could be different as a result of external factors such as industry and economic trends, and internal factors such as changes in our business strategy and our internal forecasts, which will have a material effect on our earnings.

For derivative instruments where hedge accounting is applied, we record the effective portion of derivative instruments that are designated as cash flow hedges in other comprehensive income (loss) in the statement of comprehensive income, which is reclassified into earnings in the same period during which the hedged item affects earnings. The remaining gain or loss on the derivative instrument in excess of the cumulative change in the present value of future cash flows of the hedged item, if any (i.e., the ineffective portion) or hedge components excluded from the assessment of effectiveness, and changes in fair value of other derivative instruments not designated as qualifying hedges is recorded as gains / losses, net in the statement of income. Gains/losses on cash flow hedges on intercompany forecasted revenue transactions are recorded in foreign exchange gains/losses and cash flow hedge on interest rate swaps are recorded in finance expense. Cash flows from the derivative instruments are classified within cash flows from operating activities in the statement of cash flows.

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Fair Value Measurements

IAS 32 *Financial Instruments: Presentation* defines fair value as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations, without any deduction for transaction costs. For financial instruments not traded in an active market, the fair value is determined using appropriate valuation models. Where applicable, these models project future cash flows and discount the future amounts to a present value using market-based observable inputs including interest rate curves, credit risk, foreign exchange rates, and forward and spot prices for currencies.

IAS 32 also discusses the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique as detailed below:

Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3 techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The fair value is estimated using the discounted cash flow approach and market rates of interest. The valuation technique involves assumptions and judgments regarding risk characteristics of the instruments, discount rates, future cash flows and other factors.

Management uses valuation techniques in measuring the fair value of financial instruments, where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Other Estimates

Allowance for Doubtful Accounts

We make estimates of the uncollectibility of our accounts receivable based on historical trends and other factors such as ageing and economic trends. Adverse economic conditions or other factors that might cause deterioration of the financial health of customers could change the timing and levels of payments received and necessitate a change in estimated losses.

Accounting for Defined Benefit Plans

In accounting for pension and post-retirement benefits, several statistical and other factors that attempt to anticipate future events are used to calculate plan expenses and liabilities. These factors include expected return on plan assets, discount rate assumptions and rate of future compensation increases. To estimate these factors, actuarial consultants also use estimates such as withdrawal, turnover, and mortality rates which require significant judgment. The actuarial assumptions used by us may differ materially from actual results in future periods due to changing market and economic conditions, regulatory events, judicial rulings, higher or lower withdrawal rates, or longer or shorter participant life spans.

Table of Contents**Results of Operations**

The following table sets forth certain financial information as a percentage of revenue and revenue less repair payments:

	As a percentage of			
	Revenue		Revenue less repair payments	
	2012	Year ended March 31, 2011	2012	2011
Cost of revenue	71.9%	79.5%	66.3%	65.8%
Gross profit	28.1%	20.5%	33.7%	34.2%
Operating expenses:				
Selling and marketing expenses	5.6%	3.8%	6.7%	6.3%
General and administrative expenses	10.8%	9.1%	13.0%	15.3%
Foreign exchange (gains) loss, net	(0.4)%	(2.5)%	(0.5)%	(4.1)%
Amortization of intangible assets	6.2%	5.2%	7.5%	8.6%
Operating profit	5.9%	4.8%	7.1%	8.0%
Other (income) expense, net	0.0%	(0.2)%	0.0%	(0.3)%
Finance expense	0.8%	1.9%	1.0%	3.1%
Provision for income taxes	2.4%	0.2%	2.9%	0.4%
Profit	2.6%	2.9%	3.2%	4.8%

The following table reconciles revenue (a GAAP financial measure) to revenue less repair payments (a non-GAAP financial measure) across our business:

	Year ended March 31,			
	2012	2011	2012	2011
	(US dollars in millions)			
Revenue	\$ 474.1	\$ 616.3	100%	100%
Less: Payments to repair centers	79.1	246.9	17%	40%
Revenue less repair payments	\$ 395.1	\$ 369.4	83%	60%

The following table presents our results of operations for the periods indicated:

	Year ended March 31,	
	2012	2011
	(US dollars in millions)	
Revenue	\$ 474.1	\$ 616.3
Cost of revenue ⁽¹⁾	340.9	490.0
Gross profit	133.2	126.2
Operating expenses:		
Selling and marketing expenses ⁽²⁾	26.3	23.5
General and administrative expenses ⁽³⁾	51.3	56.4
Foreign exchange (gains) loss, net	(1.9)	(15.1)
Amortization of intangible assets	29.5	31.8
Operating profit	28.0	29.7
Other (income) expense, net	(0.0)	(1.1)
Finance expense	4.0	11.4
Provision for income taxes	11.5	1.5

Profit	\$ 12.5	\$ 17.9
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Notes:

- (1) Includes share-based compensation expense of \$1.0 million for fiscal 2012 and \$0.7 million for fiscal 2011
- (2) Includes share-based compensation expense of \$0.4 million for fiscal 2012 and \$0.2 million for fiscal 2011.
- (3) Includes share-based compensation expense of \$3.9 million for fiscal 2012 and \$2.3 million for fiscal 2011.

Table of Contents***Fiscal 2012 Compared to Fiscal 2011******Revenue***

The following table sets forth our revenue and percentage change in revenue for the periods indicated:

	Year ended March 31,		Change	% Change
	2012	2011		
	(US dollars in millions)			
Revenue	\$ 474.1	\$ 616.3	\$ (142.1)	(23.1)%

The decrease in revenue of \$142.1 million was primarily attributable to a decrease in revenue from existing clients of \$149.8 million, partially offset by revenue from new clients of \$7.7 million. The decrease in revenue from existing clients was attributable to our auto claims business on account of changes to certain client contracts and contracts with repair centers as discussed above, as a result of which we no longer account for the amounts received from these clients for payments to repair centers as revenue, resulting in lower revenue. This change in accounting has no impact on the corresponding revenue less repair payments discussed below. For more information, see *Revenue* above.

Revenue by Geography

The following table sets forth the composition of our revenue based on the location of our clients in our key geographies for the periods indicated:

	Revenue		As a percentage of revenue	
	Year ended March 31,		2012	2011
	2012	2011		
	(US dollars in millions)			
UK	\$ 290.1	\$ 375.0	61.2%	60.9%
North America (primarily the US)	144.8	136.8	30.5%	22.2%
Europe (excluding the UK)	26.6	98.1	5.6%	15.9%
Rest of world	12.7	6.4	2.7%	1.0%
Total	\$ 474.1	\$ 616.3	100.0%	100.0%

The decrease in revenue from the UK and Europe was primarily attributable to our auto claims business on account of changes to certain client contracts and contracts with repair centers as discussed above, as a result of which we no longer account for the amounts received from these clients as revenue, resulting in lower revenue. The increase in revenue in North America (primarily the US) was primarily due to higher volumes in our travel and leisure, insurance and healthcare verticals, and to a lesser extent, an appreciation of the pound sterling against the US dollar, the effects of which were partially offset by lower volumes in our banking and financial services and our retail and consumer products verticals.

Revenue Less Repair Payments

The following table sets forth our revenue less repair payment and percentage change in revenue less repair payments for the periods indicated:

	Year ended March 31,		Change	% Change
	2012	2011		
	(US dollars in million)			
Revenue less repair payments	\$ 395.1	\$ 369.4	\$ 25.7	6.9%

The increase in revenue less repair payments of \$25.7 million was attributable to an increase in revenue less repair payments from existing clients of \$18.2 million and revenue less repair payments from new clients of \$7.5 million. The increase in revenue less repair payments was primarily due to higher volumes in our insurance, travel and leisure, consulting and professional services, healthcare and retail and consumer

product businesses verticals and, to a lesser extent, an appreciation of the pound sterling against the US dollar.

Table of Contents*Revenue Less Repair Payments by Geography*

The following table sets forth the composition of our revenue less repair payments based on the location of our clients in our key geographies for the periods indicated:

	Revenue less repair payments		As a percentage of revenue less repair payments	
	Year ended March 31,		2012	2011
	2012	2011		
	(US dollars in millions)			
UK	\$ 211.0	\$ 199.6	53.4%	54.0%
North America (primarily the US)	144.8	136.8	36.6%	37.0%
Europe (excluding the UK)	26.6	26.7	6.7%	7.2%
Rest of world	12.7	6.3	3.3%	1.8%
Total	\$ 395.1	\$ 369.4	100.0%	100.0%

The increase in revenue less repair payments in North America (primarily the US) was primarily due to higher volumes in our travel and leisure, insurance and healthcare verticals, partially offset by lower volumes in our banking and financial services and retail and consumer products verticals. The increase in revenue less repair payments from the UK was primarily attributable to higher volumes in our insurance, consulting and professional services, retail and consumer product businesses, utilities and healthcare verticals, partially offset by lower volume in travel and leisure and banking and financial vertical.

Cost of Revenue

The following table sets forth the composition of our cost of revenue for the periods indicated:

	Year ended March 31,		
	2012	2011	Change
	(US dollars in millions)		
Employee costs	\$ 159.9	\$ 153.3	\$ (6.6)
Repair payments	79.1	246.9	167.8
Facilities costs	53.7	45.1	(8.6)
Depreciation	15.4	16.3	0.9
Legal and professional costs	8.0	8.1	0.1
Travel costs	8.4	7.3	(1.1)
Other costs	16.5	13.2	(3.4)
Total cost of revenue	\$ 340.9	\$ 490.0	\$ 149.1
As a percentage of revenue	71.9%	79.5%	

The decrease in repair payments was primarily attributable to our auto claims business on account of changes to certain client contracts and contracts with repair centers as discussed above, as a result of which we no longer account for the payments made to repair centers for cases referred by these clients as cost of revenue, which resulted in lower repair payments. The increase in facilities costs was due to new facilities in Costa Rica, Mumbai, Pune and Chennai, the increase in employee costs was primarily due to an increase in salary and headcount, and the increase in travel and other costs was due to an increase in headcount and the new facilities. These increases were partially offset by the impact of a depreciation of the Indian rupee against the US dollar. The decrease in depreciation and legal and professional costs were partially attributable to the depreciation of the Indian rupee against the US dollar.

Gross Profit

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The following table sets forth our gross profit for the periods indicated:

	Year ended March 31,		Change
	2012	2011	
	(US dollars in millions)		
Gross profit	\$ 133.2	\$ 126.2	\$ 6.9
As a percentage of revenue	28.1%	20.5%	
As a percentage of revenue less repair payments	33.7%	34.2%	

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Gross profit is higher due to higher revenue less repair payments as discussed above and a depreciation of the Indian rupee against the US dollar, which partially offset increases in employee costs and facilities costs as discussed above. Gross profit as a percentage of revenue increased primarily due to changes to certain client contracts and contracts with repair centers as discussed above, as a result of which we no longer account for the amounts received from these clients for payments to repair centers as revenue, resulting in lower revenue.

Selling and Marketing Expenses

The following table sets forth the composition of our selling and marketing expenses for the periods indicated:

	Year ended March 31,		
	2012	2011	Change
	(US dollars in millions)		
Employee costs	\$ 19.8	\$ 16.5	\$ (3.3)
Other costs	6.5	6.9	0.4
Total selling and marketing expenses	\$ 26.3	\$ 23.5	\$ (2.9)
As a percentage of revenue	5.6%	3.8%	
As a percentage of revenue less repair payments	6.7%	6.3%	

The increase in selling and marketing expenses was primarily the result of the expenses incurred in the expansion of our sales team, our client partner program and our branding and marketing initiatives. We anticipate maintaining a consistent level of such expenses (as a percentage of our revenue less repair payments) in support of our growth strategy.

General and Administrative Expenses

The following table sets forth the composition of our general and administrative expenses for the periods indicated:

	Year ended March 31,		
	2012	2011	Change
	(US dollars in millions)		
Employee costs	\$ 35.4	\$ 30.1	\$ (5.3)
Other costs	16.0	26.3	10.3
Total general and administrative expenses	\$ 51.3	\$ 56.4	\$ 5.0
As a percentage of revenue	10.8%	9.1%	
As a percentage of revenue less repair payments	13.0%	15.3%	

The decrease in general and administrative expenses was primarily on account of a depreciation of the Indian rupee against the US dollar, cost optimization in support functions resulting in lower facilities costs, legal and professional costs and better operating leverage. This decrease was partially offset by an increase in employee costs as a result of higher salary including share based compensation expense of \$1.6 million. We anticipate maintaining a consistent level of employee costs and other costs (as a percentage of our revenue less repair payments).

Foreign Exchange Gains, Net

The following table sets forth our foreign exchange gains, net for the periods indicated:

	Year ended March 31,		
	2012	2011	Change
	(US dollars in millions)		

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Foreign exchange (gains) loss, net	\$ (1.9)	\$ (15.1)	\$ (13.2)
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The foreign exchange gains recorded for fiscal 2012 were on account of realized and unrealized foreign exchange gains on revaluation of intercompany assets and liabilities, partially offset by hedging loss on our rupee-denominated contracts as a result of a depreciation of the Indian rupee against the US dollar. The foreign exchange gains recorded for fiscal 2011 were on account of the impact of the transition from US GAAP to IFRS with respect to hedge accounting and, to a lesser extent, hedging gains on our rupee-denominated contracts as a result of an appreciation of the Indian rupee against the US dollar, partially offset by realized and unrealized foreign exchange loss on a revaluation of intercompany assets and liabilities.

Table of Contents*Amortization of Intangible Assets*

The following table sets forth our amortization of intangible assets for the periods indicated:

	Year ended March 31,		Change
	2012	2011	
	(US dollars in millions)		
Amortization of intangible asset	\$ 29.5	\$ 31.8	\$ 2.3

The decrease in amortization of intangible assets was primarily due to the lower amortization of intangible assets acquired in connection with the acquisition of Flovate in June 2007 and BizAps in June 2008 due to declining balance of intangible assets subject to amortization, and the depreciation of the Indian rupee against the US dollar, which impacts the amortization charges relating to intangible assets acquired in connection with the acquisition of Aviva Global in 2008 following the transfer of the intangible assets from WNS (Mauritius) Limited (held in US dollars) to WNS Global (held in Indian rupees) in March 2011.

Operating Profit

The following table sets forth our operating profit for the periods indicated:

	Year ended March 31,		Change
	2012	2011	
	(US dollars in millions)		
Operating profit	\$ 28.0	\$ 29.7	\$ (1.8)
As a percentage of revenue	5.9%	4.8%	
As a percentage of revenue less repair payments	7.1%	8.0%	

Operating profit is slightly lower due to lower foreign exchange gains and higher selling and marketing expenses, partially offset by higher gross profit as discussed above and lower general and administrative expenses and amortization of intangible assets.

Other (Income) Expense, Net

The following table sets forth our other income, net for the periods indicated:

	Year ended March 31,		Change
	2012	2011	
	(US dollars in millions)		
Other (income)/expense, net	\$ (0.0)	\$ (1.1)	\$ (1.1)

The increase in expense was primarily related to our follow-on public offering of equity shares in February 2012, partially offset by income from our investments in marketable securities.

Finance Expense

The following table sets forth our finance expense for the periods indicated:

	Year ended March 31,		Change
	2012	2011	
	(US dollars in millions)		
Finance expense	\$ 4.0	\$ 11.4	\$ 7.4

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The decrease in finance expenses was primarily due to lower interest cost on account of scheduled repayment of principal on our 2010 Term Loan (as defined under Liquidity and Capital Resources) in January and June 2011 and a one-time cost impact of \$5.1 million due to an interest rate swap unwinding charge as a result of our term loan restructuring in fiscal 2011.

Provision for Income Taxes

The following table sets forth our provision for income taxes for the periods indicated:

	Year ended March 31,		
	2012	2011	Change
	(US dollars in millions)		
Provision for income taxes	\$ 11.5	\$ 1.5	\$ (10.0)

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The increase in income tax was primarily on account of the expiry of the STPI tax holiday period in India as at April 1, 2011.

Profit

The following table sets forth our profit for the periods indicated:

	Year ended March 31,		Change
	2012	2011	
	(US dollars in millions)		
Profit	\$ 12.5	\$ 17.9	\$ (5.4)
As a percentage of revenue	2.6%	2.9%	
As a percentage of revenue less repair payments	3.2%	4.8%	

The decrease in profit was primarily on account of higher employee costs, lower foreign exchange gains and higher provision for income taxes as discussed above, partially offset by higher revenue less repair payments, cost savings from management initiatives and a one-time cost impact of \$5.1 million due to an interest rate swap unwinding charge in fiscal 2011.

Results by Reportable Segment

For purposes of evaluating operating performance and allocating resources, we have organized our company by operating segments. See note 26 to our consolidated financial statements included elsewhere in this annual report. For financial statement reporting purposes, we aggregate the segments that meet the criteria for aggregation as set forth in IFRS 8 Operating Segments. We have separately reported our Auto Claims BPO segment, as it does not meet the aggregation criteria under IFRS 8. Accordingly, pursuant to IFRS 8, we have two reportable segments: WNS Global BPO and WNS Auto Claims BPO.

WNS Global BPO is delivered out of our offshore delivery centers in Costa Rica, India, the Philippines, Romania, Sri Lanka and the US. This segment includes all of our business activities with the exception of WNS Auto Claims BPO. WNS Auto Claims BPO is our automobile claims management business which is primarily based in the UK and is part of our insurance business unit. See Part I Item 4. Information on the Company B. Business Overview Business Process Outsourcing Service Offerings. We report WNS Auto Claims BPO as a separate segment for financial statement reporting purposes since a substantial part of our reported revenue in this business consists of amounts invoiced to our clients for payments made by us to third party automobile repair centers, resulting in lower long-term gross margins when measured on the basis of revenue, relative to the WNS Global BPO segment.

Our revenue is generated primarily from providing business process outsourcing services.

In our WNS Auto Claims BPO segment, we provide both fault and non fault repairs. For fault repairs, we provide claims handling and repair management services, where we arrange for automobile repairs through a network of third party repair centers. In our repair management services, where we act as the principal in our dealings with the third party repair centers and our clients, the amounts which we invoice to our clients for payments made by us to third party repair centers are reported as revenue. Where we are not the principal in providing the services, we record revenue from repair services net of repair cost. Since we wholly subcontract the repairs to the repair centers, we evaluate the financial performance of our fault repair business based on revenue less repair payments to third party repair centers, which is a non-GAAP financial measure. We believe that revenue less repair payments for fault repairs reflects more accurately the value addition of the business process outsourcing services that we directly provide to our clients.

For our non fault repairs business, we generally provide a consolidated suite of accident management services including credit hire and credit repair, and we believe that measurement of such business on a basis that includes repair payments in revenue is appropriate. Revenue including repair payments is therefore used as a primary measure to allocate resources and measure operating performance for accident management services provided in our non fault repairs business. For one client in our non fault repairs business (whose contract with us has been terminated with effect from April 18, 2012), we provide only repair management services where we wholly subcontract the repairs to the repair centers (similar to our fault repairs). Accordingly, we evaluate the financial performance of our business with this client in a manner similar to how we evaluate our financial performance for our fault repairs business, that is, based on revenue less repair payments. Our non fault repairs business where we provide accident management services accounts for a relatively small portion of our revenue for our WNS Auto Claims BPO segment.

Revenue less repair payments is a non-GAAP financial measure which is calculated as (a) revenue less (b) in our auto claims business, payments to repair centers (1) for fault repair cases where we act as the principal in our dealings with the third party repair centers and our clients and

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(2) for non fault repair cases with respect to one client as discussed above. 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. Our revenue less repair payments may not be comparable to similarly titled measures reported by other companies due to potential differences in the method of calculation.

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Our management allocates resources based on segment revenue less repair payments and measures segment performance based on revenue less repair payments and to a lesser extent on segment operating income. The accounting policies of our reportable segments are the same as those of our company. See Critical Accounting Policies. We may in the future change our reportable segments based on how our business evolves.

The following table shows revenue and revenue less repair payments for our two reportable segments for the periods indicated:

	Year ended March 31,			
	2012		2011	
	WNS Global BPO	WNS Auto Claims BPO	WNS Global BPO	WNS Auto Claims BPO
Segment revenue ⁽¹⁾	\$ 361.8	\$ 113.0	\$ 332.6	\$ 284.4
Less: Payments to repair centers		79.1		246.8
Revenue less repair payments ⁽¹⁾	361.8	33.9	332.6	37.6
Cost of revenue (excluding payments to repair centers) ⁽²⁾	239.9	21.7	220.5	22.9
Other costs ⁽³⁾	64.6	6.9	56.4	5.7
Segment operating profit	57.4	5.4	55.7	9.0
Other (income), net	0.2	(0.2)	(0.8)	(0.3)
Finance expense	4.0		11.4	
Segment profit before income taxes	53.2	5.6	45.1	9.3
(Benefit)/provision for income taxes	10.4	1.1	(0.1)	1.6
Segment profit	\$ 42.8	\$ 4.5	\$ 45.3	\$ 7.7

Notes:

- (1) Segment revenue and revenue less repair payments include inter-segment revenue of \$0.7 million for fiscal 2012 and \$0.8 million for fiscal 2011.
 - (2) Cost of revenue includes inter-segment expenses of \$0.7 million for fiscal 2012 and \$0.8 million for fiscal 2011, and excludes share-based compensation expenses of \$1.0 million for fiscal 2012 and \$0.7 million for fiscal 2011, which are not allocable between our segments.
 - (3) Other costs include selling and marketing, general and administrative expense and foreign exchange gain/loss. Excludes share-based compensation expenses of \$4.3 million for fiscal 2012 and \$2.6 million for fiscal 2011, which are not allocable between our segments.
- In fiscal 2012, WNS Global BPO accounted for 76.3% of our revenue and 91.6% of our revenue less repair payments, as compared to 54.0% of our revenue and 90.1% of our revenue less repair payments in fiscal 2011.

WNS Global BPO

Segment Revenue. Revenue in the WNS Global BPO segment increased by 8.8% to \$361.8 million in fiscal 2012 from \$332.6 million in fiscal 2011. This increase was primarily driven by the increase in the volume of transactions executed for new and existing clients, with \$7.3 million being attributable to new clients and \$22.0 million being attributable to existing clients. The increase is also, to a lesser extent, on account of an appreciation of the pound sterling against the US dollar by an average of 2.5% in fiscal 2012 as compared to fiscal 2011. Contract prices across the various types of processes remained substantially stable over these periods.

Segment Operating Profit. Segment operating profit in the WNS Global BPO segment increased by 2.9% to \$57.4 million in fiscal 2012 from \$55.7 million in fiscal 2011. The increase was primarily attributable to the increase in segment revenue and lower general and administrative expenses due to cost savings from management initiatives, partially offset by higher cost of revenue, selling and marketing expenses and lower foreign exchange gains.

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Our cost of revenue includes employee costs, facilities costs, depreciation, legal and professional costs, travel costs and other related costs. Employee related costs represent the largest component of our cost of revenue for the WNS Global BPO segment. Our cost of revenue increased by \$19.4 million to \$239.9 million in fiscal 2012 from \$220.5 million in fiscal 2011, primarily on account of (i) an increase in facilities costs by \$8.0 million due to new facilities in Costa Rica, Mumbai, Pune and Chennai, (ii) an increase in employee costs by \$7.4 million due to an increase in salary and headcount, (iii) an increase in other costs by \$2.7 million due to costs stemming from our increase in headcount and our addition of new facilities, (iv) an increase in legal and professional costs by \$1.3 million, and (v) an increase in travel costs by \$1.0 million. These increases were partially offset by a decrease in depreciation cost by \$1.0 million.

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Our other costs include selling and marketing expenses, general and administrative expenses and foreign exchange gain and loss. Our other costs increased by \$8.2 million to \$64.6 million in fiscal 2012 from \$56.4 million in fiscal 2011, primarily on account of (i) an increase in selling and marketing expenses by \$2.2 million and (ii) a decrease in foreign exchange gain by \$13.1 million, partially offset by a decrease in general and administrative expenses by \$7.1 million.

Selling and marketing expenses increased by \$2.2 million to \$20.8 million in fiscal 2012 from \$18.6 million in fiscal 2011, primarily as a result of the expenses incurred in the expansion of our sales team, our client partner program and our branding and marketing initiatives.

Our foreign exchange gains of \$2.0 million for fiscal 2012 were a result of realized and unrealized foreign exchange gains on revaluation of intercompany assets and liabilities, partially offset by hedging losses on our rupee-denominated contracts as a result of a depreciation of the Indian rupee against the US dollar. Our foreign exchange gains of \$15.1 million for fiscal 2011 were on account of the impact of the transition from US GAAP to IFRS with respect to hedge accounting and, to a lesser extent, hedging gains on our rupee-denominated contracts as a result of an appreciation of the Indian rupee against the US dollar, partially offset by realized and unrealized foreign exchange losses on a revaluation of intercompany assets and liabilities.

General and administrative expense decreased by \$7.1 million to \$45.7 million in fiscal 2012 from \$52.9 million in fiscal 2011, primarily on account of a depreciation of the Indian rupee against the US dollar, cost optimization in support functions resulting in lower facilities costs and legal and professional costs. The decrease in general and administrative expenses was partially offset by an increase in employee costs as a result of higher salary.

Segment Profit. Segment profit in the WNS Global BPO segment decreased by 5.5% to \$42.8 million in fiscal 2012 from \$45.3 million in fiscal 2011. The decrease in profit was primarily attributable to higher employee costs, lower foreign exchange gains and higher income taxes, partially offset by higher revenue less repair payments, cost savings from management initiatives and a one-time cost impact of \$5.1 million due to an interest rate swap unwinding charge in fiscal 2011.

The other income, net in fiscal 2012 was an expense of \$0.2 million compared to an income of \$0.8 million in fiscal 2011.

The finance expense for fiscal 2012 was \$4.0 million as compared to \$11.4 million in fiscal 2011. The decrease was primarily due to lower interest costs on account of scheduled repayment of principal on our 2010 Term Loan in January and June 2011 and a one-time cost impact of \$5.1 million due to an interest rate swap unwinding charge as a result of our term loan restructuring in fiscal 2011.

Income tax in fiscal 2012 was a charge of \$10.4 million as compared to a benefit of \$0.1 million in fiscal 2011. The increase in income tax is charge was on account of the expiry of the STPI tax holiday period in India as at April 1, 2011.

WNS Auto Claims BPO

Segment Revenue. Revenue in the WNS Auto Claims BPO segment decreased by \$171.4 million to \$113.0 million in fiscal 2012 from \$284.4 million in fiscal 2011. The decrease of \$171.4 million was primarily on account of a decrease in revenue from existing clients. This decrease was primarily on account of changes to certain client contracts and contracts with repair centers as discussed above, as a result of which we no longer account for the amounts received from these clients for payments to repair centers as revenue, resulting in lower revenue. Payments made to repair centers in fiscal 2012 decreased by \$167.8 million to \$79.1 million from \$246.8 million in fiscal 2011 for the same reason.

Revenue less repair payments in this segment decreased by 9.8% to \$33.9 million in fiscal 2012 from \$37.6 million in fiscal 2011 primarily due to a lower volume of business from existing clients.

Segment Operating Profit. Segment operating profit decreased by \$3.6 million to \$5.4 million in fiscal 2012 from \$9.0 million in fiscal 2011. The decrease was primarily on account of a decrease in revenue less repair payments.

Our cost of revenue, excluding payments to repair centers, decreased by \$1.2 million to \$21.7 million in fiscal 2012 from \$22.9 million in fiscal 2011. The decrease in cost of revenue, excluding payments made to repair centers, was primarily on account of a decrease in our employee costs by \$1.3 million.

Our other costs include selling and marketing expenses, general and administrative expenses and foreign exchange gain and loss. Our other costs increased by \$1.2 million to \$6.9 million in fiscal 2012 from \$5.7 million in fiscal 2011, primarily on account of (i) an increase in selling and marketing expenses by \$0.6 million to \$5.2 million in fiscal 2012 from \$4.6 million in fiscal 2011 and (ii) an increase in general and administrative expenses by \$0.5 million to \$1.7 million in fiscal 2012 from \$1.1 million in fiscal 2011. Foreign exchange gain decreased by

\$0.1 million to \$0.0 million in fiscal 2012 from foreign exchange gain of \$0.1 million in fiscal 2011.

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Segment Profit. Segment profit decreased by \$3.2 million to \$4.5 million in fiscal 2012 from \$7.7 million in fiscal 2011. The decrease was primarily attributable to a decrease in revenue less repair payment.

The other income, net in fiscal 2012 was an income of \$0.2 million compared to an income of \$0.3 million in fiscal 2011.

Income tax in fiscal 2012 was a charge of \$1.1 million as compared to a charge of \$1.6 million in fiscal 2011. The income tax in fiscal 2012 was lower on account of lower profit.

Quarterly Results

The following table presents unaudited quarterly financial information for each of our last eight fiscal quarters on a historical basis. We believe the quarterly information contains all adjustments necessary to fairly present this information. As a business process outsourcing services provider, we anticipate and respond to demand from our clients. Accordingly, we have limited control over the timing and circumstances under which our services are provided. Typically, we show a decrease in our first-quarter margins as a result of salary increases. For these and other reasons, we can experience variability in our operating results from quarter to quarter. The operating results for any quarter are not necessarily indicative of the results for any future period.

	Fiscal 2012				Fiscal 2011			
	March 2012	Three months ended		June 2011	March 2011	Three months ended		June 2010
		December 2011	September 2011			December 2010	September 2010	
	(Unaudited, US dollars in millions)							
Revenue	\$ 113.3	\$ 117.2	\$ 117.9	\$ 125.7	\$ 159.5	\$ 152.7	\$ 154.2	\$ 150.0
Cost of revenue	78.2	82.1	85.2	95.4	125.8	121.1	120.4	122.7
Gross Profit	35.1	35.1	32.7	30.3	33.7	31.6	33.8	27.2
Operating expenses:								
Selling and marketing expenses	6.3	6.4	7.0	6.6	5.9	6.1	6.4	5.1
General and administrative expenses	13.0	12.5	13.1	12.7	15.3	14.0	13.0	14.1
Foreign exchange (gains) loss, net	0.2	1.1	(1.8)	(1.3)	(4.3)	(6.2)	(1.6)	(3.0)
Amortization of intangible assets	7.1	7.0	7.5	7.8	8.0	8.0	7.9	8.0
Operating profit	8.7	8.1	6.9	4.4	8.9	9.6	8.1	3.1
Other (income) expense, net	0.2	(0.2)	0.1	(0.2)	(0.5)	(0.3)	(0.2)	(0.2)
Finance expense	0.9	1.0	0.9	1.2	1.2	1.2	1.5	7.5
Provision (benefit) for income taxes	3.1	3.2	2.4	2.7	(0.6)	(0.2)	0.7	1.6
Profit	4.4	4.0	3.4	0.7	8.8	9.0	6.0	(5.8)

The following table sets forth for the periods indicated selected consolidated financial data:

	Fiscal 2012				Fiscal 2011			
	March 2012	Three months ended		June 2011	March 2011	Three months ended		June 2010
		December 2011	September 2011			December 2010	September 2010	
	(Unaudited)							
Gross profit as a percentage of revenue	31.0%	30.0%	27.7%	24.1%	21.1%	20.7%	21.9%	18.2%
Operating income (loss) as a percentage of revenue	7.6%	6.9%	5.8%	3.5%	5.6%	6.3%	5.3%	2.1%
Gross profit as a percentage of revenue less repair payments	35.2%	36.1%	32.6%	30.9%	35.7%	34.0%	36.3%	30.5%
Operating income (loss) as a percentage of revenue less repair payments	8.7%	8.3%	6.8%	4.5%	9.4%	10.4%	8.7%	3.5%

The following table reconciles our revenue (a GAAP measure) to revenue less repair payments (a non-GAAP measure):

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	Fiscal 2012				Fiscal 2011					
	March 2012	Three months ended December 2011		September 2011	June 2011	March 2011	Three months ended December 2010		September 2010	June 2010
	(Unaudited, US dollars in millions)									
Revenue	\$ 113.3	\$ 117.2	\$ 117.9	\$ 125.7	\$ 159.5	\$ 152.7	\$ 154.2	\$ 150.0		
Less: Payments to repair centers	13.5	20.0	17.7	27.8	65.2	60.0	61.1	60.7		
Revenue less repair payments	\$ 99.8	\$ 97.2	\$ 100.2	\$ 97.8	\$ 94.3	\$ 92.7	\$ 93.1	\$ 89.3		

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Our principal commitments consist of expected principal cash payments relating to our long term debt, obligations under operating leases for office space, which represent minimum lease payments for office space, and purchase obligations for property and equipment. The following table sets out our total future contractual obligations as at March 31, 2012 on a consolidated basis:

	Payments Due By Period				
	Total	Less than	1-3 years	3-5 years	More than 5 years
		1 year			
(US dollars in millions)					
Long term debt	\$ 62.9	\$ 26.1	\$ 30.4	\$ 6.4	\$
Operating leases	85.7	17.2	30.3	16.5	21.7
Purchase obligations	3.7	3.7			
Total	\$ 152.3	\$ 47.0	\$ 60.7	\$ 22.9	\$ 21.7

Uncertain income tax liabilities totaling \$16.1 million are excluded from the table because we cannot make a reasonable estimate of the period of cash settlement with the relevant taxing authority.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements or obligations.

Tax Assessment Orders

Transfer pricing regulations to which we are subject require that any international transaction among the WNS group enterprises be on arm's-length terms. We believe that the international transactions among the WNS group enterprises are on arm's-length terms. If, however, the applicable tax authorities determine that the transactions among the WNS group enterprises do not meet arm's-length criteria, we may incur increased tax liability, including accrued interest and penalties. This would cause our tax expense to increase, possibly materially, thereby reducing our profitability and cash flows. The applicable tax authorities may also disallow deductions or tax holiday benefits claimed by us and assess additional taxable income on us in connection with their review of our tax returns.

From time to time, we receive orders of assessment from the Indian tax authorities assessing additional taxable income on us and/or our subsidiaries in connection with their review of our tax returns. We currently have orders of assessment for fiscal 2003 through fiscal 2009 pending before various appellate authorities. These orders assess additional taxable income that could in the aggregate give rise to an estimated 1,878.6 million (\$36.9 million based on the exchange rate on March 31, 2012) in additional taxes, including interest of 667.2 million (\$13.1 million based on the exchange rate on March 31, 2012).

The following sets forth the details of these orders of assessment:

Entity	Tax Year(s)	Amount Demanded		Interest on Amount Demanded	
		(Including Interest)	(and US dollars in millions)		
WNS Global, WNS Customer Solutions and Noida	Fiscal 2003	180.2	\$ (3.5) ⁽¹⁾	60.0	\$ (1.2) ⁽¹⁾
WNS Global, WNS Customer Solutions and Noida	Fiscal 2004	12.5	\$ (0.2) ⁽¹⁾	3.1	\$ (0.1) ⁽¹⁾
WNS Global, WNS Customer Solutions and Noida	Fiscal 2005	27.4	\$ (0.5) ⁽¹⁾	8.6	\$ (0.2) ⁽¹⁾
WNS Global, WNS Customer Solutions and Noida	Fiscal 2006	539.9	\$ (10.6) ⁽¹⁾	188.9	\$ (3.7) ⁽¹⁾
WNS BCS and permanent establishment of WNS North America Inc. and WNS UK in India	Fiscal 2006	140.1	\$ (2.8) ⁽¹⁾	51.2	\$ (1.0) ⁽¹⁾
WNS Global, WNS Customer Solutions and Noida	Fiscal 2007	98.7	\$ (1.9) ⁽¹⁾	31.9	\$ (0.6) ⁽¹⁾
	Fiscal 2007	21.6	\$ (0.4) ⁽¹⁾	8.2	\$ (0.1) ⁽¹⁾

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WNS BCS and permanent establishment of WNS North America Inc. and WNS UK in India					
WNS Global, WNS Customer Solutions and Noida	Fiscal 2008	763.3	\$ (15.0) ⁽¹⁾	287.9	\$ (5.7) ⁽¹⁾
WNS BCS and permanent establishment of WNS North America Inc. and WNS UK in India	Fiscal 2008	79.8	\$ (1.7) ⁽¹⁾	25.4	\$ (0.4) ⁽¹⁾
WNS BCS and permanent establishment of WNS North America Inc. and WNS UK in India	Fiscal 2009	15.1	\$ (0.3) ⁽¹⁾	2.0	\$ (0.1) ⁽¹⁾
Total		1,878.6	\$ (36.9)⁽¹⁾	667.2	\$ (13.1)⁽¹⁾

Note:

(1) Based on the exchange rate on March 31, 2012.

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The aforementioned orders of assessment allege that the transfer prices we applied to certain of the international transactions between WNS Global, one of our Indian subsidiaries, and our other wholly-owned subsidiaries named above were not on arm's length terms, disallow a tax holiday benefit claimed by us, deny the set off of brought forward business losses and unabsorbed depreciation and disallow certain expenses claimed as tax deductible by WNS Global. As at March 31, 2012, we have provided a tax reserve of 701.5 million (\$13.8 million based on the exchange rate on March 31, 2012) primarily on account of the Indian tax authorities denying the set off of brought forward business losses and unabsorbed depreciation.

In addition, we currently have orders of assessment pertaining to similar issues that have been decided in our favor by first level appellate authorities, vacating tax demands of 2,244.6 million (\$44.1 million based on the exchange rate on March 31, 2012) in additional taxes, including interest of 681.8 million (\$13.4 million based on the exchange rate on March 31, 2012). The income tax authorities have filed appeals against these orders.

In case of disputes, the Indian tax authorities may require us to deposit with them all or a portion of the disputed amounts pending resolution of the matters on appeal. Any amount paid by us as deposits will be refunded to us with interest if we succeed in our appeals. We have deposited a small portion of the disputed amount with the tax authorities and may be required to deposit the remaining portion of the disputed amount with the tax authorities pending final resolution of the respective matters.

After consultation with our Indian tax advisors and based on the facts of these cases, certain legal opinions from counsel, the nature of the tax authorities' disallowances and the orders from first level appellate authorities deciding similar issues in our favor in respect of assessment orders for earlier fiscal years, we believe these orders are unlikely to be sustained at the higher appellate authorities and we intend to vigorously dispute the orders of assessment.

In March 2009, we also received an assessment order from the Indian Service Tax Authority demanding payment of 346.2 million (\$6.8 million based on the exchange rate on March 31, 2012) of service tax and related penalty for the period from March 1, 2003 to January 31, 2005. The assessment order alleges that service tax is payable in India on BPO services provided by WNS Global to clients based abroad as the export proceeds are repatriated outside India by WNS Global. In April 2009, we filed an appeal to the appellate tribunal against the assessment order and the appeal is currently pending. Based on consultations with our Indian tax advisors, we believe this order of assessment is more likely than not to be upheld in our favor. We intend to continue to vigorously dispute the assessment.

No assurance can be given, however, that we will prevail in our tax disputes. If we do not prevail, payment of additional taxes, interest and penalties may adversely affect our results of operations, financial condition and cash flows. There can also be no assurance that we will not receive similar or additional orders of assessment in the future.

Liquidity and Capital Resources

Our capital requirements are principally for debt repayment and the establishment of operating facilities to support our growth and acquisitions. Our sources of liquidity include cash and cash equivalents and cash flow from operations, supplemented by equity and debt financing and bank credit lines as required.

As at March 31, 2012, we had cash and cash equivalents of \$46.7 million. We typically seek to invest our available cash on hand in bank deposits and money market instruments. Our investment in marketable securities, consisting of liquid mutual funds, was \$26.4 million as at March 31, 2012.

In our WNS Auto Claims BPO segment, certain client contracts entered into in the last two years provide for a longer credit period in the payment terms extended to the client than the credit period extended to us by third party repair centers. Accordingly, under such contracts, we have to pay third party repair centers in advance of receipt of payments from the clients. This has increased our working capital requirements to fund our payments to the third party repair centers prior to receipt of payments from our clients. In June 2010, WNS UK, took a line of credit for £19.8 million from HSBC Bank plc., as described below, to partially fund our increased working capital requirements in the UK. In March 2012, WNS UK extended this line of credit, as described below. Our contract with a large client (by revenue contribution), which initially provided for a credit period of 180 days and has since December 2010 been amended to provide for a credit period of 100 days, has been the primary reason for the increase in our working capital requirements over the last two years. This client has given us notice to terminate the contract with effect from April 18, 2012. We expect our working capital requirements will likely be reduced following the termination of this contract.

As at March 31, 2012, our Indian subsidiary, WNS Global, had unsecured lines of credit of 960.0 million (\$18.9 million based on the exchange rate on March 31, 2012) from The Hongkong and Shanghai Banking Corporation Limited, \$15.0 million from BNP Paribas and \$9.1 million from Citibank N.A., interest on which would be determined on the date of the borrowing. These lines of credit generally can be withdrawn by

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the relevant lender at any time. As at March 31, 2012, (1) 11.5 million (\$0.2 million based on the exchange rate on March 31, 2012) was utilized for obtaining bank guarantees from the line of credit available with The Hongkong and Shanghai Banking Corporation Limited, (2) \$14.9 million was utilized for working capital requirements from the line of credit available with BNP Paribas and (3) \$9.1 million was utilized for working capital requirements from the line of credit available with Citibank N.A.

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In March 2012, WNS Global obtained two new three-year term loan facilities consisting of a 510.0 million (\$10.0 million based on the exchange rate on March 31, 2012) rupee-denominated loan and a \$7.0 million US dollar-denominated loan, and our UK subsidiary, WNS UK, obtained a new three-year term loan for £6.1 million (\$9.8 million based on the exchange rate on March 31, 2012), rolled over its £9.9 million (\$15.8 million based on the exchange rate on March 31, 2012) two-year term loan (which was originally scheduled to mature in July 2012) for another three-year term, and renewed its £9.9 million (\$15.8 million based on the exchange rate on March 31, 2012) working capital facility (which was originally scheduled to mature in July 2012) until March 2013.

Details of these loan facilities are described below.

WNS Global obtained from HDFC Bank Ltd., or HDFC, a three-year rupee-denominated term loan of 510.0 million (\$10.0 million based on the exchange rate on March 31, 2012) which was fully drawn on March 12, 2012. The loan is for the purpose of financing certain capital expenditures incurred during the period from April 2011 to December 2011. The loan bears interest at a rate of 11.25% per annum for the first year, which will be reset at the end of the first year. Interest is payable on a monthly basis. The principal amount is repayable in two equal installments on January 30, 2015 and February 27, 2015. Repayment of the loan is guaranteed by WNS and secured by a charge over our Pune property, which must be perfected by July 31, 2012, following the repayment on July 10, 2012 of the balance of \$24 million outstanding under our 2010 Term Loan described below. This charge ranks pari passu with other charges over the property in favor of other lenders. We are subject to certain covenants in respect of this loan, including restrictive covenants relating to our total debt to EBITDA ratio, total debt to tangible net worth ratio and EBITDA to debt service coverage ratio, each as defined in the term sheet relating to this loan. In connection with this rupee-denominated term loan, we have entered into a currency swap to convert the rupee-denominated loan to a US dollar-denominated loan which has resulted in the loan bearing an effective interest rate to us of 6.73% per annum.

WNS Global obtained from HSBC Bank (Mauritius) Limited a three-year term loan facility for \$7.0 million. The facility may be drawn only after allotment of a loan registration number to the facility from the Reserve Bank of India, which was allotted on April 11, 2012. The facility may be drawn in four tranches and no later than six months from the date of the facility agreement. On April 16, 2012, we drew down \$2.0 million from this facility. The facility is for the purpose of funding WNS Global's capital expenditure plans for fiscal 2013 and/or for any other purpose in compliance with the Reserve Bank of India's guidelines on External Commercial Borrowings and Trade Credits. The facility will bear interest at a rate of US dollar LIBOR plus a margin of 3.5% per annum. Interest will be payable on a quarterly basis. The principal amount of each tranche will be repayable at the end of three years from the date of drawdown of such tranche. Repayment of the loan under the facility is guaranteed by WNS and secured by a charge over our Pune property which must be perfected by July 31, 2012, following the repayment of our 2010 Term Loan on July 10, 2012. This charge ranks pari passu with other charges over the property in favor of other lenders. The facility agreement contains certain covenants, including restrictive covenants relating to our debt to EBITDA ratio, debt to adjusted tangible net worth ratio, EBITDA to debt service coverage ratio and fixed asset coverage ratio, each as defined therein. A change in the largest shareholder of WNS together with a loss of 10% of our clients by revenue within two quarters of the change may also constitute an event of default under this facility agreement.

WNS UK obtained from HSBC Bank plc. an additional three-year term loan facility for £6.1 million (\$9.8 million based on the exchange rate on March 31, 2012), which was fully drawn on March 30, 2012. WNS UK also rolled over on March 30, 2012 its existing term loan of £9.9 million (\$15.8 million based on the exchange rate on March 31, 2012) from HSBC Bank plc. (which was originally scheduled to mature on July 7, 2012) for three years until July 7, 2015. The facilities are for the purpose of providing inter-company loans within the WNS group and funding capital expenditures. The facilities will bear interest at Bank of England base rate plus a margin of 2.25%. Interest is payable on a quarterly basis. 20% of the principal amount of each loan will be repayable at the end of each of 18, 24 and 30 months after drawdown and a final installment of 40% of the principal amount of each loan will be repayable at the end of 36 months after drawdown. Repayment of each loan is guaranteed by WNS, WNS (Mauritius) Limited, WNS Capital Investments Limited, WNS UK and AHA, and secured by pledges of shares of WNS (Mauritius) Limited and WNS Capital Investments Limited, a charge over the bank account of WNS Capital Investments Limited, and fixed and floating charges over the respective assets of WNS UK and AHA. The charge over the assets of WNS UK ranks pari passu with other charges over those assets in favor of other lenders. The security must be perfected by July 31, 2012, following the repayment of our 2010 Term Loan on July 10, 2012. The facility agreements contain certain covenants, including restrictive covenants relating to further borrowing by the borrower, total debt to EBITDA ratio, our total debt to tangible net worth ratio and EBITDA to debt service coverage ratio, each as defined in the facility agreement.

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WNS UK renewed its working capital facility of £9.9 million (\$15.8 million based on the exchange rate on March 31, 2012) (which was originally scheduled to mature on July 1, 2012) until March 31, 2013. The working capital facility bears interest at Bank of England base rate plus a margin of 2.45% per annum and has been renewed at the existing rate. Interest is payable on a quarterly basis. Repayment of this facility is guaranteed by WNS, WNS UK and AHA, and secured by fixed and floating charges over the respective assets of WNS UK and AHA. The charge over the assets of WNS UK ranks pari passu with other charges over those assets in favor of other lenders. The security must be perfected by July 31, 2012, following the repayment of our 2010 Term Loan on July 10, 2012. The facility agreements contain covenants similar to those contained in WNS UK's term loan facilities described above. The facility is subject to conditions to drawdown and can be withdrawn by the lender at any time by notice to the borrower.

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In September 2010, WNS Global Services Philippines Inc. obtained a \$3.2 million three-year term loan facility from The Hongkong and Shanghai Banking Corporation Limited. This facility is repayable in three equal installments on September 28, 2012, March 28, 2013 and September 27, 2013. The loan bears interest at the three-month US dollar LIBOR plus a margin of 3% per annum. This facility is secured by, among other things, a guarantee provided by WNS and an assignment (with a right of recourse) of all rights, titles and interests in and to receivables due to WNS Global Services Philippines Inc. from WNS North America Inc. and WNS UK. The facility agreement contains certain restrictive covenants on our indebtedness, total borrowings to tangible net worth ratio and total borrowings to EBITDA ratio, as well as a minimum interest coverage ratio, each as defined in the facility agreement. As at March 31, 2012, the amount outstanding under the facility was \$3.2 million.

In July 2010, WNS (Mauritius) Limited obtained a term loan facility for \$94.0 million, or the 2010 Term Loan, from The Hongkong and Shanghai Banking Corporation Limited, Hong Kong, DBS Bank Limited, Singapore and BNP Paribas, Singapore. The proceeds from this loan facility, together with cash on hand, was used to repay the \$115.0 million outstanding balance of the \$200.0 million term loan facility we had obtained in July 2008 to fund, together with cash on hand, the Aviva transaction. This 2010 Term Loan has been financed equally by all the three lenders and bears interest at a rate equivalent to three-month US dollar LIBOR plus a margin of 2% per annum. On January 10, 2011, July 11, 2011 and January 10, 2012, we made scheduled payments of principal of \$20 million, \$20 million and \$30 million, respectively. Following the installment repayments, the amount outstanding under the facility is \$24 million. The final installment of \$24 million is repayable on July 10, 2012. Repayment under the facility is guaranteed by WNS, WNS UK, WNS Capital Investment Limited, WNS Global Singapore, WNS North America Inc., AHA and the Co-op, and secured by pledges of shares of WNS (Mauritius) Limited, WNS Capital Investment Limited and WNS Global Singapore, charges over the bank accounts of WNS (Mauritius) Limited, WNS Capital Investment Limited and WNS Global Singapore, a charge over receivables of WNS Capital Investment Limited from Aviva held in escrow, an assignment by WNS (Mauritius) Limited to the lenders of the 2010 Term Loan of its put option to sell its shares of WNS Capital Investment Limited to WNS Global, pursuant to which the lenders may, in the event of a default under the loan, compel WNS (Mauritius) Limited to exercise its put option and apply the proceeds from the sale of its shares of WNS Capital Investment Limited to WNS Global towards repayment of the loan, and a fixed and floating charge over the assets of WNS UK, which ranks pari passu with other charges over the same assets in favor of other lenders. The facility agreement contains certain covenants, including restrictive covenants relating to our indebtedness, total borrowings to tangible net worth ratio, total borrowings to EBITDA ratio and a minimum interest coverage ratio, each as defined in the facility agreement, and undertakings by each of WNS (Mauritius) Limited and WNS Global Singapore not to sell, transfer or otherwise dispose of their respective shares of WNS Global.

Based on our current level of operations, we expect that our anticipated cash generated from operating activities, cash and cash equivalents on hand, and use of existing credit facilities will be sufficient to meet our debt repayment obligations, estimated capital expenditures and working capital needs for the next 12 months. However, if our lines of credit were to become unavailable for any reason, we would require additional financing to meet our debt repayment obligations, capital expenditures and working capital needs. We currently expect our capital expenditures needs in fiscal 2013 to be approximately \$22 million. Further, under the current extremely volatile conditions as discussed under Global Market and Economic Conditions above, there can be no assurance that our business activity would be maintained at the expected level to generate the anticipated cash flows from operations. If the current market conditions persist or further deteriorate, we may experience a decrease in demand for our services, resulting in our cash flows from operations being lower than anticipated. If our cash flows from operations are lower than anticipated, including as a result of the ongoing downturn in the market conditions or otherwise, we may need to obtain additional financing to meet some of our existing debt repayment obligations and pursue certain of our expansion plans. Further, we may in the future consider making acquisitions. If we have significant growth through acquisitions or require additional operating facilities beyond those currently planned to service new client contracts, we may also need to obtain additional financing. We believe in maintaining maximum flexibility when it comes to financing our business. We regularly evaluate our current and future financing needs. Depending on market conditions, we may access the capital markets to strengthen our capital position, and provide us with additional liquidity for general corporate purposes, which may include capital expenditures acquisitions, refinancing of indebtedness and working capital. If current market conditions continue to persist or deteriorate further, we may not be able to obtain additional financing or any such additional financing may be available to us on unfavorable terms. An inability to pursue additional opportunities will have a material adverse effect on our ability to maintain our desired level of revenue growth in future periods.

The following table shows our cash flows for the year ended March 31, 2012 and 2011:

	Year ended March 31,	
	2012	2011
	(US dollars in millions)	
Net cash provided by operating activities	\$ 57.2	\$ 35.8
Net cash used in investing activities	\$ (50.7)	\$ (15.4)
Net cash provided (used in) by financing activities	\$ 27.4	\$ (29.0)

Table of Contents*Cash Flows from Operating Activities*

Net cash provided by operating activities increased to \$57.2 million for fiscal 2012 from \$35.8 million for fiscal 2011. The increase in net cash provided by operating activities for fiscal 2012 as compared to fiscal 2011 was attributable to an increase in cash inflow from working capital changes by \$18.1 million, a decrease in interest paid by \$3.0 million and an increase in profit as adjusted by non-cash related items by \$0.7 million, which was partially offset by an increase in income taxes paid by \$0.2 million and a decrease in interest income by \$0.1 million.

Cash from working capital changes increased by \$18.1 million during fiscal 2012 as compared to fiscal 2011, primarily due to (i) a decrease in cash outflow towards settlement of other current liabilities of \$28.4 million, primarily as a result of a decrease in cash outflow towards value-added tax payment and derivative contract liability settlement, and (ii) an increase in cash inflow from accounts receivable of \$25.1 million, primarily as a result of a decrease in the credit period of the payment terms extended to a large client in our WNS Auto Claims BPO segment, partially offset by an increase in cash outflow of (i) \$18.5 million in other current assets, primarily as a result of an increase in funds held for clients, a reduction in cash received upon settlement of derivative financial instruments on maturity and an advance given to a client, (ii) \$9.9 million in accounts payable, primarily as a result of an increase in outflow towards accounts payable in our WNS Auto Claims BPO segment, and (iii) \$7.0 million in deferred revenue primarily as a result of a decrease in an advance received from a client.

Cash Flows from Investing Activities

Net cash used in investing activities increased to \$50.7 million for fiscal 2012 from \$15.4 million for fiscal 2011. Investing activities in fiscal 2012 comprised of the following: (i) the capital expenditures incurred for leasehold improvements, including the purchase of computers, furniture, fixtures and other office equipment and software (classified as intangibles) associated with expanding the capacity of our delivery centers, in fiscal 2012 was \$21.2 million, which represented an increase of \$6.0 million as compared to fiscal 2011, (ii) the amount invested in marketable securities in fiscal 2012 was \$28.0 million, (iii) the payment of \$2.1 million to ACS for the acquisition of the balance 35% stake in WNS Philippines Inc. in fiscal 2012, as compared to the payment made towards earn out consideration of \$0.5 million in fiscal 2011 in connection with the acquisition of Biz Aps in June 2008, and (iv) dividends of \$0.4 million received in fiscal 2012 on account of our investments in marketable securities.

Cash Flows from Financing Activities

Net cash provided in financing activities was \$27.4 million for fiscal 2012, as compared to net cash used in financing activities of \$29.0 million for fiscal 2011. Financing activities primarily consisted of (i) net proceeds of \$46.3 million from the issuance of ordinary shares in our follow-on public offering in fiscal 2012, (ii) long term debt taken by WNS UK for \$9.7 million and by WNS Global for \$10.0 million in fiscal 2012, as compared to long term debt taken by WNS (Mauritius) Limited for \$46.8 million, by WNS Global Services Philippines, Inc. for \$3.2 million and by WNS UK for \$14.9 million in fiscal 2011, (iii) a loan repayment of \$50.0 million in fiscal 2012, as compared to a loan repayment of \$107.8 million in fiscal 2011 by WNS (Mauritius) Limited and (iv) short term loans of \$19.0 million taken by WNS Global, partially offset by a repayment of \$8.8 million of a short term loan by WNS UK and a repayment of \$0.7 million of a short term loan from ACS, as compared to short term loans of \$5.0 million and \$8.6 million taken by WNS Global and WNS UK, respectively, in fiscal 2011.

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New Accounting Pronouncements Not Yet Adopted by the Company

Certain new standards, interpretations and amendments to existing accounting standards have been published, but have not yet been applied in our financial statements. Those which we consider to be relevant to our operations are set out below:

IFRS 7 *Financial Instruments: Disclosure* was amended by the IASB to require additional quantitative and qualitative disclosures relating to transfers of financial assets effective for annual periods beginning on or after July 1, 2011, with earlier application permitted, where (i) financial assets are derecognized in their entirety, but where the entity has a continuing involvement in them (e.g., options or guarantees on the transferred assets); and (ii) financial assets are not derecognized in their entirety. We envisage there will be no impact of this additional requirement on our consolidated financial statements.

IFRS 9 *Financial Instruments: Classification and Measurement* was issued by the IASB in November 2009. 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, *Financial Instruments* (IFRS 9 R). The revised standard adds guidance on the classification and measurement of financial liabilities. IFRS 9 R 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. IFRS 9 is effective for fiscal years beginning on or after January 1, 2015. Earlier application is permitted. We are currently evaluating the impact that this new standard will have on our consolidated financial statements.

IFRS 13 *Fair Value Measurements* was issued by the IASB in May 2011. IFRS 13 defines fair value, provides a single IFRS framework for measuring fair value and requires disclosure about fair value measurements. IFRS 13 is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. We are currently evaluating the impact that this new standard will have on our consolidated financial statements.

IFRS 10 *Consolidated Financial Statements* was issued by the IASB in May 2011 to replace consolidation requirements in IAS 27 *Consolidated and Separate Financial Statements* and SIC-12 *Consolidation - Special Purpose Entities* and to build on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. This pronouncement is effective for the annual period beginning on or after January 1, 2013, with earlier application permitted so long as this standard is applied together with IFRS 11 *Joint Arrangements*, IFRS 12 *Disclosure of Interest in Other Entities*, IAS 27 (Revised) *Separate Financial Statements*, and IAS 28 (Revised) *Investments in Associates and Joint Ventures*. The remainder of IAS 27 *Separate Financial Statements* now contains accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates only when an entity prepares separate financial statements and is therefore not applicable in our consolidated financial statements.

IFRS 11 *Joint Arrangements*, which replaces IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly Controlled Entities - Non-monetary Contributions by Ventures*, requires a single method, known as the equity method, to account for interests in jointly controlled entities. The proportionate consolidation method in joint ventures is prohibited. IAS 28 *Investments in Associates and Joint Ventures*, was amended as a consequence of the issuance of IFRS 11. In addition to prescribing the accounting for investment in associates, it now sets out the requirements for the application of the equity method when accounting for joint ventures. The application of the equity method has not changed as a result of this amendment.

IFRS 12 *Disclosure of Interest in Other Entities* is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The standard

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includes disclosure requirements for entities covered under IFRS 10 and IFRS 11. We are currently evaluating the impact of the above pronouncements on our consolidated financial statements.

IAS 1 *Presentation of Financial Statements* was amended by the IASB in June 2011 to require companies preparing financial statements in accordance with IFRS to group items within other comprehensive income that may be reclassified to the profit or loss separately from those items which would not be recyclable in the profit or loss section of the statement of income. It also requires the tax associated with items presented before tax to be shown separately for each of the two groups of other comprehensive income items (without changing the option to present items of other comprehensive income either before tax or net of tax). The amendments also reaffirm existing requirements that items in other comprehensive income and profit or loss should be presented as either a single statement or two consecutive statements. This amendment is applicable to annual periods beginning on or after 1 July 2012, with early adoption permitted. We are required to adopt IAS 1 (Amended) by accounting year commencing April 1, 2013. We have evaluated the requirements of IAS 1 (Amended) and we do not believe that the adoption of IAS 1 (Amended) will have a material effect on our consolidated financial statements.

IAS 19 *Employee Benefits* was amended by the IASB in June 2011. This amendment is applicable on a modified retrospective basis to annual periods beginning on or after January 1, 2013, with early adoption permitted. Apart from certain miscellaneous changes, key changes are:

- (a) Recognition of changes in the net defined liability/(assets) in other comprehensive income;

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(b) Introduced enhanced disclosures about defined benefit plans; and

(c) Modified accounting for termination benefits.

We are currently evaluating the impact that the above amendment will have on our consolidated financial statements.

IAS 32 *Financial Instruments: Presentation* and IFRS 7 *Financial Instruments: Disclosure*, relating to the accounting requirements and disclosures related to offsetting of financial assets and liabilities, were amended by the IASB in December 2011.

The amendment to IFRS 7 requires companies to disclose information about rights of offset and related arrangements for financial instruments under an enforceable master netting agreement or similar arrangement. The new disclosures are effective for interim or annual periods beginning on or after January 1, 2013. It requires retrospective application for comparative periods.

The IASB has amended IAS 32 to clarify the meaning of currently has a legally enforceable right of set off and simultaneous realization and settlement. The amendments clarify that to result in offset of a financial assets and financial liability, a right to set off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

Also the amendments clarify that the determination of whether the rights meet the legally enforceable criterion will depend on both the contractual terms entered into between the counterparties as well as the law governing the contract and the bankruptcy process in the event of bankruptcy or insolvency. The amendments are effective for annual periods beginning on or after January 1, 2014 and are required to be applied retrospectively for comparative periods.

We are currently evaluating the impact that the above amendments will have on our consolidated financial statements.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES**A. Directors and Executive Officers**

Our Board of Directors consists of seven directors.

The following table sets forth the name, age (as at March 31, 2012) and position of each of our directors and executive officers as at the date hereof.

Name	Age	Designation
Directors		
Eric B. Herr ⁽¹⁾⁽²⁾⁽³⁾	63	Non-Executive Chairman
Keshav R. Muruges	48	Director and Group Chief Executive Officer
Jeremy Young	46	Director
Deepak S. Parekh ⁽²⁾⁽⁴⁾	67	Director
Richard O. Bernays ⁽¹⁾⁽³⁾⁽⁵⁾	69	Director
Anthony A. Greener ⁽¹⁾⁽²⁾⁽³⁾	71	Director
Albert Aboody ⁽⁶⁾	64	Director
Executive Officers		
Keshav R. Muruges	48	Group Chief Executive Officer
Alok Misra	45	Group Chief Financial Officer
Johnson J. Selvadurai	53	Managing Director Europe
Michael Garber	55	Chief Sales and Marketing Officer
Ronald Strout	65	Chief of Staff and Head Americas
Swaminathan Rajamani	35	Chief People Officer

Notes:

- (1) Member of our Nominating and Corporate Governance Committee.
- (2) Member of our Compensation Committee.
- (3) Member of our Audit Committee.
- (4) Chairman of our Nominating and Corporate Governance Committee.
- (5) Chairman of our Compensation Committee.
- (6) Chairman of our Audit Committee.

Summarized below is relevant biographical information covering at least the past five years for each of our directors and executive officers.

Table of Contents**Directors**

Eric B. Herr was appointed to our Board of Directors in July 2006. On December 17, 2009 Mr. Herr was appointed as the Non-Executive Chairman of the Board. Mr. Herr is based in the United States. He currently serves on the board of directors of Edgar Online (since 2011), Regulatory Data Corporation (since 2009) and two not-for-profit organizations, New Hampshire Center for Public Policy Studies (since 2011) and New Hampshire Charitable Foundation (Since 2010). He was a director of Taleo Corporation and Starcite Private Limited until 2010 and of Workscape from 2005 to 2008. From 1992 to 1999, Mr. Herr served first as Chief Financial Officer and then President and Chief Operating Officer of Autodesk, Inc. Mr. Herr received a Master of Arts degree in Economics from Indiana University and a Bachelor of Arts degree in Economics from Kenyon College. The business address for Mr. Herr is P.O. Box 719, Bristol, NH 03222, USA.

Keshav R. Murugesh was appointed as our Group Chief Executive Officer and director in February 2010. Mr. Murugesh is based out of Mumbai. Prior to joining WNS, Mr. Murugesh was the Chief Executive Officer of Syntel Inc., a Nasdaq-listed information technology company, and was a director of Syntel Limited and Syntel Global Private Limited. He holds a Bachelor of Commerce degree and is a Fellow of The Institute of Chartered Accountants of India. Prior to Syntel, he worked in various capacities with ITC Limited, an affiliate of BAT Plc. between 1989 and 2002. He is on the Board of WNS Cares Foundation, a company that focuses on sustainability initiatives. He was the Chairman of SIFE (Students in Free Enterprise) India, which is a global organization involved in educational outreach projects in partnership with businesses across the globe, from 2005 to 2011. The business address for Mr. Murugesh is Gate 4, Godrej & Boyce Complex, Pirojshanagar, Vikhroli West, Mumbai 400 079, India.

Jeremy Young was appointed to our Board of Directors as a nominee of Warburg Pincus, the principal shareholder of our company, in May 2004. During his 20 years at Warburg Pincus, he has run the firm's Healthcare, Internet and Business Services sectors in Europe, headed the German office and been responsible for fundraising in Europe and the Middle East. Prior to joining Warburg Pincus in 1992, Mr. Young held various positions at Baxter Healthcare International, Booz, Allen & Hamilton International and Cellular Transplant/Cytherapeutics. He received a Bachelor of Arts degree from Cambridge University and a Master of Business Administration degree from Harvard Business School. He is currently also a director of Warburg Pincus Roaming II S.A as well as Vice Chairman of The Haemophilia Society. The business address for Mr. Young is Warburg Pincus International LLC, Almack House, 28 King Street, St. James, London SW1Y 6QW, England.

Deepak S. Parekh was appointed to our Board of Directors in July 2006. Mr. Parekh is based in Mumbai, India. He currently serves as the Chairman (since 1993) of Housing Development Finance Corporation Limited, a housing finance company in India which he joined in 1978. Mr. Parekh is the non-executive Chairman (since 1994) of GlaxoSmithKline Pharmaceuticals Limited. Mr. Parekh is also a director of several Indian public companies such as Siemens Limited (since 2003), HDFC Ergo General Insurance Co. Limited (since 2002), Exide Industries Limited (since 2001), HDFC Standard Life Insurance Co. Limited (since 2000), HDFC Asset Management Co. Limited (since 2000), The Indian Hotels Co. Limited (since 2000), Infrastructure Development Finance Co. Limited (since 1997), Zodiac Clothing Company Limited (since 1994) Mahindra & Mahindra Limited (since 1990) and D P World, Dubai (since 2011). He was a director of Singapore Telecommunications Limited from 2004 to 2010. He was also a director of Airport Authority of India, Castrol India Limited, Hindustan Unilever Limited, Borax Morarji Limited, Bharat Bijlee Limited, Hindustan Oil Exploration Corporation Limited, Lafarge India Private Limited and GIC Special Investments Pte. Limited until 2011. He was appointed special director by the Government of India of Satyam Computer Services Limited during 2009 to resolve the crisis at Satyam. Mr. Parekh received a Bachelor of Commerce degree from the Bombay University and holds a Chartered Accountant degree from the Institute of Chartered Accountants in England & Wales (ICAEW). The business address for Mr. Parekh is Housing Development Finance Corporation Limited, Ramon House, H.T. Parekh Marg, 169 Backbay Reclamation, Churchgate, Mumbai 400 020, India.

Richard O. Bernays was appointed to our Board of Directors in November 2006 and is based in London. Prior to his retirement in 2001, Mr. Bernays held various senior positions at Old Mutual, plc, a London-based international financial services company, and most recently served as Chief Executive Officer of Old Mutual International. Prior to that, he was with Jupiter Asset Management in 1996, Hill Samuel Asset Management from 1991 to 1996, and Mercury Asset Management from 1971 to 1992. Mr. Bernays currently serves on the Boards of several public companies, including The NMR Pension Trustee Limited (since 2009), The American Museum in Britain (since 2008), Beltone MENA Equity Fund Limited (since 2007), Impax Environmental Markets Trust plc (since 2002), Taikoo Developments Limited (since 1997), MAF Trust (since 2005), and GFM Cossack Bond Company Limited (since 1997). Mr. Bernays retired from Charter Pan European, Trust plc, Henderson Global Trust (since 2001) and The Throgmorton Trust in 2012. He was a director of Hermes Pension Management from 2005 to 2007, Singer and Friendlander from 2003 to 2005 and Martin Curie Income and Growth Trust from 1997 to 2008. Mr. Bernays was a member of the Supervisory Board of the National Provident Life until 2010. He received a Masters of Arts degree from Trinity College, Oxford University. The business address of Mr. Bernays is E72 Montevetro, 100 Battersea Church Road, London SW11 3YL.

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Sir Anthony A. Greener was appointed to our Board of Directors in June 2007. Sir Anthony is based in London. He was the Deputy Chairman of British Telecom from 2001 to 2006 and the Chairman of the Qualifications and Curriculum Authority from 2002 to 2008 and Diageo plc from 1997 to 2000. Prior to that, Sir Anthony was the Chairman and Chief Executive of Guinness plc from 1992 to 1997 and the Chief Executive Officer of Dunhill Holdings from 1974 to 1986. Sir Anthony is presently a Chairman of St. Giles Trust (since 2011), Oy Nautor AB (since 2009), Williams-Sonoma Inc. (since 2007), Minton Trust (since 2007) and United Church Schools (since 2005). He was a director of Robert Mondavi from 2000 to 2005. Sir Anthony was honored with a knighthood in 1999 for his services to the beverage industry and is also a Fellow Member of the Chartered Institute of Management Accountants. The business address of Sir Anthony is the Minton Trust, 26 Hamilton House, Vicarage Gate, London W8 4HL.

Albert Aboody was appointed to our Board of Directors in June 2010 and also serves as the chairman of our Audit Committee. Mr. Aboody is based in the US. Prior to his appointment as our director, he was a partner with KPMG, US. In this role, he served on the Board of KPMG, India, including as Deputy Chairman and as head of its audit department. He also co-authored chapters on the Commission's reporting requirements in the 2001-2008 annual editions of the Corporate Controller's Manual. Mr. Aboody is a member of the American Institute of Certified Public Accountants. He was a post-graduate research scholar at Cambridge University and received a Bachelor of Arts degree from Princeton University. The business address of Mr. Aboody is 424 East 57th Street # 3D, New York, NY 10022, USA.

Our Board believes that each of our company's directors is highly skilled, experienced and qualified to serve as a member of the Board and its committees. Each of the directors, because of their diverse business experience and background, contribute significantly in managing the affairs of our company. The Board of Directors has not adopted any formal policy with respect to diversity, however, our Board of Directors believes that it is important for its members to represent diverse viewpoints and contribute in the Board's decision making process. Our Board evaluates candidates for election to the Board; the Board seeks candidates with certain qualities that it believes are important, including experience, integrity, an objective perspective, business acumen and leadership skills. The continuing service by our directors promotes stability and continuity in the boardroom and gives us the benefit of their familiarity and insights into our business.

Executive Officers

Keshav R. Murugesh is our Group Chief Executive Officer. Please see Directors above for Mr. Murugesh's biographical information.

Alok Misra serves as our Group Chief Financial Officer. Mr. Misra is based in Mumbai, India and joined WNS in February 2008. Mr. Misra's responsibilities as Group Chief Financial Officer include corporate finance, corporate development and strategy, legal and secretarial and information technology. Prior to joining WNS, Mr. Misra was group chief financial officer at Mphasis Limited (a subsidiary of Electronic Data Systems, now a division of Hewlett-Packard) and financial controller at ITC Limited. Mr. Misra is presently director of Value and Budget Housing Corporation (India) Private Limited (since 2009). He is a Fellow of the Institute of Chartered Accountants in India. Mr. Misra received an honors degree in commerce from Calcutta University. The business address for Mr. Misra is Gate 4, Godrej & Boyce Complex, Pirojshanagar, Vikhroli West, Mumbai 400 079, India.

Johnson J. Selvadurai is Managing Director of European Operations. Prior to joining WNS, he was the Chief Executive Officer of our enterprise services business unit until September 2007. Mr. Selvadurai is a business process outsourcing industry specialist with over 25 years of experience in offshore outsourcing. He pioneered such services in Sri Lanka and set up and managed many processing centers in the Philippines, India, Pakistan and the UK. Mr. Selvadurai is a certified electronic data management and processing trainer and is a member of the data processing institute. Prior to joining WNS in 2002, Mr. Selvadurai was Asia Managing Director (Business Process Outsourcing services) of Hays plc, a FTSE 100 B2B services company. Mr. Selvadurai is presently a director of Datacap Software Private Limited India (since 2000). He was a director of Business forms (Private) Limited, Sri Lanka from 1984 to 2011. The business address for Mr. Selvadurai is Malta House, 36-38 Piccadilly, London, W1J 0DP, UK.

Michael Garber is Chief Sales and Marketing Officer. He has rich experience with an accomplished career spanning 34 years in IT enabled services, marketing, consulting and general management, of which, over a decade has been in the outsourcing space leading global teams. Prior to joining WNS, he held senior positions in several prominent outsourcing companies such as President of the Americas for Birlasoft, Senior Vice President Business Development at InSource (a Virtusa subsidiary) and Insurance Practice Lead at eFunds. He has also served as Vice President and Business Unit Head of the Insurance Practice at Cognizant Technology Solutions. After graduation from university, he spent 20 years with MassMutual Financial Group. He has a Bachelor of Arts degree in Mathematics from the Western New England University, Springfield, Massachusetts and an Associate of Arts degree in Marine Biology from the Roger Williams University, Bristol Rhode Island. He has also completed the Professional Management Practices Designation while working with MassMutual Financial Group and the Executive Management Development Program certification from the University of Michigan. The business address for Mr. Garber is 15 Exchange Place, Suite 310, Jersey City, New Jersey 07302, USA.

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Ronald Strout is Chief of Staff and Head Americas. He has over 30 years of experience in the financial services industry and consulting. He is well-known in the industry for transforming businesses in large and small corporate environments. Prior to joining WNS, he was the Executive Vice President with a technology start-up. He has also held other senior positions such as the Senior Vice President at State Street Corporation and Partner / Managing Director at Bearing Point (formerly KPMG Consulting, Inc.). His vast professional experience also spans Security First Savings and Loans, Global Solutions and Interactive Data Corp. He serves on the board of Kepha Partners in an advisory role. He has a Bachelor of Science degree from the University of Maine. The business address of Mr. Strout is 15 Exchange Place, Suite 310, Jersey City, New Jersey, USA 07302.

Swaminathan Rajamani is Chief People Officer. He leads WNS's Human Resources function, and is responsible for the entire gamut of people-oriented processes. Prior to joining WNS, he was with CA Technologies, where he served as Vice President Human Resources and was the Country Head HR for India. He has also served as Head of HR Operations at Syntel and thereafter, for a short while, was its Global HR Head. Prior to Syntel, he had a long tenure at GE spanning multiple roles such as Master Black Belt HR and Assistant Vice President and Head Operations for HR, Customer Research and Operational Analytics, apart from other roles in mergers and acquisitions. He is a certified Change Acceleration Coach and a keen practitioner of Six Sigma. Swaminathan has a Masters in Social Work (MSW) from the University of Madras. The business address of Mr. Rajamani is Gate 4, Godrej & Boyce Complex, Pirojshanagar, Vikhroli, (West) Mumbai 400 079, India.

B. Compensation

Compensation Discussion and Analysis

Compensation Objectives

Our compensation philosophy is to align employee compensation with our business objectives, so that compensation is used as a strategic tool that helps us recruit, motivate and retain highly talented individuals who are committed to our core values: clients first, integrity, respect, collaboration, learning and excellence. We believe that our compensation programs are integral to achieving our goal of "One WNS One Goal Outperform!"

Our Compensation Committee is responsible for reviewing the overall goals and objectives of our executive compensation programs, as well as our compensation plans, and making any changes to such goals, objectives and plans. Our Compensation Committee bases our executive compensation programs on the following objectives, which guide us in establishing and maintaining all of our compensation programs:

Pay Differentiation: Based on the Job Responsibility, Individual Performance and Company Performance. As employees progress to higher levels in our company, they are able to more directly affect our results and strategic initiatives. Therefore, as employees progress, an increasing proportion of their pay is linked to company performance and tied to creation of shareholder value.

Pay for Performance. Our compensation is designed to pay for performance and thus we provide higher compensation for strong performance and, conversely, lower compensation for poor performance and/or where company performance falls short of expectations. Our compensation programs are designed to ensure that successful, high-performing employees remain motivated and committed during periods of temporary downturns in our performance.

Balanced in Focus on Long Term versus Short Term Goals. As part of our compensation philosophy, we believe that equity-based compensation should be higher for employees with greater levels of responsibility and influence on our long term results. Therefore, a significant portion of these individuals' total compensation is dependent on our long term share price appreciation. In addition, our compensation philosophy seeks to incentivize our management to focus on achieving short term performance goals in a manner that supports and encourages long term success and profitability.

Competitive Value of the Job in the Marketplace. In order to attract and retain a highly skilled work force in a global market space, we remain competitive with the pay of other employers who compete with us for talent in relevant markets.

Easy to understand. We believe that all aspects of executive compensation should be clearly, comprehensibly and promptly disclosed to employees in order to effectively motivate them. Employees need to easily understand how their efforts can affect their pay, both directly through individual performance accomplishments and indirectly through contributions to achieving our strategic, financial and operational goals. We also believe that compensation for our employees should be administered uniformly across our company, with clear-cut objectives and performance metrics, to eliminate the potential for individual supervisor bias.

Our Compensation Committee also considers risk when developing our compensation programs and believes that the design of our compensation programs should not encourage excessive or inappropriate risk taking.

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Components of Executive Compensation

The compensation of our executive officers consists of the following five primary components:

Base salary or, in the case of executive officers based in India, fixed compensation;

Cash bonus or variable incentive;

Equity incentive grants of RSUs;

Other benefits and perquisites; and

Severance benefits.

The following is a discussion of our considerations in determining each of the compensation components for our executive officers.

Base Salary or Fixed Compensation

Base salary is a fixed element of our employees' annual cash compensation, which is not tied to any performance criteria. We consider base salary an important part of an executive's compensation, and our Compensation Committee reviews each executive officer's base salary annually as well as at the time of a promotion or other change in responsibility. Any salary adjustments are usually approved early in the calendar year, effective as at April 1. The specific amount of salary for each executive officer depends on the executive's role, scope of responsibilities, experience and skills. Market practices are also considered in setting salaries. Base salaries are intended to assist us in attracting executives and recognizing differing levels of responsibility and contribution among executives.

Cash Bonus or Variable Incentive

In addition to base salary, annual cash bonuses are another important piece of total compensation for our executives. Annual bonus opportunities are intended to support the achievement of our business strategies by tying a meaningful portion of compensation to the achievement of established objectives for the year. These objectives are discussed in more detail below. Annual bonus opportunities also are a key tool in attracting highly sought-after executives, and they add a variable component to our overall compensation structure.

Equity Incentive Grants of RSUs

Our equity-based incentive program, through which we grant RSUs, is a key element of the total compensation for our executive officers. This equity-based incentive program is intended to attract and retain highly qualified individuals, align their long term interests with those of our shareholders, avoid short term focus and effectively execute our long term business strategies. Our equity-based compensation is subject to multi-year vesting requirements by which employee gains can either be realized through (i) the achievement of set performance criteria and continued employment through the vesting period, or, simply, (ii) continued employment through the vesting period.

Other Benefits and Perquisites

We provide benefits to our executive officers that are generally available to other employees in the country in which the executive officer is located. We believe these benefits are consistent with the objectives of our compensation philosophy and allow our executive officers to work more efficiently. We also provide our executive officers with certain perquisites which we believe are reasonable and consistent with market trends in the countries in which our executive officers are located. Such benefits and perquisites are intended to be part of a competitive overall compensation program. Such benefits normally include medical and life insurance coverage, retirement benefits, reimbursement of telephone expenses, a car and related maintenance expenses, leased residential accommodation and other miscellaneous benefits which are customary in the location where the executive officer resides and are generally available to other employees in the country. All executive officers are covered

by the directors and officers liability insurance policy maintained by WNS.

Severance Benefits

Under the terms of our employment agreements, we are sometimes obligated to pay severance or other enhanced benefits to our executive officers upon termination of their employment.

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In addition we provide change in control severance protection to our executive officers and certain other officers. Our Compensation Committee believes that such protection is intended to preserve employee morale and productivity and encourage retention in the face of the disruptive impact of an actual or rumored change in control. In addition, for executive officers, the program is intended to align executive officers' and shareholders' interests by enabling executive officers to consider corporate transactions that are in the best interests of our shareholders and other constituents without undue concern over whether the transactions may jeopardize the executive officers' own employment.

Our executive officers globally have enhanced levels of benefits based on their job level, seniority and probable loss of employment after a change in control. Executive officers generally are paid severance for a longer period.

Accelerated vesting of equity awards. All granted but unvested share options and RSUs would vest immediately and become exercisable by our executive officers subject to certain conditions set out in the applicable equity incentive plans.

Severance and notice payment. Eligible terminated executive officers would receive severance and notice payments as reflected in their individual employment agreements.

Benefit continuation. Eligible terminated executive officers would receive basic employee benefits such as health and life insurance and other perquisites as reflected in their individual employment agreements.

Our Assessment Process

Our Compensation Committee has established a number of processes to assist it in ensuring that our executive compensation programs are achieving their objectives. Our Compensation Committee typically reviews each component of compensation at least every 12 months with the goal of allocating compensation between long term and currently paid compensation and between cash and non-cash compensation, and combining the compensation elements for each executive in a manner we believe best fulfills the objectives of our compensation programs.

Our Compensation Committee is responsible for reviewing the performance of each of our executives, approving the compensation level of each of our executives, establishing criteria for the grant of equity awards to our executives and other employees and approving such grants. Each of these tasks is generally performed annually by our Compensation Committee.

There are no predetermined individual or corporate performance factors or goals that are used by our Compensation Committee to establish the amounts or mix of any elements of compensation for the executive officers. Our Compensation Committee works closely with our Group Chief Executive Officer, discussing with him our company's overall performance and his evaluation of and compensation recommendations for our executive officers. From time to time, our Compensation Committee also seeks the advice and recommendations of an independent compensation consultant to benchmark certain components of WNS's compensation practices against those of its peers. The companies selected for such benchmarking include companies in similar industries and generally of similar sizes and market capitalizations. Where compensation information is not available for any specific management position for companies that provide business and technology services, our Compensation Committee reviews data corresponding to the most comparable position and also considers the comparative experience of executives.

Our Compensation Committee then utilizes its judgment and experience in making all compensation determinations. Our Compensation Committee's determination of compensation levels is based upon what the members of the committee deem appropriate, considering information such as the factors listed above, as well as input from our Group Chief Executive Officer and, from time to time, information and advice provided by an independent compensation consultant.

Other processes that our Compensation Committee has established to assist in ensuring that our compensation programs operate in line with their objectives are:

Assessment of Company Performance: Our Compensation Committee uses financial performance measures to determine a significant portion of the size of payouts under our cash bonus program. The financial performance measures, adopted on improving both top line (which refers to our revenue less repair payments as described in Part I Item 5. Operating and Financial Review and Prospects Overview)

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and bottom line (which refers to our adjusted net income, or ANI, which is calculated as our profit excluding amortization of intangible assets and share-based compensation), are pre-established by our Compensation Committee annually at the beginning of the fiscal year. When the pre-determined financial measures are achieved, employees who are eligible for cash incentive bonuses receive amounts that are set for these targets. These measures reflect targets that are intended to be aggressive but attainable. The remainder of an individual's payout under our cash bonus program is determined by individual performance.

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Assessment of Individual Performance: Individual performance has a strong impact on the compensation of all employees, including our executive officers. The evaluation of an individual's performance determines a portion of the size of payouts under our cash bonus program and also influences any changes in base salary. At the beginning of each fiscal year, our Compensation Committee, along with our Group Chief Executive Officer, set the respective performance objectives for the fiscal year for the executive officers. The performance objectives are initially proposed by our Group Chief Executive Officer and modified, as appropriate, by our Compensation Committee based on the performance assessment conducted for the preceding fiscal year and also looking at goals for the current fiscal year. Every evaluation metric is supplemented with key performance indicators. At the end of the fiscal year, our Group Chief Executive Officer discusses individuals' respective achievement of the pre-established objectives as well as their contribution to our company's overall performance and other leadership accomplishments. This evaluation is shared with our Compensation Committee and then with our executive officers. After the discussion, our Compensation Committee, in discussion with our Group Chief Executive Officer, assigns a corresponding numerical performance rating that translates into specific payouts under our cash incentive bonus program and also influences any changes in base salary.

The Compensation Committee approves awards under our cash bonus or variable incentive program consistent with the achievement of applicable goals. The Committee on occasion makes exceptions to payments in strict accordance with achievement of goals based on unusual or extraordinary circumstances. Executive officers must be on the payroll of our company at the time of disbursement of the cash bonus to be eligible for payment under the program.

Although most of our compensation decisions are taken in the first quarter of the fiscal year, our compensation planning process neither begins nor ends with any particular Compensation Committee meeting. Compensation decisions are designed to promote our fundamental business objectives and strategy. Our Compensation Committee periodically reviews related matters such as succession planning, evaluation of management performance and consideration of the business environment and considers such matters in making compensation decisions.

Benchmarking and Use of Compensation Consultant for Fiscal 2012

During fiscal 2012, our Compensation Committee reviewed compensation programs for our executive officers against publicly available compensation data, which was compiled directly by our external compensation consultant, Hewitt Associates (India) Private Limited, or AON Hewitt. The companies selected by AON Hewitt for its survey for benchmarking our executive officers' compensation included companies in similar industries and generally of similar sizes and market capitalizations.

The list of companies against which we benchmarked the compensation of our executive officers in fiscal 2012 included the following companies:

Genpact Limited;

EXL Service Holdings Inc.;

First Source Solutions Limited;

CapGemini;

Infosys Technologies Limited;

Mphasis Limited;

Tata Consultancy Services Limited;

Wipro Limited;

IBM Global Process Services;

Convergys Corporation; and

InterGlobe Technologies.

Our Compensation Committee used the data derived by AON Hewitt primarily to ensure that our executive compensation programs are competitive. A selected subset of companies from those listed above that were found most closely comparable as benchmark for a particular position were considered to arrive at the compensation benchmark review of individual executive officers. Where compensation information was not publicly disclosed for a specific management position for companies that provide business and technology services, our Compensation Committee reviewed data corresponding to the most comparable position and also considered the comparative experience of the relevant executive officers.

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There is enough flexibility in the existing compensation programs to respond and adjust to the evolving business environment. Accordingly, an individual's compensation elements could be changed by our Compensation Committee based on changes in job responsibilities of the executive. In addition to input from AON Hewitt's survey, our Compensation Committee also took into consideration our performance and industry indicators in deciding our compensation for fiscal 2012.

Based on the elements listed above and in line with our compensation philosophy, in fiscal 2012 our Compensation Committee adjusted our executive compensation as described in Executive Compensation for Fiscal 2012 below.

Executive Compensation for Fiscal 2012*Total Compensation of Executive Officers*

The following table sets forth the total compensation paid or proposed to be paid to each of our Chief Executive Officer, Chief Financial Officer and other named executive officers for services rendered in fiscal 2012 (excluding grants of RSUs which are described below). The individual compensation of Messrs. Keshav R. Murugesh, Alok Misra and Swaminathan Rajamani are disclosed in the statutory / annual accounts of our subsidiary, WNS Global, filed with the Registrar of Companies in the state of India where its registered office is located. We are voluntarily disclosing the individual compensation of our other executive officers.

Name	Base Salary	Benefits	Bonus	Total
Keshav R. Murugesh	\$ 595,785	\$ 32,551	\$ 320,422	\$ 948,758
Alok Misra	\$ 315,766	\$ 17,421	\$ 140,469	\$ 473,656
Johnson J. Selvadurai	\$ 302,934	\$ 91,105	\$ 106,875	\$ 500,914
Michael Garber	\$ 280,000	\$ 17,054	\$ 53,502	\$ 350,556
Ronald Strout	\$ 225,000	\$ 16,049	\$ 47,972	\$ 289,021
Swaminathan Rajamani	\$ 135,707	\$ 7,666	\$ 86,981	\$ 230,354
Total	\$ 1,855,192	\$ 181,846	\$ 756,221	\$ 2,793,259

Base Salary or Fixed Compensation

In reviewing base salaries for executive officers, our Compensation Committee considered local market conditions, market data, the executive officer's experience and responsibilities, the perceived risk of having to replace the named executive officer and the fact that the executive officers for fiscal 2012 had satisfactorily performed against their prior year's individual objectives.

Except for Mr. Alok Misra and Mr. Swaminathan Rajamani, as described below, our Compensation Committee has not increased the base salary from the prior year's level for any other executive officer.

Mr. Keshav R. Murugesh, as Group Chief Executive Officer, had no increase in his base salary of \$625,825 for fiscal 2012.

Mr. Alok Misra, as Group Chief Financial Officer, had his base salary revised to \$331,687 from \$312,597 in fiscal 2012. The salary revision was effective April 1, 2011.

Mr. Johnson J. Selvadurai, as Managing Director, Europe, had no increase in his base salary of \$302,934 for fiscal 2012.

Mr. Michael Garber, as Chief Sales and Marketing Officer, had no increase in his base salary of \$280,000 for fiscal 2012.

Mr. Ronald Strout, as Chief of Staff and Head Americas, had no increase in his base salary of \$225,000 for fiscal 2012.

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Mr. Swaminathan Rajamani, as Chief People Officer, had his base salary revised to \$156,456 from \$114,735 in fiscal 2012. The salary revision was effective August 1, 2011.

Cash Bonus or Variable Incentive

Our Compensation Committee believes that the executive officers must work as a team and focus primarily on company goals rather than solely on individual goals. Our Compensation Committee believes that enhancing the long term value of our company requires increased revenue (both from existing and new clients), improved contribution and increased ANI. Finally our Compensation Committee believes it must also reward and encourage individual performance and therefore assigned certain weightages of the variable incentive to company and individual objectives, including company revenue, ANI, new client revenue and certain individual goals for various executive officers. Such bonuses are typically paid in April and/or May each year and the aggregate amount of all cash bonuses to be paid for fiscal 2012 do not exceed the aggregate cash incentive bonus pool approved by our Compensation Committee for the fiscal year. Our executive officers' variable incentive packages for fiscal 2012 are as described below:

Our Compensation Committee set Mr. Murugesh's target 2012 variable incentive at \$500,660 for 100% achievement of objectives. Our Compensation Committee assigned as Mr. Murugesh's performance objectives the achievement of target revenue less repair payments, ANI and individual qualitative objectives pertaining to matters such as implementation of our revised organization structure to enable new service offerings and technology-driven non-linear revenue growth, succession planning and preparation for our follow-on public offering. Based on actual performance against these various objectives, Mr. Murugesh earned 64% of his variable incentive amount on an overall basis.

Our Compensation Committee set Mr. Misra's target 2012 variable incentive at \$232,180 for 100% achievement of objectives. Our Compensation Committee assigned as Mr. Misra's performance objectives the achievement of target revenue less repair payments, ANI and individual qualitative objectives pertaining to matters such as tax rate reduction, providing certain critical management information system reports by defined deadlines, creation of shared service centers, and automation and reduction in function cost. Based on actual performance against these various objectives, Mr. Misra earned 60.5% of his variable incentive amount on an overall basis.

Our Compensation Committee set Mr. Selvadurai's target 2012 variable incentive at \$181,760 for 100% achievement of objectives. Our Compensation Committee assigned as Mr. Selvadurai's performance objectives the achievement of target revenue less repair payments, ANI, new client revenue from the public sector and individual qualitative objectives pertaining to matters such as execution of our near-shore delivery center strategy, creation of partnerships with public sector organizations and other objectives as assigned by the Group Chief Executive Officer from time to time. Based on actual performance against these various objectives, Mr. Selvadurai earned 52.5% of his variable incentive amount on an overall basis.

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Our Compensation Committee set Mr. Garber's target 2012 variable incentive at \$140,000 for 100% achievement of objectives. Our Compensation Committee assigned as Mr. Garber's performance objectives the achievement of target revenue less repair payments, ANI, new client revenue and individual qualitative objectives pertaining to matters such as effective use of marketing, creation of a lead generation engine, attrition control, sales team hiring, leadership succession planning and introduction of large deals. Based on actual performance against these various objectives, Mr. Garber earned 35.5% of his variable incentive amount on an overall basis.

Our Compensation Committee set Mr. Strout's target 2012 variable incentive at \$115,000 for 100% achievement of objectives. Our Compensation Committee assigned as Mr. Strout's performance objectives the achievement of target revenue less repair payments, ANI and individual qualitative objectives pertaining to matters such as implementation and performance of our US based delivery centers, growth of our US public sector business and other objectives as assigned by the Group Chief Executive Officer from time to time. Based on actual performance against these various objectives, Mr. Strout earned 38.8% of his variable incentive amount on an overall basis.

Our Compensation Committee set Mr. Swaminathan's target 2012 variable incentive at \$78,228 for 100% achievement of objectives. Our Compensation Committee assigned as Mr. Swaminathan's performance objectives the achievement of target revenue less repair payments, ANI and individual qualitative objectives pertaining to matters such as attrition control, sales team hiring, leadership succession planning, creation of human resources shared services, and automation and reduction in function cost. Based on actual performance against these various objectives, Mr. Swaminathan earned 63.5% of his variable incentive amount on an overall basis. Additionally, our Compensation Committee approved and paid Mr. Swaminathan a one-time incentive bonus of \$41,722 during the year.

Equity Incentive Grants of RSUs

During fiscal 2012, while we continued the equity incentive scheme that was introduced in fiscal 2011, which has a vesting schedule that is both based on continuity of employment and the performance of our company, we also introduced an additional equity incentive scheme which has a vesting schedule that is purely based on continuity of employment.

Consistent with our philosophy on equity grants to our executive officers, we awarded the following number of RSUs to our executive officers during fiscal 2012:

Name	Date of Grant	Total RSUs		Grant Date Fair Value (\$) ⁽¹⁾	Expiration Date
		Granted in Fiscal 2012			
Keshav R. Muruges	19-Apr-11	113,368		9.99	18-Apr-21
	24-Feb-12	110,896		10.86	23-Feb-22
Alok Misra	11-Apr-11	38,500		10.06	10-Apr-21
	24-Feb-12	35,000		10.86	23-Feb-22
Johnson J. Selvadurai	11-Apr-11	11,000		10.06	10-Apr-21
	24-Feb-12	20,000		10.86	23-Feb-22
Michael Garber	11-Apr-11	11,000		10.06	10-Apr-21
	24-Feb-12	15,000		10.86	23-Feb-22
Ronald Strout	11-Apr-11	5,500		10.06	10-Apr-21
	24-Feb-12	5,000		10.86	23-Feb-22
Swaminathan Rajamani	11-Apr-11	16,500		10.06	10-Apr-21
	24-Feb-12	35,000		10.86	23-Feb-22
Total		416,764			

Note:

- (1) The amounts shown under this column reflect the dollar amount of the aggregate grant date fair value of equity-based RSUs granted during the year. The grant date fair value is the fair value of the awards as derived under the Black-Scholes-Merton pricing model.

Other Benefits and Perquisites

The retirement plans, health and welfare benefits provided to executive officers are the same plans/benefits available to all other employees of our company.

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All directors and officers, including executive officers, are covered by the directors and officers liability insurance policy maintained by WNS.

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WNS provided the following additional perquisites to certain executive officers in fiscal 2012 as summarized below:

Name	Provident Fund	Health Insurance	Social Security	Medicare	401(k)	Pension	National Insurance	Total
Keshav R. Murugesh	\$ 30,040	\$ 2,511						\$ 32,551
Alok Misra	\$ 15,921	\$ 1,500						\$ 17,421
Johnson J. Selvadurai						\$ 45,017	\$ 46,088	\$ 91,105
Michael Garber			\$ 6,622	\$ 4,832	\$ 5,600			\$ 17,054
Ronald Strout			\$ 6,622	\$ 4,927	\$ 4,500			\$ 16,049
Swaminathan Rajamani	\$ 6,842	\$ 824						\$ 7,666
Total	\$ 52,803	\$ 4,835	\$ 13,244	\$ 9,759	\$ 10,100	\$ 45,017	\$ 46,088	\$ 181,846

Non-executive Director Compensation for Fiscal 2012*Total Compensation of Non-executive Directors*

The following table sets forth the compensation paid or proposed to be paid to our non-executive directors for services rendered in fiscal 2012 (excluding grants of RSUs which are described below):

Name	Sitting fees	Retainer fees	Fees for non-executive chairman	Total
Eric B. Herr	\$ 10,000	\$ 63,000	\$ 120,000	\$ 193,000
Deepak S. Parekh	\$ 1,000	\$ 58,000		\$ 59,000
Richard O. Bernays	\$ 9,000	\$ 63,000		\$ 72,000
Anthony A. Greener	\$ 8,000	\$ 63,000		\$ 71,000
Albert Aboody	\$ 8,000	\$ 63,000		\$ 71,000
Total	\$ 36,000	\$ 310,000	\$ 120,000	\$ 466,000

Equity Incentive Grants of RSUs to Directors

The following table sets forth information concerning RSUs awarded to our directors in fiscal 2012. No options were granted in fiscal 2012.

Name	Date of Grant	Total RSUs Granted in Fiscal 2012	Grant Date Fair Value (\$) ⁽¹⁾	Expiration Date
Eric B. Herr	18-Jan-12	6,300	9.95	17-Jan-22
Keshav R. Murugesh	19-Apr-11	113,368	9.99	18-Apr-21
	24-Feb-12	110,896	10.86	23-Feb-22
Deepak S. Parekh	18-Jan-12	5,800	9.95	17-Jan-22
Richard O. Bernays	18-Jan-12	6,300	9.95	17-Jan-22
Anthony A. Greener	18-Jan-12	6,300	9.95	17-Jan-22
Albert Aboody	18-Jan-12	6,300	9.95	17-Jan-22
Total		255,264		

Note:

- (1) The amounts shown under this column reflect the dollar amount of the aggregate grant date fair value of equity-based RSUs granted during the year. The grant date fair value is the fair value of the awards as derived under the Black-Scholes-Merton pricing model.

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Note:

(1) The amounts shown under this column reflect the dollar amount of the aggregate grant date fair value of equity-based RSUs granted during the year. The grant date fair value is the fair value of the awards as derived under the Black-Scholes-Merton pricing model.

Future grants of awards will continue to be determined by our Board of Directors or our Compensation Committee under the Amended and Restated 2006 Incentive Award Plan.

Employment Agreement of our Executive Director

We entered into an employment agreement with Mr. Keshav R. Muruges in February 2010 to serve as our Group Chief Executive Officer for a five-year term, which will renew automatically for three additional successive terms of three years each, unless either we or Mr. Muruges elects not to renew the term. Under the agreement, Mr. Muruges is entitled to receive compensation, health and other benefits and perquisites commensurate with his position. In addition, pursuant to the agreement, Mr. Muruges was in February 2010 granted RSUs representing the right to receive an aggregate of 40,000 ordinary shares that vested immediately and 260,000 ordinary shares that will vest over a three-year period, subject to his continued employment with us through the vesting dates. If Mr. Muruges' employment is terminated by us without cause (as defined in the employment agreement), he would be entitled to all accrued and unpaid salary, accrued and unused vacation and any unreimbursed expenses. Mr. Muruges would also be entitled to vested benefits and other amounts due to him under our employee benefit plans.

If Mr. Muruges' employment is terminated by us without cause or by Mr. Muruges for good reason (each as defined in the employment agreement) and Mr. Muruges executes and delivers a general release of claims against us which is not revoked by him, subject to his continued compliance with certain non-competition and confidentiality obligations, Mr. Muruges would be entitled to receive severance payments and benefits from us as follows:

1. The following payments over the periods described below:

- a. In the case where the termination occurs during the first year from the effective date of the employment agreement, he would be eligible to receive (i) his base salary for a period of 30 months from the effective date of termination in monthly installment in arrears; and (ii) the bonus for the period of 30 months on the basis of his target bonus as set in the year in which the termination occurs, such bonus shall be paid along with the payment of accrued obligations (as defined in the employment agreement);
- b. In the case where the termination occurs during second year from the effective date of the employment agreement, he would be eligible to receive (i) his base salary for a period of 18 months from the effective date of termination in monthly installment in arrears; and (ii) the bonus for the period of 18 months on the basis of target bonus as set in the year in which the termination occurs, such bonus would be paid along with the payment of accrued obligations (as defined in the employment agreement); and
- c. In the case where the termination occurs during the years after the second year from the effective date of the employment agreement, he would be eligible to receive (i) his base salary for a period of 12 months from the effective date of termination in monthly installment in arrears; and (ii) his target bonus for the year in which the termination occurs, such bonus would be paid along with the payment of accrued obligations (as defined in the employment agreement).

2. Automatic accelerated vesting of RSUs granted pursuant to the employment agreement, immediately on the date of termination.

3.

Accelerated vesting (for each subsequent issue) of RSUs granted subsequent to the grants made under the employment agreement that would have vested with him through the next two vesting dates. Full accelerated vesting will occur in case of termination of employment for good reason or change in control (as defined in our Restated and Amended Incentive Award Plan).

If we experience a change in control while Mr. Muruges is employed under the employment agreement, all of the share options and RSUs granted to Mr. Muruges under the employment agreement will vest and the share options and RSUs would become exercisable on a fully accelerated basis.

Employee Benefit Plans

2002 Stock Incentive Plan

We adopted the 2002 Stock Incentive Plan on July 3, 2002 to help attract and retain the best available personnel to serve us and our subsidiaries as officers, directors and employees. We terminated the 2002 Stock Incentive Plan upon our adoption of our 2006 Incentive Award Plan effective upon the pricing of our initial public offering as described below. Upon termination of the 2002 Stock Incentive Plan, the shares that would otherwise have been available for the grant under the 2002 Stock Incentive Plan were effectively rolled over into the 2006 Incentive Award Plan which was amended and restated in 2009 and any awards outstanding remain in full force and effect in accordance with the terms of the 2002 Stock Incentive Plan.

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Administration. The 2002 Stock Incentive Plan is administered by our Board of Directors, which may delegate its authority to a committee (in either case, the Administrator). The Administrator has complete authority, subject to the terms of the 2002 Stock Incentive Plan and applicable law, to make all determinations necessary or advisable for the administration of the 2002 Stock Incentive Plan.

Eligibility. Under the 2002 Stock Incentive Plan, the Administrator was authorized to grant share options to our officers, directors and employees, and those of our subsidiaries, subject to the terms and conditions of the 2002 Stock Incentive Plan.

Share Options. Share options vest and become exercisable as determined by the Administrator and set forth in individual share option agreements, but may not, in any event, be exercised later than ten years after their grant dates. In addition, share options may be exercised prior to vesting in some cases. Upon exercise, an option holder must tender the full exercise price of the share option in cash, check or other form acceptable to the Administrator, at which time the share options are generally subject to applicable income, employment and other withholding taxes. Share options may, in the sole discretion of the Administrator as set forth in applicable award agreements, continue to be exercisable for a period following an option holder's termination of service. Shares issued in respect of exercised share options may be subject to additional transfer restrictions. Any grants of share options under the 2002 Stock Incentive Plan to US participants were in the form of non-qualified share options. Option holders, other than option holders who are employees of our subsidiaries in India, are entitled to exercise their share options for shares or ADSs in our company.

Corporate Transactions. If we engage in a merger or similar corporate transaction, except as may otherwise be provided in an individual award agreement, outstanding share options will be terminated unless they are assumed by a successor corporation. In addition, the Administrator has broad discretion to adjust the 2002 Stock Incentive Plan and any share options thereunder to account for any changes in our capitalization.

Amendment. Our Board of Directors may amend or suspend the 2002 Stock Incentive Plan at any time, provided that any such amendment or suspension must not impact any holder of outstanding share options without such holder's consent.

Transferability of Share Options. Each share option may be exercised during the option holder's lifetime only by the option holder. No share option may be sold, pledged, assigned, hypothecated, transferred or disposed of by an option holder other than by express permission of the Administrator (only in the case of employees of non-Indian subsidiaries), by will or by the laws of descent and distribution.

Number of Shares Authorized; Outstanding Options. As of the date of termination of the 2002 Stock Incentive Plan on July 25, 2006, the day immediately preceding the date of pricing of our initial public offering, an aggregate of 6,082,042 of our ordinary shares had been authorized for grant under the 2002 Stock Incentive Plan, of which options to purchase 2,116,266 ordinary shares were issued and exercised and options to purchase 3,875,655 ordinary shares were issued and outstanding. Of the options to purchase 3,875,655 ordinary shares, options to purchase 3,374,447 ordinary shares have been exercised and options to purchase 159,137 ordinary shares remain outstanding as at March 31, 2012. Options granted under the 2002 Stock Incentive Plan that are forfeited, lapsed or canceled, settled in cash, that expire or are repurchased by us at the original purchase price would have been available for grant under the 2002 Stock Incentive Plan and would be effectively rolled over into our 2006 Incentive Award Plan which was amended and restated in 2009.

Amended and Restated 2006 Incentive Award Plan

We adopted our 2006 Incentive Award Plan on June 1, 2006. The purpose of the 2006 Incentive Award Plan is to promote the success and enhance the value of our company by linking the personal interests of the directors, employees and consultants of our company and our subsidiaries to those of our shareholders and by providing these individuals with an incentive for outstanding performance. The 2006 Incentive Award Plan is further intended to provide us with the ability to motivate, attract and retain the services of these individuals.

On February 13, 2009, we adopted the Amended and Restated 2006 Incentive Award Plan. The Amended and Restated 2006 Incentive Award Plan reflects, among other changes to our 2006 Incentive Award Plan, an increase in the number of ordinary shares and ADSs available for grant under the plan from 3.0 million to 4.0 million shares/ADSs, subject to specified adjustments under the plan. On September 13, 2011, we adopted the Second Amended and Restated 2006 Incentive Award Plan that reflects an increase in the number of ordinary shares and ADSs available for granted under the plan to 6.2 million shares/ADSs, subject to specified adjustments under the plan. The increased number of ordinary shares/ADSs available for grant under the Second Amended and Restated 2006 Incentive Award Plan is expected to meet our anticipated needs over the next 12 to 18 months from April 1, 2012.

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Shares Available for Awards. Subject to certain adjustments set forth in the Amended and Restated 2006 Incentive Award Plan, the maximum number of shares that may be issued or awarded under the Amended and Restated 2006 Incentive Award Plan is equal to the sum of (x) 6,200,000 shares, (y) any shares that remain available for issuance under the 2002 Stock Incentive Plan, and (z) any shares subject to awards under the 2002 Stock Incentive Plan which terminate, expire or lapse for any reason or are settled in cash on or after the effective date of our 2006 Incentive Award Plan. The maximum number of shares which may be subject to awards granted to any one participant during any calendar year is 500,000 shares and the maximum amount that may be paid to a participant in cash during any calendar year with respect to cash-based awards is \$10,000,000. To the extent that an award terminates or is settled in cash, any shares subject to the award will again be available for the grant. Any shares tendered or withheld to satisfy the grant or exercise price or tax withholding obligation with respect to any award will not be available for subsequent grant. Except as described below with respect to independent directors, no determination has been made as to the types or amounts of awards that will be granted to specific individuals pursuant to the Amended and Restated 2006 Incentive Award Plan.

Administration. The Amended and Restated 2006 Incentive Award Plan is administered by our Board of Directors, which may delegate its authority to a committee. We anticipate that our Compensation Committee will administer the Amended and Restated 2006 Incentive Award Plan, except that our Board of Directors will administer the plan with respect to awards granted to our independent directors. The plan administrator will determine eligibility, the types and sizes of awards, the price and timing of awards and the acceleration or waiver of any vesting restriction, provided that the plan administrator will not have the authority to accelerate vesting or waive the forfeiture of any performance-based awards.

Eligibility. Our employees, consultants and directors and those of our subsidiaries are eligible to be granted awards, except that only employees of our company and our qualifying corporate subsidiaries are eligible to be granted options that are intended to qualify as incentive share options under Section 422 of the Code.

Awards

Options: The plan administrator may grant options on shares. The per share option exercise price of all options granted pursuant to the Amended and Restated 2006 Incentive Award Plan will not be less than 100% of the fair market value of a share on the date of grant. No incentive share option may be granted to a grantee who owns more than 10% of our outstanding shares unless the exercise price is at least 110% of the fair market value of a share on the date of grant. To the extent that the aggregate fair market value of the shares subject to an incentive share option become exercisable for the first time by any option holder during any calendar year exceeds \$100,000, such excess will be treated as a non-qualified option. The plan administrator will determine the methods of payment of the exercise price of an option, which may include cash, shares or other property acceptable to the plan administrator (and may involve a cashless exercise of the option). The plan administrator shall designate in the award agreement evidencing each share option grant whether such share option shall be exercisable for shares or ADSs. The award agreement may, in the sole discretion of the plan administrator, permit the option holder to elect, at the time of exercise, whether to receive shares or ADSs in respect of the exercised share option or a portion thereof. The term of options granted under the Amended and Restated 2006 Incentive Award Plan may not exceed ten years from the date of grant. However, the term of an incentive share option granted to a person who owns more than 10% of our outstanding shares on the date of grant may not exceed five years. Under the Amended and Restated 2006 Incentive Award Plan, the number of awards to be granted to our independent directors will be determined by our Board of Directors or our Compensation Committee.

Restricted Shares. The plan administrator may grant shares subject to various restrictions, including restrictions on transferability, limitations on the right to vote and/or limitations on the right to receive dividends.

Share Appreciation Rights. The plan administrator may grant share appreciation rights representing the right to receive payment of an amount equal to the excess of the fair market value of a share on the date of exercise over the fair market value of a share on the date of grant. The term of share appreciation rights granted may not exceed ten years from the date of grant. The plan administrator may elect to pay share appreciation rights in cash, in shares or in a combination of cash and shares.

Performance Shares and Performance Shares Units. The plan administrator may grant awards of performance shares denominated in a number of shares and/or awards of performance share units denominated in unit equivalents of shares and/or units of value, including dollar value of shares. These awards may be linked to performance criteria measured over performance periods as determined by the plan administrator.

Share Payments. The plan administrator may grant share payments, including payments in the form of shares or options or other rights to purchase shares. Share payments may be based upon specific performance criteria determined by the plan administrator on the date such share payments are made or on any date thereafter.

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Deferred Shares. The plan administrator may grant awards of deferred shares linked to performance criteria determined by the plan administrator. Shares underlying deferred share awards will not be issued until the deferred share awards have vested, pursuant to a vesting schedule or upon the satisfaction of any vesting conditions or performance criteria set by the plan administrator. Recipients of deferred share awards generally will have no rights as shareholders with respect to such deferred shares until the shares underlying the deferred share awards have been issued.

Restricted Share Units. The plan administrator may grant RSUs, subject to various vesting conditions. On the maturity date, we will transfer to the participant one unrestricted, fully transferable share for each vested RSU scheduled to be paid out on such date. The plan administrator will specify the purchase price, if any, to be paid by the participant for such shares. Generally, a participant will have to be employed by us on the date of payment of vested RSUs to be eligible to receive the payment of shares issuable upon vesting of the RSUs.

Performance Bonus Awards. The plan administrator may grant a cash bonus payable upon the attainment of performance goals based on performance criteria and measured over a performance period determined appropriate by the plan administrator. Any such cash bonus paid to a covered employee within the meaning of Section 162(m) of the Code may be a performance-based award as described below.

Performance-Based Awards. The plan administrator may grant awards other than options and share appreciation rights to employees who are or may be covered employees, as defined in Section 162(m) of the Code, that are intended to be performance-based awards within the meaning of Section 162(m) of the Code in order to preserve the deductibility of these awards for federal income tax purposes. Participants are only entitled to receive payment for performance-based awards for any given performance period to the extent that pre-established performance goals set by the plan administrator for the period are satisfied. The plan administrator will determine the type of performance-based awards to be granted, the performance period and the performance goals. Generally, a participant will have to be employed by us on the date the performance-based award is paid to be eligible for a performance-based award for any period.

Adjustments. In the event of certain changes in our capitalization, the plan administrator has broad discretion to adjust awards, including without limitation, (i) the aggregate number and type of shares that may be issued under the Amended and Restated 2006 Incentive Award Plan, (ii) the terms and conditions of any outstanding awards, and (iii) the grant or exercise price per share for any outstanding awards under such plan to account for such changes. The plan administrator also has the authority to cash out, terminate or provide for the assumption or substitution of outstanding awards in the event of a corporate transaction.

Change in Control. In the event of a change in control of our company in which outstanding awards are not assumed by the successor, such awards will generally become fully exercisable and all forfeiture restrictions on such awards will lapse. Upon, or in anticipation of, a change in control, the plan administrator may cause any awards outstanding to terminate at a specific time in the future and give each participant the right to exercise such awards during such period of time as the plan administrator, in its sole discretion, determines.

Vesting of Full Value Awards. Full value awards (generally, any award other than an option or share appreciation right) will vest over a period of at least three years (or, in the case of vesting based upon attainment of certain performance goals, over a period of at least one year). However, full value awards that result in the issuance of an aggregate of up to 5% to the total issuable shares under the Amended and Restated 2006 Incentive Award Plan may be granted without any minimum vesting periods. In addition, full value awards may vest on an accelerated basis in the event of a participant's death, disability, or retirement, or in the event of our change in control or other special circumstances.

Non-transferability. Awards granted under the Amended and Restated 2006 Incentive Award Plan are generally not transferable.

Withholding. We have the right to withhold, deduct or require a participant to remit to us an amount sufficient to satisfy federal, state, local or foreign taxes (including the participant's employment tax obligations) required by law to be withheld with respect to any tax concerning the participant as a result of the Amended and Restated 2006 Incentive Award Plan.

Termination or Amendment. Unless terminated earlier, the Amended and Restated 2006 Incentive Award Plan will remain in effect for a period of ten years from the effective date of the 2006 Incentive Award Plan, after which no award may be granted under the Amended and Restated 2006 Incentive Award Plan. With the approval of our Board of Directors, the plan administrator may terminate or amend the Amended and Restated 2006 Incentive Award Plan at any time. However, shareholder approval will be required for any amendment (i) to the extent required by applicable law, regulation or stock exchange rule, (ii) to increase the number of shares available under the Amended and Restated 2006 Incentive Award Plan, (iii) to permit the grant of options or share appreciation rights with an exercise price below fair market value on the date of grant, (iv) to extend the exercise period for an option or share appreciation right beyond ten years from the date of grant, or (v) that results in a material increase in benefits or a change in eligibility requirements. Any amendment or termination must not materially adversely affect any participant without such participant's consent.

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Outstanding Awards. As at March 31, 2012, options or RSUs to purchase an aggregate of 3,800,887 ordinary shares were outstanding, out of which options or RSUs to purchase 1,250,088 ordinary shares were held by all our directors and executive officers as a group. The exercise prices of these options range from \$15.32 to \$35.30 and the expiration dates of these options range from July 24, 2016 to March 12, 2022. The weighted average grant date fair value of RSUs granted during fiscal 2012, 2011 and 2010 were \$10.80, \$9.09 and \$10.28 per ADS, respectively. There were no grants of RSUs during fiscal 2006 and 2005. There is no purchase price for the RSUs.

Other Employee Benefits

We also maintain other employee benefit plans in the form of certain statutory and incentive plans covering substantially all of our employees. For fiscal 2012, the total amount accrued by us to provide for pension, retirement or similar benefits was \$8.5 million.

Provident Fund

In accordance with Indian, the Philippines and Sri Lankan laws, all of our employees in these countries are entitled to receive benefits under the respective government provident fund, a defined contribution plan to which both we and the employee contribute monthly at a pre-determined rate (for India and Sri Lanka, currently 12% of the employee's base salary and for the Philippines peso 100/-per month for every employee). These contributions are made to the respective government provident fund and we have no further obligation under this fund apart from our monthly contributions. We contributed an aggregate of \$5.5 million, \$5.7 million and \$5.7 million in each of fiscal 2012, 2011 and 2010, respectively, to the government provident fund.

US Savings Plan

Eligible employees in the US participate in a savings plan, or the US Savings Plan, pursuant to Section 401(k) of the United States Internal Revenue Code of 1986, as amended, or the Code. The US Savings Plan allows our employees to defer a portion of their annual earnings on a pre-tax basis through voluntary contributions there under. The US Savings Plan provides that we can make optional contributions up to the maximum allowable limit under the Code.

UK Pension Scheme

Eligible employees in the UK contribute to a defined contribution pension scheme operated in the UK. The assets of the scheme are held separately from ours in an independently administered fund. The pension expense represents contributions payable to the fund by us.

Gratuity

In accordance with Indian, the Philippines and Sri Lankan laws, we provide for gratuity liability pursuant to a defined benefit retirement plan covering all our employees in India, the Philippines and Sri Lanka. Our gratuity plan provides for a lump sum payment to eligible employees on retirement, death, incapacitation or on termination of employment (provided such employee has worked for at least five years with our company) which is computed on the basis of employee's salary and length of service with us (subject to a maximum of approximately \$19,658 per employee in India). In India, we provide the gratuity benefit through determined contributions pursuant to a non-participating annuity contract administered and managed by the Life Insurance Corporation of India, or LIC, and Aviva Life Insurance Company Private Limited. Under this plan, the obligation to pay gratuity remains with us although LIC and Aviva Life Insurance Company Private Limited administer the plan. We contributed an aggregate of \$1.2 million, \$0.7 million and \$0.1 million in fiscal 2012, 2011 and 2010, respectively, to LIC and Aviva Life Insurance Company Private Limited.

Compensated Absence

Our liability for compensated absences is determined on an accrual basis for the entire unused vacation balance standing to the credit of each employee as at year-end and were charged to income in the year in which they accrue.

C. Board Practices

Composition of the Board of Directors

Our Memorandum and Articles of Association provide that our Board of Directors consists of not less than three directors and such maximum number as our directors may determine from time to time. Our Board of Directors currently consists of seven directors. Messrs. Herr, Bernays,

Aboody and Sir Anthony satisfy the independence requirements of the NYSE rules.

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All directors hold office until the expiry of their term of office, their resignation or removal from office for gross negligence or criminal conduct by a resolution of our shareholders or until they cease to be directors by virtue of any provision of law or they are disqualified by law from being directors or they become bankrupt or make any arrangement or composition with their creditors generally or they become of unsound mind. The term of office of the directors is divided into three classes:

Class I, whose term will expire at the annual general meeting to be held in fiscal 2014;

Class II, whose term will expire at the annual general meeting to be held in fiscal 2015; and

Class III, whose term will expire at the annual general meeting to be held in fiscal 2013.
Our directors for fiscal 2012 are classified as follows:

Class I: Sir Anthony A. Greener and Mr. Richard O. Bernays;

Class II: Mr. Keshav R. Murugesh and Mr. Albert Aboody; and

Class III: Mr. Jeremy Young, Mr. Eric B. Herr and Mr. Deepak S. Parekh.

The appointments of Messrs. Jeremy Young, Eric Herr and Deepak Parekh will expire at the next annual general meeting, which we expect to hold in August 2012. Messrs. Eric Herr and Jeremy Young have expressed their willingness to be re-elected and, accordingly, we propose to seek shareholders' approval for their re-election at the next annual general meeting. Mr. Deepak Parekh has chosen not to stand for re-election and hence his term of directorship will expire at the next annual general meeting.

At each annual general meeting after the initial classification or special meeting in lieu thereof, the successors to directors whose terms will then expire serve from the time of election until the third annual meeting following election or special meeting held in lieu thereof. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors. This classification of the Board of Directors may have the effect of delaying or preventing changes in control of management of our company.

There are no family relationships among any of our directors or executive officers. The employment agreement governing the services of one of our directors provide for benefits upon termination of employment as described above.

Our Board of Directors held thirteen meetings in fiscal 2012.

Board Leadership Structure and Board Oversight of Risk

Different individuals currently serve in the roles of Chairman of the Board and Group Chief Executive Officer of our company. Our Board believes that splitting the roles of Chairman of the Board and Group Chief Executive Officer is currently the most appropriate leadership structure for our company. This leadership structure will bring in greater efficiency as a result of vesting two important leadership roles in separate individuals and increased independence for the Board of Directors.

Board's Role in Risk Oversight

Our Board of Directors is primarily responsible for overseeing our risk management processes. The Board of Directors receives and reviews periodic reports from the Head of Risk Management and Audit as considered appropriate regarding our company's assessment of risks. The Board of Directors focuses on the most significant risks facing our company and our company's general risk management strategy, and also ensures that risks undertaken by our company are consistent with the Board's appetite for risk. While the Board oversees our company's risk

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management, management is responsible for day-to-day risk management processes. We believe this division of responsibilities is the most effective approach for addressing the risks facing our company and that our Board leadership structure supports this approach.

The Audit Committee has special responsibilities with respect to financial risks, and regularly reports to the full Board of Directors on these issues. Among other responsibilities, the Audit Committee reviews the company's policies with respect to contingent liabilities and risks that may be material to our company, our company's policies and procedures designed to promote compliance with laws, regulations, and internal policies and procedures, and major legislative and regulatory developments which could materially impact our company.

The Compensation Committee also plays a role in risk oversight as it relates to our company's compensation policies and practices. Among other responsibilities, the Compensation Committee designs and evaluates our company's executive compensation policies and practices so that our company's compensation programs promote accountability among employees and the interests of employees are properly aligned with the interests of our shareholders.

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Committees of the Board

Our Board of Directors has three standing committees: an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee.

Audit Committee

The Audit Committee comprises four directors: Messrs. Albert Aboody (Chairman), Eric B. Herr, Richard O. Bernays and Sir Anthony A. Greener. Each of Messrs. Aboody, Herr, Bernays and Sir Anthony A. Greener satisfies the independence requirements of Rule 10A-3 of the Exchange Act and the NYSE listing standards. The principal duties and responsibilities of our Audit Committee are as follows:

to serve as an independent and objective party to monitor our financial reporting process and internal control systems;

to review and appraise the audit efforts of our independent accountants and exercise ultimate authority over the relationship between us and our independent accountants; and

to provide an open avenue of communication among the independent accountants, financial and senior management and the Board of Directors.

The Audit Committee has the power to investigate any matter brought to its attention within the scope of its duties. It also has the authority to retain counsel and advisors to fulfill its responsibilities and duties. Messrs. Aboody and Herr serve as our Audit Committee financial experts, within the requirements of the rules promulgated by the Commission relating to listed-company audit committees.

We have posted our Audit Committee charter on our website at www.wns.com. **Information contained in our website does not constitute a part of this annual report.**

The Audit Committee held six meetings in fiscal 2012.

Compensation Committee

The Compensation Committee comprises four directors: Messrs. Richard O. Bernays (Chairman), Eric B. Herr, Deepak S. Parekh and Sir Anthony A. Greener. Each of Messrs. Bernays, Herr and Sir Anthony satisfies the independence requirements of the NYSE listing standards. Effective June 1, 2010, Mr. Parekh entered into a consulting arrangement with another party. Our Board of Directors decided not to consider Mr. Parekh as an independent director under the NYSE listing standards from the effectiveness of such arrangement. Accordingly, our Board of Directors has determined that effective June 1, 2010, our Compensation Committee is no longer fully independent, whereupon we decided to follow our home country (Jersey, Channel Islands) practice, which does not impose a committee independent requirement. The scope of this committee's duties includes determining the compensation of our executive officers and other key management personnel. The Compensation Committee also administers the 2002 Stock Incentive Plan and the Amended and Restated 2006 Incentive Award Plan, reviews performance appraisal criteria and sets standards for and decides on all employee shares options allocations when delegated to do so by our Board of Directors.

We have posted our Compensation Committee charter on our website at www.wns.com. **Information contained in our website does not constitute a part of this annual report.**

The Compensation Committee held five meetings in fiscal 2012.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee comprises four directors: Messrs. Deepak S. Parekh (Chairman), Eric B. Herr, Richard O. Bernays and Sir Anthony A. Greener. Each of Messrs. Herr and Bernays and Sir Anthony satisfies the independence requirements of the NYSE listing standards. Effective June 1, 2010 Mr. Parekh entered into a consulting arrangement with another party. Our Board of Directors

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decided not to consider Mr. Parekh as an independent director under the NYSE listing standards from date of the effectiveness of such arrangement. Accordingly, our Board of Directors has determined that effective June 1, 2010, our Nominating and Corporate Governance Committee is no longer full independent, whereupon we decided to elect to follow our home country (Jersey, Channel Islands) practice, which does not impose a committee independence requirement. The principal duties and responsibilities of the nominating and governance committee are as follows:

to assist the Board of Directors by identifying individuals qualified to become board members and members of board committees, to recommend to the Board of Directors nominees for the next annual meeting of shareholders, and to recommend to the Board of Directors nominees for each committee of the Board of Directors;

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to monitor our corporate governance structure; and

to periodically review and recommend to the Board of Directors any proposed changes to the corporate governance guidelines applicable to us.

We have posted our Nominating and Corporate Governance Committee charter on our website at www.wns.com. **Information contained in our website does not constitute a part of this annual report.**

The Nominating and Corporate Governance Committee uses its judgment to identify well qualified individuals who are willing and able to serve on our Board of Directors. Pursuant to its charter, the Nominating and Corporate Governance Committee may consider a variety of criteria in recommending candidates for election to our board, including an individual's personal and professional integrity, ethics and values; experience in corporate management, such as serving as an officer or former officer of a publicly held company, and a general understanding of marketing, finance and other elements relevant to the success of a publicly-traded company in today's business environment; experience in our company's industry and with relevant social policy concerns; experience as a board member of another publicly held company; academic expertise in an area of our company's operations; and practical and mature business judgment, including ability to make independent analytical inquiries.

While the Nominating and Corporate Governance Committee does not have a formal policy with respect to the consideration of diversity in identifying director nominees, it nevertheless considers director nominees with a diverse range of backgrounds, skills, national origins, values, experiences, and occupations.

The Nominating and Corporate Governance Committee held five meetings in fiscal 2012.

Executive Sessions

Our non-executive directors meet regularly in executive session without executive directors or management present. The purpose of these executive sessions is to promote open and candid discussion among the non-executive directors. Mr. Eric B. Herr has presided over all executive sessions. Our non-executive directors held two executive sessions in fiscal 2012.

Shareholders and other interested parties may communicate directly with the presiding director or with our non-executive directors as a group by writing to the following address: WNS (Holdings) Limited, Attention: Non-Executive Directors, Gate 4, Godrej & Boyce Complex, Pirojshanagar, Vikhroli (W), Mumbai 400 079, India.

D. Employees

For a description of our employees, see Part I Item 4. Information on the Company Business Overview Human Capital.

E. Share Ownership

The following table sets forth information with respect to the beneficial ownership of our ordinary shares as at March 31, 2012 by each of our directors and all our directors and executive officers as a group. As used in this table, beneficial ownership means the sole or shared power to vote or direct the voting or to dispose of or direct the sale of any security. A person is deemed to be the beneficial owner of securities that can be acquired within 60 days upon the exercise of any option, warrant or right. Ordinary shares subject to options, warrants or rights that are currently exercisable or exercisable within 60 days are deemed outstanding for computing the ownership percentage of the person holding the options, warrants or rights, but are not deemed outstanding for computing the ownership percentage of any other person. The amounts and percentages as at March 31, 2012 are based on an aggregate of 50,078,881 ordinary shares outstanding as at that date.

Name	Number of Ordinary Shares Beneficially Owned	
	Number	Percent
Directors		
Eric B. Herr	47,535	0.09%
Keshav R. Muruges ⁽¹⁾	199,432	0.40%
Jeremy Young ⁽²⁾	14,519,144	28.99%

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Deepak S. Parekh	33,535	0.07%
Richard O. Bernays	33,535	0.07%
Anthony A. Greener	26,420	0.05%
Albert Aboody	3,212	0.01%
Executive Officers		
Alok Misra	130,173	0.26%
Johnson J. Selvadurai ⁽³⁾	343,444	0.69%
Michael Garber	6,000	0.01%
Ronald Strout	1,000	0.00%
Swaminathan Rajamani	7,000	0.01%
All our directors and executive officers as a group (twelve persons)⁽⁴⁾	15,350,430	30.65%

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- (1) Of the 199,432 shares beneficially owned by Keshav R. Murugesh 19,856 shares are held jointly with his wife Shamini K. Murugesh in the form of ADSs.
- (2) Jeremy Young is a director of our company and a Managing Director and member of Warburg Pincus LLC. All shares indicated as owned by Mr. Young were a result of his affiliation with the Warburg Pincus entities. Mr. Young disclaims beneficial ownership of all shares held by the Warburg Pincus entities.
- (3) Of the 343,444 shares beneficially owned by Johnson J. Selvadurai, 251,666 shares are indirectly held via a trust which is controlled by Mr. Selvadurai.
- (4) Includes the shares beneficially owned by Jeremy Young, nominee director of Warburg Pincus, because of his affiliation with the Warburg Pincus entities. Mr. Young disclaims beneficial ownership of all shares held by the Warburg Pincus entities.

The following table sets forth information concerning options and RSUs held by our directors and executive officers as at March 31, 2012.

Name	Option Summary				RSU Summary			
	Number of shares underlying unexercised but vested options	Exercise price	Number of shares underlying options (that have not vested)	Exercise price	Number of shares underlying RSUs held that have vested but unexercised	Number of shares underlying RSUs that will vest within 60 days from Mar. 31, 2012	Vesting dates	Number of shares underlying RSUs held that have not vested
Directors								
Eric B. Herr	14,000	\$ 20.00			3,557	4-May-12		32,924
	2,000	\$ 22.98						
Keshav Murugesh					158,964	20,612	19-Apr-12	392,488
Jeremy Young								
Deepak S. Parekh	14,000	\$ 20.00			3,557	4-May-12		11,424
	2,000	\$ 22.98						
Richard O. Bernays	14,000	\$ 28.87			3,557	4-May-12		11,924
	2,000	\$ 22.98						
Anthony A. Greener	14,000	\$ 28.48			3,557	4-May-12		11,924
	2,000	\$ 22.98						
Albert Aboody								19,149
Executive Officers								
Alok Misra	13,260	\$ 15.32			87,128	7,000	11-Apr-12	93,500
						22,785	4-May-12	
Johnson J. Selvadurai	20,000	\$ 20.00			37,111	19,440	4-May-12	47,000
	5,000	\$ 30.21				2,000	11-Apr-12	
	8,227	\$ 27.75						
Michael Garber					4,000	2,000	11-Apr-12	42,000
Ronald Strout						1,000	11-Apr-12	27,500
Rajamani Swaminathan					4,000	3,000	11-Apr-12	66,500

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS**A. Major Shareholders**

The following table sets forth information regarding beneficial ownership of our ordinary shares as at March 31, 2012 held by each person who is known to us to have 5.0% or more beneficial share ownership based on an aggregate of 50,078,881 ordinary shares outstanding as of that date.

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Beneficial ownership is determined in accordance with the rules of the Commission and includes shares over which the indicated beneficial owner exercises voting and/or investment power or receives the economic benefit of ownership of such securities. Ordinary shares subject to options currently exercisable or exercisable within 60 days are deemed outstanding for the purposes of computing the percentage ownership of the person holding the options but are not deemed outstanding for the purposes of computing the percentage ownership of any other person.

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Name of Beneficial Owner	Number of Shares Beneficially Owned	Percentage Beneficially Owned ⁽¹⁾
Warburg Pincus ⁽²⁾	14,519,144	28.99%
FMR LLC ⁽³⁾	6,354,465	12.69%
Columbia Wanger Asset Management, LLC ⁽⁴⁾	6,103,983	12.19%
Nalanda India Fund Limited ⁽⁵⁾	5,211,410	10.41%

Notes:

- (1) Based on an aggregate of 50,078,881 ordinary shares outstanding as at March 31, 2012.
 - (2) Information is based on a report on Amendment No. 1 to Schedule 13G jointly filed with the Commission on March 30, 2012 by (i) Warburg Pincus Private Equity VIII, L.P., a Delaware limited partnership (WP VIII and, together with its two affiliated partnerships, Warburg Pincus Netherlands Private Equity VIII C.V. I, a company formed under the laws of the Netherlands (WP VIII CV I), and WP-WPVIII Investors, L.P., a Delaware limited partnership (WP-WPVIII Investors), the WP VIII Funds); (ii) Warburg Pincus International Partners, L.P., a Delaware limited partnership (WPIP and, together with its two affiliated partnerships, Warburg Pincus Netherlands International Partners I C.V., a company formed under the laws of the Netherlands (WPIP I CV), and WP-WPIP Investors L.P., a Delaware limited partnership (WP-WPIP Investors), the WPIP Funds); (iii) Warburg Pincus Partners LLC, a New York limited liability company (WPP LLC), the general partner of WP VIII, WPIP, WP VIII CV I and WPIP I CV, and the sole member of certain Delaware limited liability companies affiliated with the WP VIII Funds and the WPIP Funds; (iv) Warburg Pincus & Co., a New York general partnership (WP), the managing member of WPP LLC; (v) Warburg Pincus LLC, a New York limited liability company (WP LLC), which manages the WP VIII Funds and the WPIP Funds; and (vi) Messrs. Charles R. Kaye and Joseph P. Landy, each a United States citizen and a Managing General Partner of WP and Co-President and Managing Member of WP LLC, and who may be deemed to control the WP VIII Funds, the WPIP Funds, WPP LLC, WP LLC and WP.
 - (3) Information is based on a report on Amendment No. 5 to Schedule 13G jointly filed with the Commission on February 14, 2011 by FMR LLC, Edward C. Johnson 3d, Fidelity Management & Research Company and Fidelity Mid Cap Stock Fund. Edward C. Johnson 3d is the Chairman of FMR LLC. Fidelity Management & Research Company, a wholly owned subsidiary of FMR LLC, is the investment adviser to Fidelity Mid Cap Stock Fund.
 - (4) Information is based on a report on Amendment No. 4 to Schedule 13G filed with the Commission on February 10, 2012 by Columbia Wanger Asset Management, LLC.
 - (5) Information is based on a report on Schedule 13G filed with the Commission on February 2, 2011 by Nalanda India Fund Limited.
- The following summarizes the significant changes in the percentage ownership held by our major shareholders during the past three years:

In February 2012, Warburg Pincus sold 6,847,500 of its ADSs (representing 6,847,500 ordinary shares) in our company, reducing its overall ownership from approximately 47.8% to approximately 29.0%, as described in a report on Amendment No. 1 to Schedule 13G jointly filed with the Commission on March 30, 2012.

FMR LLC reported its percentage ownership of our ordinary shares to be 12.641% (based on the then number of our ordinary shares reported as outstanding at that time) in a report on Amendment No. 4 to Schedule 13G jointly filed with the Commission on February 16, 2010 and 15.00% (based on the then number of our ordinary shares reported as outstanding at that time) in a report on Amendment No. 5 to Schedule 13G jointly filed with the Commission on February 14, 2011.

Columbia Wanger Asset Management, L.P. reported its percentage ownership of our ordinary shares to be 12.2% (based on the then number of our ordinary shares reported as outstanding at that time) in a report on Amendment No. 2 to Schedule 13G filed with the Commission on February 10, 2010 and 13.4% (based on the then number of our ordinary shares reported as outstanding at that time) in a report on Amendment No. 3 to Schedule 13G filed with the Commission on February 11, 2011. Columbia Wanger Asset Management, LLC reported its percentage ownership of our ordinary shares to be 13.7% (based on the then number of our ordinary shares reported as outstanding at that time) in a report on Amendment No. 4 to Schedule 13G filed with the Commission on February 10, 2012.

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Nalanda India Fund Limited reported its percentage ownership of our ordinary shares to be 12.3% (based on the then number of our ordinary shares reported as outstanding at that time) in reports on Schedule 13G filed with the Commission on February 10, 2009 and January 13, 2010 and 11.76% (based on the then number of our ordinary shares reported as outstanding at that time) in reports on Schedule 13G filed with the Commission on February 2, 2011.

Tiger Global Management, LLC reported that it divested its entire 6.6% ownership of our ordinary shares in a report on Amendment No. 2 to Schedule 13G filed with the Commission on February 12, 2010.

None of our major shareholders have different voting rights from our other shareholders.

As at March 31, 2012, 14,569,658 of our ordinary shares, representing 29.09% of our outstanding ordinary shares, were held by a total of 24 holders of record with addresses in the US. As at the same date, 34,931,671 of our ADSs (representing 34,931,671 ordinary shares), representing 69.75% of our outstanding ordinary shares, were held by one registered holder of record with addresses in and outside of the US. Since certain of these ordinary shares and ADSs were held by brokers or other nominees, the number of record holders in the US may not be representative of the number of beneficial holders or where the beneficial holders are resident. All holders of our ordinary shares are entitled to the same voting rights.

B. Related Party Transactions

(Amounts in thousands)

Since fiscal 2003, we have entered into agreements with certain investee companies of one of our principal shareholders, Warburg Pincus, to provide business process outsourcing services. These investee companies are companies in which Warburg Pincus has 10% or more beneficial share ownership. In fiscal 2012, 2011 and 2010, these investee companies in the aggregate accounted for \$3,954, \$3,752 and \$2,625, respectively. We have also entered into agreements with certain other investee companies of Warburg Pincus under which we receive certain enterprise resource planning services from them. In fiscal 2012, 2011 and 2010, these investee companies in the aggregate accounted for \$nil, \$20 and \$nil in expenses, respectively.

On January 1, 2005, we entered into an agreement with Datacap Software Private Limited, or Datacap, pursuant to which Datacap granted us the license to use its proprietary IT-enabled services software program. Johnson J. Selvadurai, our Managing Director Europe, is a principal shareholder of Datacap. In fiscal 2012, 2011 and 2010, we paid \$nil, \$1 and \$5, respectively, for the license under the agreement. In fiscal 2012, 2011 and 2010, we paid Datacap \$29, \$nil and \$2, respectively, for purchases of computers and software.

In the fiscal 2011, we paid \$55 to SIFE India, a non-profit company at which Mr. Keshav R. Muruges, our director, held directorship.

In the fiscal 2012, we paid \$8 to HDFC Ergo General Insurance Company Limited towards travel insurance for the employees of our company, where our director, Mr. Deepak S. Parekh, is the Chairman of the Board of Directors.

In March 2008, we entered into an agreement with Singapore Telecommunications Limited, or Singtel, for the provision of lease line services. Our director, Mr. Deepak S. Parekh, was an executive director of Singtel until July 2010. In fiscal 2012, 2011 and 2010 we paid Singtel \$nil, \$161 and \$319, respectively, for such services.

In fiscal 2012, 2011 and 2010, we paid \$5, \$nil and \$4, respectively, to The Indian Hotels Company Limited towards hiring of accommodation and related services. Our director, Mr. Deepak S. Parekh, is a director of The Indian Hotels Company Limited.

C. Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

Please see Part III Item 18. Financial Statements for a list of the financial statements filed as part of this annual report.

Tax Assessment Orders

Transfer pricing regulations to which we are subject require that any international transaction among WNS and its subsidiaries, or the WNS group enterprises, be on arm's-length terms. We believe that the international transactions among the WNS group enterprises are on arm's-length terms. If, however, the applicable tax authorities determine that the transactions among the WNS group enterprises do not meet arm's-length criteria, we may incur increased tax liability, including accrued interest and penalties. This would cause our tax expense to increase, possibly materially, thereby reducing our profitability and cash flows. The applicable tax authorities may also disallow deductions or tax holiday benefits claimed by us and assess additional taxable income on us in connection with their review of our tax returns.

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From time to time, we receive orders of assessment from the Indian tax authorities assessing additional taxable income on us and/or our subsidiaries in connection with their review of our tax returns. We currently have orders of assessment for fiscal 2003 through fiscal 2009 pending before various appellate authorities. These orders assess additional taxable income that could in the aggregate give rise to an estimated 1,878.6 million (\$36.9 million based on the exchange rate on March 31, 2012) in additional taxes, including interest of 667.2 million (\$13.1 million based on the exchange rate on March 31, 2012).

The following sets forth the details of these orders of assessment:

Entity	Tax Year(s)	Amount Demanded		Interest on Amount Demanded	
		(Including Interest)	(and US dollars in millions)		
WNS Global, WNS Customer Solutions and Noida	Fiscal 2003	180.2	\$ (3.5) ₍₁₎	60.0	\$ (1.2) ₍₁₎
WNS Global, WNS Customer Solutions and Noida	Fiscal 2004	12.5	\$ (0.2) ₍₁₎	3.1	\$ (0.1) ₍₁₎
WNS Global, WNS Customer Solutions and Noida	Fiscal 2005	27.4	\$ (0.5) ₍₁₎	8.6	\$ (0.2) ₍₁₎
WNS Global, WNS Customer Solutions and Noida	Fiscal 2006	539.9	\$ (10.6) ₍₁₎	188.9	\$ (3.7) ₍₁₎
WNS BCS and permanent establishment of WNS North America Inc. and WNS UK in India	Fiscal 2006	140.1	\$ (2.8) ₍₁₎	51.2	\$ (1.0) ₍₁₎
WNS Global, WNS Customer Solutions and Noida	Fiscal 2007	98.7	\$ (1.9) ₍₁₎	31.9	\$ (0.6) ₍₁₎
WNS BCS and permanent establishment of WNS North America Inc. and WNS UK in India	Fiscal 2007	21.6	\$ (0.4) ₍₁₎	8.2	\$ (0.1) ₍₁₎
WNS Global, WNS Customer Solutions and Noida	Fiscal 2008	763.3	\$ (15.0) ₍₁₎	287.9	\$ (5.7) ₍₁₎
WNS BCS and permanent establishment of WNS North America Inc. and WNS UK in India	Fiscal 2008	79.8	\$ (1.7) ₍₁₎	25.4	\$ (0.4) ₍₁₎
WNS BCS and permanent establishment of WNS North America Inc. and WNS UK in India	Fiscal 2009	15.1	\$ (0.3) ₍₁₎	2.0	\$ (0.1) ₍₁₎
Total		1,878.6	\$ (36.9)₍₁₎	667.2	\$ (13.1)₍₁₎

Note:

(1) Based on the exchange rate on March 31, 2012.

The aforementioned orders of assessment allege that the transfer prices we applied to certain of the international transactions between WNS Global, one of our Indian subsidiaries, and our other wholly-owned subsidiaries named above were not on arm's length terms, disallow a tax holiday benefit claimed by us, deny the set off of brought forward business losses and unabsorbed depreciation and disallow certain expenses claimed as tax deductible by WNS Global. As at March 31, 2012, we have provided a tax reserve of 701.5 million (\$13.8 million based on the exchange rate on March 31, 2012) primarily on account of the Indian tax authorities' denying the set off of brought forward business losses and unabsorbed depreciation.

In addition, we currently have orders of assessment pertaining to similar issues that have been decided in our favor by first level appellate authorities, vacating tax demands of 2,244.6 million (\$44.1 million based on the exchange rate on March 31, 2012) in additional taxes, including interest of 681.8 million (\$13.4 million based on the exchange rate on March 31, 2012). The income tax authorities have filed appeals against these orders.

In case of disputes, the Indian tax authorities may require us to deposit with them all or a portion of the disputed amounts pending resolution of the matters on appeal. Any amount paid by us as deposits will be refunded to us with interest if we succeed in our appeals. We have deposited a small portion of the disputed amount with the tax authorities and may be required to deposit the remaining portion of the disputed amount with the tax authorities pending final resolution of the respective matters.

After consultation with our Indian tax advisors and based on the facts of these cases, certain legal opinions from counsel, the nature of the tax authorities' disallowances and the orders from first level appellate authorities deciding similar issues in our favor in respect of assessment orders for earlier fiscal years, we believe these orders are unlikely to be sustained at the higher appellate authorities and we intend to vigorously dispute the orders of assessment.

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In March 2009, we also received an assessment order from the Indian Service Tax Authority demanding payment of 346.2 million (\$6.8 million based on the exchange rate on March 31, 2012) of service tax and related penalty for the period from March 1, 2003 to January 31, 2005. The assessment order alleges that service tax is payable in India on BPO services provided by WNS Global to clients based abroad as the export proceeds are repatriated outside India by WNS Global. In April 2009, we filed an appeal to the appellate tribunal against the assessment order and the appeal is currently pending. Based on consultations with our Indian tax advisors, we believe this order of assessment is more likely than not to be upheld in our favor. We intend to continue to vigorously dispute the assessment.

No assurance can be given, however, that we will prevail in our tax disputes. If we do not prevail, payment of additional taxes, interest and penalties may adversely affect our results of operations, financial condition and cash flows. There can also be no assurance that we will not receive similar or additional orders of assessment in the future.

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Dividend Policy

Subject to the provisions of the 1991 Law and our Articles of Association, we may by ordinary resolution declare annual dividends to be paid to our shareholders according to their respective rights and interests in our distributable reserves. Any dividends we may declare must not exceed the amount recommended by our Board of Directors. Our board may also declare and pay an interim dividend or dividends, including a dividend payable at a fixed rate, if paying an interim dividend or dividends appears to the Board to be justified by our distributable reserves. See Part I Item 10. Additional Information B. Memorandum and Articles of Association. We can only declare dividends if our directors who are to authorize the distribution make a prior statement that, having made full enquiry into our affairs and prospects, they have formed the opinion that:

immediately following the date on which the distribution is proposed to be made, we will be able to discharge our liabilities as they fall due; and

having regard to our prospects and to the intentions of our directors with respect to the management of our business and to the amount and character of the financial resources that will in their view be available to us, we will be able to continue to carry on business and we will be able to discharge our liabilities as they fall due until the expiry of the period of 12 months immediately following the date on which the distribution is proposed to be made or until we are dissolved under Article 150 of the 1991 Law, whichever first occurs.

We have never declared or paid any dividends on our ordinary shares. Any future determination to pay cash dividends will be at the discretion of our Board of Directors and will be dependent upon our results of operations and cash flows, our financial position and capital requirements, general business conditions, legal, tax, regulatory and any contractual restrictions on the payment of dividends and any other factors our Board of Directors deems relevant at the time.

Subject to the deposit agreement governing the issuance of our ADSs, holders of ADSs will be entitled to receive dividends paid on the ordinary shares represented by such ADSs.

B. Significant Changes

There have been no significant subsequent events following the close of the last fiscal year up to the date of this annual report that are known to us and require disclosure in this document for which disclosure was not made in this annual report.

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Our ADSs evidenced by American Depositary Receipts, or ADRs, commenced trading on the NYSE on July 26, 2006. The ADRs evidencing ADSs were issued by our depository, Deutsche Bank Trust Company Americas, pursuant to a deposit agreement. The number of our outstanding ordinary shares (including the ordinary shares underlying ADSs) as at March 31, 2012 was 50,078,881. As at March 31, 2012, there were 34,931,671 ADSs outstanding (representing 34,931,671 ordinary shares).

The high and low last reported sale prices per ADS for the periods indicated are as shown below:

	Price per ADS on NYSE	
	High	Low
Fiscal year:		
2008	\$ 29.85	\$ 12.81
2009	\$ 20.00	\$ 3.10
2010	\$ 17.25	\$ 5.10
2011	\$ 13.38	\$ 8.46
2012	\$ 13.05	\$ 7.82
Fiscal Quarter:		
2011		
First quarter	\$ 13.38	\$ 9.62
Second quarter	\$ 13.35	\$ 8.46
Third quarter	\$ 12.94	\$ 8.76
Fourth quarter	\$ 11.98	\$ 9.70
2012		
First quarter	\$ 10.68	\$ 8.64
Second quarter	\$ 12.00	\$ 8.81
Third quarter	\$ 13.05	\$ 7.82
Fourth quarter	\$ 12.18	\$ 8.49
Month:		
October 2011	\$ 12.28	\$ 11.21
November 2011	\$ 13.05	\$ 11.20
December 2011	\$ 11.67	\$ 7.82
January 2012	\$ 10.25	\$ 8.49
February 2012	\$ 11.35	\$ 8.90
March 2012	\$ 12.18	\$ 10.74
April 2012 (through April 23, 2012)	\$ 12.19	\$ 10.93

B. Plan of Distribution

Not applicable.

C. Markets

Our ADSs are listed on the NYSE under the symbol WNS.

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

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ITEM 10. ADDITIONAL INFORMATION

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

General

We were incorporated in Jersey, Channel Islands, as a private limited company (with registered number 82262) on February 18, 2002 pursuant to the 1991 Law. We converted from a private limited company to a public limited company on January 4, 2006 when we acquired more than 30 shareholders as calculated in accordance with Article 17A of the 1991 Law. We gave notice of this to the JFSC in accordance with Article 17(3) of the 1991 Law on January 12, 2006.

The address of our secretary and share registrar is Computershare Investor Services (Jersey) Limited, or Computershare, at Queensway House, Hilgrove Street, St Helier, Jersey JE1 1ES. Our share register is maintained at the premises of Computershare.

Our activities are regulated by our Memorandum and Articles of Association. We adopted an amended and restated Memorandum and Articles of Association by special resolution of our shareholders passed on May 22, 2006. This amended and restated Memorandum and Articles of Association came into effect immediately prior to the completion of our initial public offering in July 2006. The material provisions of our amended and restated Memorandum and Articles of Association are described below. In addition to our Memorandum and Articles of Association, our activities are regulated by (among other relevant legislation) the 1991 Law. Our Memorandum of Association states our company name, that we are a public company, that we are a par value company, our authorized share capital and that the liability of our shareholders is limited to the amount (if any) unpaid on their shares. Below is a summary of some of the provisions of our Articles of Association. It is not, nor does it purport to be, complete or to identify all of the rights and obligations of our shareholders. The summary is qualified in its entirety by reference to our Memorandum and Articles of Association. See Part III Item 19. Exhibits Exhibit 1.1 and Part III Item 19. Exhibits Exhibit 1.2.

The rights of shareholders described in this section are available only to persons who hold our certificated shares. ADS holders do not hold our certificated shares and therefore are not directly entitled to the rights conferred on our shareholders by our Articles of Association or the rights conferred on shareholders of a Jersey company by the 1991 Law, including, without limitation: the right to receive dividends and the right to attend and vote at shareholders meetings; the rights described in Other Jersey Law Considerations Mandatory Purchases and Acquisitions and Other Jersey Law Considerations Compromises and Arrangements, the right to apply to a Jersey court for an order on the grounds that the affairs of a company are being conducted in a manner which is unfairly prejudicial to the interests of its shareholders; and the right to apply to the JFSC to have an inspector appointed to investigate the affairs of a company. ADS holders are entitled to receive dividends and to exercise the right to vote only in accordance with the deposit agreement.

Share Capital

Pursuant to an extraordinary general meeting held on November 22, 2011, our company's authorized share capital increased from £5,100,000, divided into 50,000,000 ordinary shares of 10 pence each and 1,000,000 preferred shares of 10 pence each, to £6,100,000, divided into 60,000,000 ordinary shares of 10 pence each and 1,000,000 preferred shares of 10 pence each, by the creation of 10,000,000 additional ordinary shares of 10 pence each. As at March 31, 2012, 2011 and 2010, we had 50,078,881, 44,443,726 and 43,743,953 ordinary shares outstanding, respectively. The increase in the number of ordinary shares outstanding during the last three fiscal years resulted from (i) our follow-on offering in February 2012 and (ii) the issuance of ordinary shares pursuant to our two share-based incentive plans, our 2002 Stock Incentive Plan and our 2006 Incentive Award Plan (as amended and restated). On September 13, 2011, we adopted the second amendment and restatement of our 2006 Incentive Award Plan to increase the number of ordinary shares and ADSs available for grant thereunder by 2,200,000 ordinary shares/ADSs to a total of 6,200,000 ordinary shares/ADSs. We have not issued any shares for consideration other than cash. There are no preferred shares outstanding.

Pursuant to Jersey law and our Memorandum and Articles of Association, our Board of Directors by resolution may establish one or more classes of preferred shares having such number of shares, designations, dividend rates, relative voting rights, liquidation rights and other relative participation, optional or other special rights, qualifications, limitations or restrictions as may be fixed by the board without any further shareholder approval. Such rights, preferences, powers and limitations as may be established could also have the effect of discouraging an attempt to obtain control of us. None of our shares have any redemption rights.

Capacity

Under the 1991 Law, the doctrine of *ultra vires* in its application to companies is abolished and accordingly the capacity of a Jersey company is not limited by anything in its memorandum or articles or by any act of its members.

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Changes in Capital or our Memorandum and Articles of Association

Subject to the 1991 Law and our Articles of Association, we may by special resolution at a general meeting:

increase our authorized or paid-up share capital;

consolidate and divide all or any part of our shares into shares of a larger amount than is fixed by our Memorandum of Association;

sub-divide all or any part of our shares into shares of smaller amount than is fixed by our Memorandum of Association;

convert any of our issued or unissued shares into shares of another class;

convert all our issued par value shares into no par value shares and vice versa;

convert any of our paid-up shares into stock, and reconvert any stock into any number of paid-up shares of any denomination;

convert any of our issued limited shares into redeemable shares which can be redeemed;

cancel shares which, at the date of passing of the resolution, have not been taken or agreed to be taken by any person, and diminish the amount of the authorized share capital by the amount of the shares so cancelled;

reduce our issued share capital; or

alter our Memorandum or Articles of Association.

General Meetings of Shareholders

We may at any time convene general meetings of shareholders. We hold an annual general meeting for each fiscal year. Under the 1991 Law, no more than 18 months may elapse between the date of one annual general meeting and the next.

Our Articles of Association provide that annual general meetings and meetings calling for the passing of a special resolution require 21 days notice of the place, day and time of the meeting in writing to our shareholders. Any other general meeting requires no less than 14 days notice in writing. Our directors may, at their discretion, and upon a request made in accordance with the 1991 Law by shareholders holding not less than one tenth of our total voting rights our directors shall, convene a general meeting. Our business may be transacted at a general meeting only when a quorum of shareholders is present. Two shareholders entitled to attend and to vote on the business to be transacted (or a proxy for a shareholder or a duly authorized representative of a corporation which is a shareholder) and holding shares conferring not less than one-third of the total voting rights, constitute a quorum provided that if at any time all of our issued shares are held by one shareholder, such quorum shall consist of the shareholder present in person or by proxy.

The annual general meetings deal with and dispose of all matters prescribed by our Articles of Association and by the 1991 Law including:

the consideration of our annual financial statements and report of our directors and auditors;

the election of directors (if necessary);

the appointment of auditors and the fixing of their remuneration;

the sanction of dividends; and

the transaction of any other business of which notice has been given.

Failure to hold an annual general meeting is an offence by our company and our directors under the 1991 Law and carries a potential fine of up to £5,000 for our company and each director.

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Voting Rights

Subject to any special terms as to voting on which any shares may have been issued or may from time to time be held, at a general meeting, every shareholder who is present in person (including any corporation present by its duly authorized representative) shall on a show of hands have one vote and every shareholder present in person or by proxy shall on a poll have one vote for each share of which he is a holder. In the case of joint holders only one of them may vote and in the absence of election as to who is to vote, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

A shareholder may appoint any person (whether or not a shareholder) to act as his proxy at any meeting of shareholders (or of any class of shareholders) in respect of all or a particular number of the shares held by him. A shareholder may appoint more than one person to act as his proxy and each such person shall act as proxy for the shareholder for the number of shares specified in the instrument appointing the person a proxy. If a shareholder appoints more than one person to act as his proxy, each instrument appointing a proxy shall specify the number of shares held by the shareholder for which the relevant person is appointed his proxy. Each duly appointed proxy has the same rights as the shareholder by whom he was appointed to speak at a meeting and vote at a meeting in respect of the number of shares held by the shareholder for which the relevant proxy is appointed his proxy.

For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof or in order to make a determination of shareholders for any other proper purpose, our directors may fix in advance a date as the record date for any such determination of shareholders.

Shareholder Resolutions

An ordinary resolution requires the affirmative vote of a simple majority (i.e., more than 50%) of our shareholders entitled to vote in person (or by corporate representative in case of a corporate entity) or by proxy at a general meeting.

A special resolution requires the affirmative vote of a majority of not less than two-thirds of our shareholders entitled to vote in person (or by corporate representative in the case of a corporate entity) or by proxy at a general meeting.

Our Articles of Association prohibit the passing of shareholder resolutions by written consent to remove an auditor or to remove a director before the expiry of his term of office.

Dividends

Subject to the provisions of the 1991 Law and of the Articles of Association, we may, by ordinary resolution, declare dividends to be paid to shareholders according to their respective rights and interests in our distributable reserves. However, no dividend shall exceed the amount recommended by our directors.

Subject to the provisions of the 1991 Law, we may declare and pay an interim dividend or dividends, including a dividend payable at a fixed rate, if an interim dividend or dividends appears to us to be justified by our distributable reserves.

Except as otherwise provided by the rights attached to any shares, all dividends shall be declared and paid according to the amounts paid up (as to both par and any premium) otherwise than in advance of calls, on the shares on which the dividend is paid. All dividends unclaimed for a period of ten years after having been declared or become due for payment shall, if we so resolve, be forfeited and shall cease to remain owing by us.

We may, with the authority of an ordinary resolution, direct that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets, and in particular of paid-up shares or debentures of any other company, or in any one or more of those ways.

We may also with the prior authority of an ordinary resolution, and subject to such conditions as we may determine, offer to holders of shares the right to elect to receive shares, credited as fully paid, instead of the whole, or some part, to be determined by us, of any dividend specified by the ordinary resolution.

For the purposes of determining shareholders entitled to receive a dividend or distribution, our directors may fix a record date for any such determination of shareholders. A record date for any dividend or distribution may be on or at any time before any date on which such dividend or distribution is paid or made and on or at any time before or after any date on which such dividend or distribution is declared.

Ownership Limitations

Our Articles of Association and the 1991 Law do not contain limits on the number of shares that a shareholder may own.

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Transfer of Shares

Every shareholder may transfer all or any of his shares by instrument of transfer in writing in any usual form or in any form approved by us. The instrument must be executed by or on behalf of the transferor and, in the case of a transfer of a share which is not fully paid up, by or on behalf of the transferee. The transferor is deemed to remain the holder until the transferee's name is entered in the register of shareholders.

We may, in our absolute discretion and without giving any reason, refuse to register any transfer of a share or renunciation of a renounceable letter of allotment unless:

it is in respect of a share which is fully paid-up;

it is in respect of only one class of shares;

it is in favor of a single transferee or not more than four joint transferees;

it is duly stamped, if so required; and

it is delivered for registration to our registered office for the time being or another place that we may from time to time determine accompanied by the certificate for the shares to which it relates and any other evidence as we may reasonably require to prove the right of the transferor or person renouncing to make the transfer or renunciation.

Share Register

We maintain our register of members in Jersey. It is open to inspection during business hours by shareholders without charge and by other persons upon payment of a fee not exceeding £5. Any person may obtain a copy of our register of members upon payment of a fee not exceeding £0.50 per page and providing a declaration under oath as required by the 1991 Law.

Variation of Rights

If at any time our share capital is divided into different classes of shares, the special rights attached to any class, unless otherwise provided by the terms of issue of the shares of that class, may be varied or abrogated with the consent in writing of the holders of the majority of the issued shares of that class, or with the sanction of an ordinary resolution passed at a separate meeting of the holders of shares of that class, but not otherwise. To every such separate meeting all the provisions of our Articles of Association and of the 1991 Law relating to general meetings or to the proceedings thereat shall apply, *mutatis mutandis*, except that the necessary quorum shall be two persons holding or representing at least one-third in nominal amount of the issued shares of that class but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those holders who are present in person shall be a quorum.

The special rights conferred upon the holders of any class of shares issued with preferred or other special rights shall be deemed to be varied by the reduction of the capital paid up on such shares and by the creation of further shares ranking in priority thereto, but shall not (unless otherwise expressly provided by our Articles of Association or by the conditions of issue of such shares) be deemed to be varied by the creation or issue of further shares ranking after or *pari passu* therewith. The rights conferred on holders of ordinary shares shall be deemed not to be varied by the creation, issue or redemption of any preferred or preference shares.

Capital Calls

We may, subject to the provisions of our Articles of Association and to any conditions of allotment, from time to time make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) *provided that* (except as otherwise fixed by the conditions of application or allotment) no call on any share shall be payable within 14 days of the date appointed for payment of the last preceding call, and each member shall (subject to being given at least 14 clear days' notice specifying the

time or times and place of payment) pay us at the time or times and place so specified the amount called on his shares.

If a member fails to pay any call or installment of a call on or before the day appointed for payment thereof, we may serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest (at a rate not exceeding 10% per annum to be determined by us) which may have accrued and any expenses which may have been incurred by us by reason of such non-payment. The notice shall name a further day (not earlier than fourteen days from the date of service thereof) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time and at the place appointed, the shares on which the call was made will be liable to be forfeited.

Borrowing Powers

Our Articles of Association contain no restrictions on our power to borrow money or to mortgage or charge all or any part of our undertaking, property and assets.

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Issue of Shares and Preemptive Rights

Subject to the provisions of the 1991 Law and to any special rights attached to any shares, we may allot or issue shares with those preferred, deferred or other special rights or restrictions regarding dividends, voting, return of capital or other matters as our directors from time to time determine. We may issue shares that are redeemable or are liable to be redeemed at our option or the option of the holder in accordance with our Articles of Association. Subject to the provisions of the 1991 Law, the unissued shares at the date of adoption of our Articles of Association and shares created thereafter shall be at the disposal of our directors. We cannot issue shares at a discount to par value. Securities, contracts, warrants or other instruments evidencing any preferred shares, option rights, securities having conversion or option rights or obligations may also be issued by the directors without the approval of the shareholders or entered into by us upon a resolution of the directors to that effect on such terms, conditions and other provisions as are fixed by the directors, including, without limitation, conditions that preclude or limit any person owning or offering to acquire a specified number or percentage of shares in us in issue, other shares, option rights, securities having conversion or option rights or obligations of us or the transferee of such person from exercising, converting, transferring or receiving the shares, option rights, securities having conversion or option rights or obligations.

There are no pre-emptive rights for the transfer of our shares either within the 1991 Law or our Articles of Association.

Directors Powers

Our business shall be managed by the directors who may exercise all of the powers that we are not by the 1991 Law or our Articles of Association required to exercise in a general meeting. Accordingly, the directors may (among other things) borrow money, mortgage or charge all of our property and assets (present and future) and issue securities.

Meetings of the Board of Directors

A director may, and the secretary on the requisition of a director shall, at any time, summon a meeting of the directors by giving to each director and alternate director not less than 24 hours notice of the meeting *provided that* any meeting may be convened at shorter notice and in such manner as each director or his alternate director shall approve *provided further that* unless otherwise resolved by the directors notices of directors meetings need not be in writing.

Subject to our Articles of Association, our Board of Directors may meet for the conducting of business, adjourn and otherwise regulate its proceedings as it sees fit. The quorum necessary for the transaction of business may be determined by the Board of Directors and unless otherwise determined shall be three persons, each being a director or an alternate director of whom two shall not be executive directors. Where more than three directors are present at a meeting, a majority of them must not be executive directors in order for the quorum to be constituted at the meeting. A duly convened meeting of the Board of Directors at which a quorum is present is necessary to exercise all or any of the board's authorities, powers and discretions.

Our Board of Directors may from time to time appoint one or more of their number to be the holder of any executive office on such terms and for such periods as they may determine. The appointment of any director to any executive office shall be subject to termination if he ceases to be a director. Our Board of Directors may entrust to and confer upon a director holding any executive office any of the powers exercisable by the directors, upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers and may from time to time revoke, withdraw, alter or vary all or any of such powers.

Remuneration of Directors

Our directors shall be entitled to receive by way of fees for their services as directors any sum that we may, by ordinary resolution in general meeting from time to time determine. That sum, unless otherwise directed by the ordinary resolution by which it is voted, shall be divided among the directors in the manner that they agree or, failing agreement, equally. The remuneration (if any) of an alternate director shall be payable out of the remuneration payable to the director appointing him as may be agreed between them.

The directors shall be repaid their traveling and other expenses properly and necessarily expended by them in attending meetings of the directors or members or otherwise on our affairs.

If any director shall be appointed agent or to perform extra services or to make any special exertions, the directors may remunerate such director therefor either by a fixed sum or by commission or participation in profits or otherwise or partly one way and partly in another as they think fit, and such remuneration may be either in addition to or in substitution for his above mentioned remuneration.

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Directors Interests in Contracts

Subject to the provisions of the 1991 Law, a director may hold any other office or place of profit under us (other than the office of auditor) in conjunction with his office of director and may act in a professional capacity to us on such terms as to tenure of office, remuneration and otherwise as we may determine and, provided that he has disclosed to us the nature and extent of any of his interests which conflict or may conflict to a material extent with our interests at the first meeting of the directors at which a transaction is considered or as soon as practical after that meeting by notice in writing to the secretary or has otherwise previously disclosed that he is to be regarded as interested in a transaction with a specific person, a director notwithstanding his office (1) may be a party to, or otherwise interested in, any transaction or arrangement with us or in which we are otherwise interested, (2) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by us or in which we are otherwise interested, and (3) shall not, by reason of his office, be accountable to us for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

Restrictions on Directors Voting

A director, notwithstanding his interest, may be counted in the quorum present at any meeting at which any contract or arrangement in which he is interested is considered and, subject as provided above, he may vote in respect of any such contract or arrangement. A director, notwithstanding his interest, may be counted in the quorum present at any meeting at which he is appointed to hold any office or place of profit under us, or at which the terms of his appointment are arranged, but the director may not vote on his own appointment or the terms thereof or any proposal to select that director for re-election.

Number of Directors

Our board shall determine the maximum and minimum number of directors provided that the minimum number of directors shall be not less than three.

Directors Appointment, Resignation, Disqualification and Removal

Our board is divided into three classes that are, as nearly as possible, of equal size. Each class of directors (other than initially) is elected for a three-year term of office but the terms are staggered so that the term of only one class of directors expires at each annual general meeting. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors. This classification of the Board of Directors may have the effect of delaying or preventing changes in control of management of our company. Our Board of Directors shall have power (unless they determine that any vacancy should be filled by us in general meeting) at any time and from time to time to appoint any person to be a director, either to fill any vacancy or as an addition to the existing directors. A vacancy for these purposes only will be deemed to exist if a director dies, resigns, ceases or becomes prohibited or disqualified by law from acting as a director, becomes bankrupt or enters into an arrangement or composition with his creditors, becomes of unsound mind or is removed by us from office for gross negligence or criminal conduct by ordinary resolution. A vacancy for these purposes will not be deemed to exist upon the expiry of the term of office of a director. At any general meeting at which a director retires or at which a director's period of office expires we shall elect, by ordinary resolution of the general meeting, a director to fill the vacancy, unless our directors resolve to reduce the number of directors in office. Where the number of persons validly proposed for election or re-election as a director is greater than the number of directors to be elected, the persons receiving the most votes (up to the number of directors to be elected) shall be elected as directors and an absolute majority of the votes cast shall not be a pre-requisite to the election of such directors.

The directors shall hold office until they resign, they cease to be a director by virtue of a provision of the 1991 Law, they become disqualified by law or the terms of our Articles of Association from being a director, they become bankrupt or make any arrangement or composition with their creditors generally or they become of unsound mind or they are removed from office by us for gross negligence or criminal conduct by ordinary resolution in general meeting.

A director is not required to hold any of our shares.

Capitalization of Profits and Reserves

Subject to our Articles of Association, we may, upon the recommendation of our directors, by ordinary resolution resolve to capitalize any of our undistributed profits (including profits standing to the credit of any reserve account), any sum standing to the credit of any reserve account as a result of the sale or revaluation of an asset (other than goodwill) and any sum standing to the credit of our share premium account or capital

redemption reserve.

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Any sum which is capitalized shall be appropriated among our shareholders in the proportion in which such sum would have been divisible amongst them had the same been applied in paying dividends and applied in (1) paying up the amount (if any) unpaid on the shares held by the shareholders, or (2) issuing to shareholders, fully paid shares (issued either at par or a premium) or (subject to our Articles of Association) our debentures.

Unclaimed Dividends

Any dividend which has remained unclaimed for a period of ten years from the date of declaration thereof shall, if the directors so resolve, be forfeited and cease to remain owing by us and shall thenceforth belong to us absolutely.

Indemnity, Limitation of Liability and Officers Liability Insurance

Insofar as the 1991 Law allows and, to the fullest extent permitted thereunder, we may indemnify any person who was or is involved in any manner (including, without limitation, as a party or a witness), or is threatened to be made so involved, in any threatened, pending or completed investigation, claim, action, suit or proceeding, whether civil, criminal, administrative or investigative including, without limitation, any proceeding by or in the right of ours to procure a judgment in our favor, but excluding any proceeding brought by such person against us or any affiliate of ours by reason of the fact that he is or was an officer, secretary, servant, employee or agent of ours, or is or was serving at our request as an officer, secretary, servant, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against all expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such proceeding. Such indemnification shall be a contract right and shall include the right to receive payment in advance of any expenses incurred by the indemnified person in connection with such proceeding, provided always that this right is permitted by the 1991 Law.

Subject to the 1991 Law, we may enter into contracts with any officer, secretary, servant, employee or agent of ours and may create a trust fund, grant a security interest, make a loan or other advancement or use other means (including, without limitation, a letter of credit) to ensure the payment of such amounts as may be necessary to effect indemnification as provided in the indemnity provisions in our Articles of Association.

Our directors are empowered to arrange for the purchase and maintenance in our name and at our expense of insurance cover for the benefit of any current or former officer of ours, our secretary and any current or former agent, servant or employee of ours against any liability which is incurred by any such person by reason of the fact that he is or was an officer of ours, our secretary or an agent, servant or employee of ours.

Subject to the 1991 Law, the right of indemnification, loan or advancement of expenses provided in our Articles of Association is not exclusive of any other rights to which a person seeking indemnification may otherwise be entitled, under any statute, memorandum or articles of association, agreement, vote of shareholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. The provisions of our Articles of Association inure for the benefit of the heirs and legal representatives of any person entitled to indemnity under our Articles of Association and are applicable to proceedings commenced or continuing after the adoption of our Articles of Association whether arising from acts or omissions occurring before or after such adoption.

If any provision or provisions of our Articles of Association relative to indemnity are held to be invalid, illegal or unenforceable for any reason whatsoever: (i) the validity, legality and enforceability of the remaining provisions thereof shall not in any way be affected or impaired; and (ii) to the fullest extent possible, the provisions of our Articles of Association relative to indemnity shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

Nothing in our Articles of Association prohibits us from making loans to officers, our secretary, servants, employees or agents to fund litigation expenses prior to such expenses being incurred.

Distribution of Assets on a Winding-up

Subject to any particular rights or limitations attached to any shares, if we are wound up, our assets available for distribution among our shareholders shall be applied first in repaying to our shareholders the amount paid up (as to both par and any premium) on their shares respectively, and if such assets shall be more than sufficient to repay to our shareholders the whole amount paid up (as to both par and any premium) on their shares, the balance shall be distributed among our shareholders in proportion to the amount which at the time of the commencement of the winding up had been actually paid up (as to both par and any premium) on their shares respectively.

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If we are wound up, we may, with the approval of a special resolution and any other sanction required by the 1991 Law, divide the whole or any part of our assets among our shareholders in specie and our liquidator or, where there is no liquidator, our directors, may, for that purpose, value any assets and determine how the division shall be carried out as between our shareholders or different classes of shareholders. Similarly, with the approval of a special resolution and subject to any other sanction required by the 1991 Law, all or any of our assets may be vested in trustees for the benefit of our shareholders.

Other Jersey Law Considerations

Purchase of Own Shares

The 1991 Law provides that we may, with the sanction of a special resolution and subject to certain conditions, purchase any of our shares which are fully paid.

We may fund the purchase of our own shares from any source provided that our directors are satisfied that immediately after the date on which the purchase is made, we will be able to discharge our liabilities as they fall due and that having regard to (i) our prospects and to the intentions of our directors with respect to the management of our business and (ii) the amount and character of the financial resources that will in their view be available to us, we will be able to (a) continue to carry on our business and (b) discharge our liabilities as they fall due until the expiry of the period of 12 months immediately following the date on which the purchase was made or until we are dissolved, whichever occurs first.

We cannot purchase our shares if, as a result of such purchase, only redeemable shares would be in issue. Any shares that we purchase (other than shares that are, immediately after being purchased, held as treasury shares) are treated as cancelled upon purchase.

Mandatory Purchases and Acquisitions

The 1991 Law provides that where a person (which we refer to as the offeror) makes an offer to acquire all of the shares (or all of the shares of any class of shares) (other than treasury shares and any shares already held by the offeror and its associates at the date of the offer), if the offeror has by virtue of acceptances of the offer acquired or contracted to acquire not less than 90% in nominal value of the shares (or class of shares) to which the offer relates, the offeror by notice may compulsorily acquire the remaining shares. A holder of any such shares may apply to the Jersey court for an order that the offeror not be entitled to purchase the holder's shares or that the offeror purchase the holder's shares on terms different to those of the offer.

Where, prior to the expiry of the offer period, the offeror has by virtue of acceptances of the offer acquired or contracted to acquire not less than 90% in nominal value of all of the shares of the target company (other than treasury shares and any shares already held by the offeror and its associates at the date of the offer), the holder of any shares (or class of shares) to which the offer relates who has not accepted the offer may require the offeror to acquire those shares. In such circumstances, each of the offeror and the holder of the shares are entitled to apply to the Jersey court for an order that the offeror purchase the holder's shares on terms different to those of the offer.

Compromises and Arrangements

Where a compromise or arrangement is proposed between a company and its creditors, or a class of them, or between the company and its shareholders, or a class of them, the Jersey court may on the application of the company or a creditor or member of it or, in the case of a company being wound up, of the liquidator, order a meeting of the creditors or class of creditors, or of the shareholders of the company or class of shareholders (as the case may be), to be called in a manner as the court directs.

If a majority in number representing 3/4ths in value of the creditors or class of creditors, or 3/4ths of the voting rights of shareholders or class of shareholders (as the case may be), present and voting either in person or by proxy at the meeting agree to a compromise or arrangement, the compromise or arrangement, if sanctioned by the court, is binding on all creditors or the class of creditors or on all the shareholders or class of shareholders, and also on the company or, in the case of a company in the course of being wound up, on the liquidator and contributories of the company.

No Pre-Emptive Rights

Neither our Articles of Association nor the 1991 Law confers any pre-emptive rights on our shareholders.

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No Mandatory Offer Requirements

In some countries, the trading and securities legislation contains mandatory offer requirements when shareholders have reached certain share ownership thresholds. There are no mandatory offer requirements under Jersey legislation. The Companies (Takeovers and Mergers Panel) (Jersey) Law 2009 empowers the Minister for Economic Development in Jersey, or the Minister, to appoint a Panel on Takeovers and Mergers, or the Jersey Panel, as the body responsible for regulating takeovers and mergers of companies incorporated in Jersey. The Minister has appointed the UK Panel on Takeovers and Mergers, or the UK Panel, to carry out the functions of the Jersey Panel. The Jersey Panel will be empowered to promulgate rules regulating takeovers and mergers of Jersey companies, or the Jersey Code. The rules applicable to the regulation of takeovers and mergers promulgated by the UK Panel as set out in The City Code on Takeovers and Mergers, or the UK Code, have been adopted as the Jersey Code. Rule 9 of the UK Code contains rules relative to mandatory offers. However, the UK Code only applies to (i) offers for Jersey companies if any of their securities are admitted to trading on a regulated market in the United Kingdom or any stock exchange in the Channel Islands or the Isle of Man and (ii) to public or certain private Jersey companies which are considered by the Panel to have their place of central management and control in the United Kingdom, the Channel Islands or the Isle of Man. As none of our securities are listed on a regulated market in the United Kingdom or on any stock exchange in the Channel Islands or the Isle of Man and as we are not centrally managed and controlled in the United Kingdom, the Channel Islands or the Isle of Man, it is not anticipated that the Jersey Code will apply to us.

Non-Jersey Shareholders

There are no limitations imposed by Jersey law or by our Articles of Association on the rights of non-Jersey shareholders to hold or vote on our ordinary shares or securities convertible into our ordinary shares.

Rights of Minority Shareholders

Under Article 141 of the 1991 Law, a shareholder may apply to court for relief on the ground that our affairs are being conducted or have been conducted in a manner which is unfairly prejudicial to the interests of our shareholders generally or of some part of our shareholders (including at least the shareholder making the application) or that an actual or proposed act or omission by us (including an act or omission on our behalf) is or would be so prejudicial. What amounts to unfair prejudice is not defined in the 1991 Law. There may also be common law personal actions available to our shareholders.

Under Article 143 of the 1991 Law (which sets out the types of relief a court may grant in relation to an action brought under Article 141 of the 1991 Law), the court may make an order regulating our affairs, requiring us to refrain from doing or continuing to do an act complained of, authorizing civil proceedings and providing for the purchase of shares by us or by any of our other shareholders.

Jersey Law and our Memorandum and Articles of Association

The content of our Memorandum and Articles of Association reflects the requirements of the 1991 Law. Jersey company law draws very heavily from company law in England and there are various similarities between the 1991 Law and English company law. However, the 1991 Law is considerably more limited in content than English company law and there are some notable differences between English and Jersey company law. There are, for example, no provisions under Jersey law (as there are under English law):

controlling possible conflicts of interests between us and our directors, such as loans by us or directors, and contracts between us and our directors other than a duty on our directors to disclose an interest in any transaction to be entered into by us or any of our subsidiaries which to a material extent conflicts with our interest;

specifically requiring particulars to be shown in our accounts of the amount of loans to officers or directors emoluments and pensions, although these would probably be required to be shown in our accounts in conformity to the requirement that accounts must be prepared in accordance with generally accepted accounting principles;

requiring us to file details of charges other than charges of Jersey realty; or

as regards statutory preemption provisions in relation to further issues of shares.

Comparison of Shareholders Rights

We are incorporated under the laws of Jersey, Channel Islands. The following discussion summarizes certain material differences between the rights of holders of our ordinary shares and the rights of holders of the common stock of a typical corporation incorporated under the laws of the State of Delaware which result from differences in governing documents and the laws of Jersey, Channel Islands and Delaware. The rights of holders of our ADSs differ in certain respects from those of holders of our ordinary shares.

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This discussion does not purport to be a complete statement of the rights of holders of our ordinary shares under applicable law in Jersey, Channel Islands and our Memorandum and Articles of Association or the rights of holders of the common stock of a typical corporation under applicable Delaware law and a typical certificate of incorporation and bylaws.

Corporate Law Issue***Special Meetings of Shareholders*****Delaware Law**

Shareholders of a Delaware corporation generally do not have the right to call meetings of shareholders unless that right is granted in the certificate of incorporation or by-laws. However, if a corporation fails to hold its annual meeting within a period of 30 days after the date designated for the annual meeting, or if no date has been designated for a period of 13 months after its last annual meeting, the Delaware Court of Chancery may order a meeting to be held upon the application of a shareholder.

Jersey Law

Under the 1991 Law, directors shall, notwithstanding anything in a Jersey company's articles of association, call a general meeting on a shareholders' requisition. A shareholders' requisition is a requisition of shareholders holding not less than one-tenth of the total voting rights of the shareholders of the company who have the right to vote at the meeting requisitioned. Failure to call an annual general meeting in accordance with the requirements of the 1991 Law is a criminal offense on the part of a Jersey company and its directors. The JFSC may, on the application of any officer, secretary or shareholder call, or direct the calling of, an annual general meeting.

Interested Director Transactions

Interested director transactions are not voidable if (i) the material facts as to the interested director's relationship or interests are disclosed or are known to the Board of Directors and the board in good faith authorizes the transaction by the affirmative vote of a majority of the disinterested directors, (ii) the material facts are disclosed or are known to the shareholders entitled to vote on such transaction and the transaction is specifically approved in good faith by vote of the majority of shares entitled to vote on the matter or (iii) the transaction is fair as to the corporation as of the time it is authorized, approved or ratified by the Board of Directors, a committee or the shareholders.

A director of a Jersey company who has an interest in a transaction entered into or proposed to be entered into by the company or by a subsidiary which conflicts or may conflict with the interests of the company and of which the director is aware, must disclose the interest to the company. Failure to disclose an interest entitles the company or a member to apply to the court for an order setting aside the transaction concerned and directing that the director account to the company for any profit. A transaction is not voidable and a director is not accountable notwithstanding a failure to disclose if the transaction is confirmed by special resolution and the nature and extent of the director's interest in the transaction are disclosed in reasonable detail in the notice calling the meeting at which the resolution is passed. Without prejudice to its power to order that a director account for any profit, a court shall not set aside a transaction unless it is satisfied that the interests of third parties who have acted in good faith thereunder would not thereby be unfairly prejudiced and the transaction was not reasonable and fair in the interests of the company at the time it was entered into.

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Corporate Law Issue
Cumulative Voting

Delaware Law

Delaware law does not require that a Delaware corporation provide for cumulative voting. However, the certificate of incorporation of a Delaware corporation may provide that shareholders of any class or classes or of any series may vote cumulatively either at all elections or at elections under specified circumstances.

Jersey Law

There are no provisions in the 1991 Law relating to cumulative voting.

Approval of Corporate Matters by Written Consent

Unless otherwise specified in a Delaware corporation's certificate of incorporation, action required or permitted to be taken by shareholders at an annual or special meeting may be taken by shareholders without a meeting, without notice and without a vote, if consents in writing setting forth the action, are signed by shareholders with not less than the minimum number of votes that would be necessary to authorize the action at a meeting. All consents must be dated. No consent is effective unless, within 60 days of the earliest dated consent delivered to the corporation, written consents signed by a sufficient number of holders to take action are delivered to the corporation.

Insofar as the memorandum or articles of a Jersey company do not make other provision in that behalf, anything which may be done at a meeting of the company (other than remove an auditor) or at a meeting of any class of its shareholders may be done by a resolution in writing signed by or on behalf of each shareholder who, at the date when the resolution is deemed to be passed, would be entitled to vote on the resolution if it were proposed at a meeting. A resolution shall be deemed to be passed when the instrument, or the last of several instruments, is last signed or on such later date as is specified in the resolution.

Business Combinations

With certain exceptions, a merger, consolidation or sale of all or substantially all the assets of a Delaware corporation must be approved by the Board of Directors and a majority of the outstanding shares entitled to vote thereon.

A sale or disposal of all or substantially all the assets of a Jersey company must be approved by the Board of Directors and, only if the Articles of Association of the company require, by the shareholders in general meeting. A merger involving a Jersey company must be generally documented in a merger agreement which must be approved by special resolution of that company.

Table of Contents**Corporate Law Issue*****Limitations on Directors Liability*****Delaware Law**

A Delaware corporation may include in its certificate of incorporation provisions limiting the personal liability of its directors to the corporation or its shareholders for monetary damages for many types of breach of fiduciary duty. However, these provisions may not limit liability for any breach of the duty of loyalty, acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law, the authorization of unlawful dividends, or unlawful share purchase or redemption, or any transaction from which a director derived an improper personal benefit. Moreover, these provisions would not be likely to bar claims arising under US federal securities laws.

Jersey Law

The 1991 Law does not contain any provisions permitting Jersey companies to limit the liability of directors for breach of fiduciary duty. Any provision, whether contained in the articles of association of, or in a contract with, a Jersey company or otherwise, whereby the company or any of its subsidiaries or any other person, for some benefit conferred or detriment suffered directly or indirectly by the company, agrees to exempt any person from, or indemnify any person against, any liability which by law would otherwise attach to the person by reason of the fact that the person is or was an officer of the company is void (subject to what is said below).

Indemnification of Directors and Officers

A Delaware corporation may indemnify a director or officer of the corporation against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in defense of an action, suit or proceeding by reason of his or her position if (i) the director or officer acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation and (ii) with respect to any criminal action or proceeding, the director or officer had no reasonable cause to believe his or her conduct was unlawful.

The prohibition referred to above does not apply to a provision for exempting a person from or indemnifying the person against (a) any liabilities incurred in defending any proceedings (whether civil or criminal) (i) in which judgment is given in the person's favor or the person is acquitted, (ii) which are discontinued otherwise than for some benefit conferred by the person or on the person's behalf or some detriment suffered by the person, or (iii) which are settled on terms which include such benefit or detriment and, in the opinion of a majority of the directors of the company (excluding any director who conferred such benefit or on whose behalf such benefit was conferred or who suffered such detriment), the person was substantially successful on the merits in the person's resistance to the proceedings, (b) any liability incurred otherwise than to the company if the person acted in good faith with a view to the best interests of the company, (c) any liability incurred in connection with an application made to the court for relief from liability for negligence, default, breach of duty or breach of trust under Article 212 of the 1991 Law in which relief is granted to the person by the court or (d) any liability against which the company normally maintains insurance for persons other than directors.

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Corporate Law Issue
Appraisal Rights

Delaware Law

A shareholder of a Delaware corporation participating in certain major corporate transactions may, under certain circumstances, be entitled to appraisal rights pursuant to which the shareholder may receive cash in the amount of the fair value of the shares held by that shareholder (as determined by a court) in lieu of the consideration the shareholder would otherwise receive in the transaction.

Jersey Law

The 1991 Law does not confer upon shareholders any appraisal rights.

Shareholder Suits

Class actions and derivative actions generally are available to the shareholders of a Delaware corporation for, among other things, breach of fiduciary duty, corporate waste and actions not taken in accordance with applicable law. In such actions, the court has discretion to permit the winning party to recover attorneys' fees incurred in connection with such action.

Under Article 141 of the 1991 Law, a shareholder may apply to court for relief on the ground that a company's affairs are being conducted or have been conducted in a manner which is unfairly prejudicial to the interests of its shareholders generally or of some part of its shareholders (including at least the shareholder making the application) or that an actual or proposed act or omission by the company (including an act or omission on its behalf) is or would be so prejudicial. There may also be common law personal actions available to shareholders. Under Article 143 of the 1991 Law (which sets out the types of relief a court may grant in relation to an action brought under Article 141 of the 1991 Law), the court may make an order regulating the affairs of a company, requiring a company to refrain from doing or continuing to do an act complained of, authorizing civil proceedings and providing for the purchase of shares by a company or by any of its other shareholders.

Inspection of Books and Records

All shareholders of a Delaware corporation have the right, upon written demand under oath stating the purpose thereof, to inspect or obtain copies of the corporation's shares ledger and its other books and records for any proper purpose.

The register of shareholders and books containing the minutes of general meetings or of meetings of any class of shareholders of a Jersey company must during business hours be open to the inspection of a shareholder of the company without charge. The register of directors and secretaries must during business hours (subject to such reasonable restrictions as the company may by its articles or in general meeting impose, but so that not less than two hours in each business day be allowed for inspection) be open to the inspection of a shareholder or director of the company without charge.

Table of Contents**Corporate Law Issue*****Amendments to Charter*****Delaware Law**

Amendments to the certificate of incorporation of a Delaware corporation require the affirmative vote of the holders of a majority of the outstanding shares entitled to vote thereon or such greater vote as is provided for in the certificate of incorporation; a provision in the certificate of incorporation requiring the vote of a greater number or proportion of the directors or of the holders of any class of shares than is required by Delaware corporate law may not be amended, altered or repealed except by such greater vote.

Jersey Law

The memorandum and articles of association of a Jersey company may only be amended by special resolution (being a two-third majority if the articles of association of the company do not specify a greater majority) passed by shareholders in general meeting or by written resolution signed by all the shareholders entitled to vote.

Transfer Agent and Registrar

The transfer agent and registrar for our ADSs is Deutsche Bank Trust Company Americas.

C. Material Contracts

The following is a summary of each contract that is or was material to us during the last two years.

(1) Master Services Agreement, dated July 11, 2008 between Aviva Global Services (Management Services) Private Ltd. and WNS Capital Investment Limited (Aviva master services agreement), (2) Variation Agreement dated August 3, 2009, to the Aviva master services agreement and (3) Novation and Agreement of Amendment dated March 24, 2011 among Aviva Global Services (Management Services) Private Ltd., WNS Capital Investment Limited and WNS Global Services Private Limited.

On July 11, 2008, WNS Capital Investment Limited entered into the Aviva master services agreement with Aviva MS, pursuant to which Aviva MS agrees to appoint us as service provider and prime contractor to supply certain BPO services to the Aviva group for a term of eight years and four months. Under the agreement, Aviva MS has agreed to provide a minimum volume of business, or minimum volume commitment, to us during the term of the contract. The minimum volume commitment is calculated as 3,000 billable full-time employees, where one billable full-time employee is the equivalent of a production employee engaged by us to perform our obligations under the contract for one working day of at least nine hours for 250 days a year. In August 2009, we entered into a variation agreement to the Aviva master services agreement pursuant to which Aviva MS agreed to increase the minimum volume commitment from the current 3,000 billable full time employees to 3,300 billable full time employees for a period of 17 months from March 1, 2010 to July 31, 2011 and to 3,250 billable full time employees for a period of six months from August 1, 2011 to January 31, 2012. The minimum volume commitment will revert to 3,000 billable full time employees after January 31, 2012 for the remaining term of the Aviva master services agreement. In the event the mean average monthly volume of business in any rolling three-month period does not reach the minimum volume commitment, Aviva MS has agreed to pay us a minimum commitment fee as liquidated damages. The agreement may be terminated by Aviva MS for a variety of reasons, including a material breach of agreement by us, or at will at any time after the expiry of 24 months from October 9, 2008, except in the case of the Chennai facility which was transferred to WNS Global Singapore in July 2008, at any time after the expiry of 24 months from September 19, 2008 and in the case of the Pune facility which was transferred to WNS Global Singapore in August 2008, at any time after the expiry of 24 months after 60 days from the date of completion of the transfer of the Pune facility, in each case, with six months notice upon payment of a termination fee. We may also terminate the agreement for a variety of reasons, including the failure by Aviva MS to pay any invoiced amounts where such invoiced amounts are overdue for a period of at least 30 business days or if it is otherwise in material breach of the agreement.

Pursuant to a novation and agreement of amendment dated March 24, 2011 among Aviva MS, WNS Capital Investment Limited and WNS Global, WNS Capital Investment Limited's rights and obligations under the Aviva master services agreement have been novated to WNS Global effective March 31, 2011.

Facility Agreement, dated July 2, 2010, by and among (1) WNS (Mauritius) Limited, as the Borrower, (2) WNS (Holdings) Limited and its subsidiaries named as guarantors therein, or collectively the Guarantors, (3) The Hongkong and Shanghai Banking Corporation Limited as Agent (4) The Hongkong and Shanghai Banking Corporation Limited, DBS Bank Limited and BNP Paribas, as Arrangers, (5) the Lenders named therein, (6) Morgan Walker Solicitors Limited, as Security Trustee, and (7) The Hongkong and Shanghai Banking Corporation Limited and HSBC Bank (Mauritius) Limited, as Account Banks.

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On July 2, 2010, we entered into a facility agreement for a term loan of \$94 million (which we refer to herein as the 2010 Term Loan) to refinance, together with cash on hand, the \$115 million outstanding balance of the \$200.0 million term loan facility we had obtained in July 2008 to fund, together with cash on hand, the Aviva transaction. This term loan bears interest equal to the three-month US dollar LIBOR plus a margin of 2% per annum. The variable interest rate as at March 31, 2011 was 2.30%. As at March 31, 2011, our interest rate swap agreement converted the floating rate loan to a weighted average effective fixed rate of 5.84%. This term loan is repayable in semi-annual installments of \$20 million on each of January 10, 2011 and July 11, 2011 and \$30 million on January 10, 2012 with the final installment of \$24 million payable on July 10, 2012.

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Repayment under the facility is guaranteed by WNS, WNS UK, WNS Capital Investment Limited, WNS Global Singapore, WNS North America Inc., AHA and the Co-op, and secured by pledges of shares of WNS (Mauritius) Limited, WNS Capital Investment Limited and WNS Global Singapore, charges over the bank accounts of WNS (Mauritius) Limited, WNS Capital Investment Limited and WNS Global Singapore, a charge over receivables of WNS Capital Investment Limited from Aviva held in escrow, an assignment by WNS (Mauritius) Limited to the lenders of the 2010 Term Loan of its put option to sell its shares of WNS Capital Investment Limited to WNS Global, pursuant to which the lenders may, in the event of a default under the loan, compel WNS (Mauritius) Limited to exercise its put option and apply the proceeds from the sale of its shares of WNS Capital Investment Limited to WNS Global towards repayment of the loan, and a fixed and floating charge over the assets of WNS UK, which ranks pari passu with other charges over the same assets in favor of other lenders. The facility agreement contains certain covenants, including restrictive covenants relating to our indebtedness, total borrowings to tangible net worth ratio, total borrowings to EBITDA ratio and a minimum interest coverage ratio, each as defined in the facility agreement, and undertakings by each of WNS (Mauritius) Limited and WNS Global Singapore not to sell, transfer or otherwise dispose of their respective shares of WNS Global. As at March 31, 2012, the amount outstanding under the facility was \$24 million.

Leave and Licence Agreement dated May 10, 2011 between Godrej & Boyce Manufacturing Company Limited and WNS Global Services Private Limited with respect to Plant 11.

On May 10, 2011, WNS Global entered into an agreement with Godrej & Boyce Manufacturing Company Ltd., or GBMC, pursuant to which GBMC granted a licence to WNS Global to occupy and use existing office premises with an aggregate area of 84,934 square feet in Mumbai, India, known as Plant 11, for a term of 60 months commencing on February 16, 2011. The monthly licence fees payable under this agreement are 1,359,000 (\$26,715 based on the exchange rate on March 31, 2012) with an escalation of 5% every 12 calendar months. The agreement will expire on February 15, 2016.

Leave and Licence Agreement dated May 10, 2011 between Godrej & Boyce Manufacturing Company Limited and WNS Global Services Private Limited with respect to Plant 10.

On May 10, 2011, WNS Global entered into an agreement with GBMC pursuant to which GBMC granted a licence to WNS Global to WNS Global to occupy and use existing office premises with an aggregate area of 84,429 square feet in Mumbai, India, known as Plant 10, for a term of 60 months commencing on February 16, 2011. The monthly licence fees payable under this agreement are 1,350,800 (\$26,554 based on the exchange rate on March 31, 2012) with an escalation of 5% every 12 calendar months. The agreement will expire on February 15, 2016.

Leave and Licence Agreement dated May 10, 2011 between Godrej & Boyce Manufacturing Company Limited and WNS Global Services Private Limited with respect to Plant 5.

On May 10, 2011, WNS Global entered into an agreement with GBMC pursuant to which GBMC granted a licence to WNS Global pertaining to the existing office premises with an aggregate area of 108,000 square feet in Mumbai, India, known as Plant 5, is for a term of 60 months commencing on February 16, 2011. The monthly licence fees payable under this agreement are 1,728,000 (\$33,969 based on the exchange rate on March 31, 2012) with an escalation of 5% every 12 calendar months. The agreement will expire on February 15, 2016.

Lease Deed dated January 25, 2006 between DLF Cyber City and WNS Global Services Private Limited.

On January 25, 2006, WNS Global entered into a lease deed with DLF Cyber City for the lease of two office spaces in Gurgaon, India, with an aggregate built up area of 51,244 square feet at a monthly rental of 30 per square feet. The lease commenced on April 1, 2006 for a term of 54 months from the commencement date with an option to renew for a further term of 54 months.

An addendum was subsequently signed to renew the agreements on December 7, 2010 for a term of 54 months commencing from October 1, 2010 at a monthly rental of 34.50 per square feet. The agreements will expire on March 31, 2015.

Lease Deed dated April 25, 2005 between DLF Cyber City and WNS Global Services Private Limited.

On April 25, 2005, WNS Global entered into a lease deed with DLF Cyber City for the lease of two office spaces in Gurgaon, India with an aggregate area of 38,576 square feet and 52,419 square feet, respectively, at a monthly rental of 30 per square feet. The said lease expired at the end of its term of 54 months. WNS Global extended the lease for a further period of 54 months at a monthly rental of 34.50 per square feet. This extension of the lease for the two office spaces with an aggregate area of 38,576 square feet and 52,419 square feet will expire on April 30, 2014 and May 31, 2014, respectively.

Lease Deed dated December 6, 2010 between DLF Assets Private Limited and WNS Global Services Private Limited.

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On December 6, 2010, WNS Global executed a lease deed for an aggregate area of 70,657 square feet at Chennai, India with DLF Assets Private Limited having a monthly rental of 2.8 million (\$55,042 based on the exchange rate on March 31, 2012) for the first three years and a 15% escalation in the monthly rentals from the beginning of the fourth year of the lease. The total lease term is five years with a lock-in period of 36 months. After the lock-in period has expired, WNS Global can terminate the agreement by giving three months prior notice in writing. The lease will expire on March 31, 2017.

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Table of Contents***Lease Deed dated January 28, 2011 between BCR Real Estate Fund and WNS BPO Services Costa Rica, S.A.***

On January 28, 2011, WNS BPO Services Costa Rica, S.A. entered into a lease deed with BCR Real Estate Fund for the office premises situated in San Jose, Costa Rica for a period of five years effective from May 1, 2011 for an aggregate area of 2,339.64 square meters. The monthly rental is \$37,434 and will be increased annually by 3% from the beginning of the third year of the lease. The lease will expire on April 30, 2016.

Lease Deed dated January 20, 2012 between Sri Divi Satya Mohan, Sri Attaluri Praveen, Sri Divi Satya Sayee Babu and WNS Global Services Private Limited

On January 20, 2012, WNS Global entered into a lease deed with Sri Divi Satya Mohan, Sri Attaluri Praveen and Sri Divi Satya Sayee Babu for the office premises situated in Vishakhapatnam, India for a period of five years commencing from March 5, 2012 for an aggregate area of 31,332.20 square feet. The monthly rental is 24 per square foot which will be raised by 5% every 12 months following the commencement date. The lease will expire on March 4, 2017, but may further be extended for two consecutive terms of five years each, on mutually agreed terms.

Employment Agreement dated February 1, 2010 between Keshav R. Murugesh and WNS Global Services Private Limited.

Please see Part I Item 6. Directors, Senior Management and Employees B. Compensation Employment Agreement of our Executive Director.

D. Exchange Controls

There are currently no Jersey or United Kingdom foreign exchange control restrictions on the payment of dividends on our ordinary shares or on the conduct of our operations. Jersey is in a monetary union with the United Kingdom. There are currently no limitations under Jersey law or our Articles of Association prohibiting persons who are not residents or nationals of United Kingdom from freely holding, voting or transferring our ordinary shares in the same manner as United Kingdom residents or nationals.

Exchange Rates

Substantially all of our revenue is denominated in pound sterling or US dollars and large part of our expenses, other than payments to repair centers, are incurred and paid in Indian rupees. We report our financial results in US dollars. The exchange rates among the Indian rupee, the pound sterling and the US dollar have changed substantially in recent years and may fluctuate substantially in the future. The results of our operations are affected as the Indian rupee and the pound sterling appreciate or depreciate against the US dollar and, as a result, any such appreciation or depreciation will likely affect the market price of our ADSs in the US.

The following table sets forth, for the periods indicated, information concerning the exchange rates between Indian rupees and US dollars based on the spot rate released by the Federal Reserve Board:

Fiscal year:	Period End ⁽¹⁾	Average ⁽²⁾	High	Low
2008	40.02	40.13	43.05	38.48
2009	50.98	45.84	51.96	39.73
2010	44.95	47.39	50.48	44.94
2011	44.54	45.49	47.49	43.90
2012	50.89	47.81	53.71	44.00
2013 (till April 20, 2012)	52.02	51.37	52.07	50.64

Notes:

- (1) The spot rate at each period end and the average rate for each period may differ from the exchange rates used in the preparation of financial statements included elsewhere in this annual report.
- (2) Represents the average of the daily exchange rates during the period.

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The following table sets forth, for the periods indicated, information concerning the exchange rates between Indian rupees and US dollars based on the spot rate released by the Federal Reserve Board:

Month:	High	Low
October 2011	49.86	48.63
November 2011	52.48	48.94
December 2011	53.71	50.50
January 2012	53.11	49.39
February 2012	49.48	48.65
March 2012	51.38	49.14
April 2012 (till April 20, 2012)	52.07	50.64

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The following table sets forth, for the periods indicated, information concerning the exchange rates between the pound sterling and US dollars based on the spot rate released by the Federal Reserve Board:

Fiscal year:	Period End⁽¹⁾	Average⁽²⁾	High	Low
2008	£ 0.50	£ 0.50	£ 0.52	£ 0.47
2009	0.70	0.58	0.73	0.50
2010	0.66	0.63	0.69	0.59
2011	0.62	0.64	0.70	0.61
2012	0.63	0.63	0.65	0.60
2013 (till April 20, 2012)	0.62	0.63	0.63	0.62

Notes:

- (1) The spot rate at each period end and the average rate for each period may differ from the exchange rates used in the preparation of financial statements included elsewhere in this annual report.
- (2) Represents the average of the daily exchange rates during the period.

The following table sets forth, for the periods indicated, information concerning the exchange rates between the pound sterling and US dollars based on the spot rate released by the Federal Reserve Board:

Month:	High	Low
October 2011	£ 0.65	£ 0.62
November 2011	0.65	0.62
December 2011	0.65	0.64
January 2012	0.65	0.63
February 2012	0.64	0.63
March 2012	0.64	0.63
April 2012 (till April 20, 2012)	0.63	0.62

E. Taxation**Jersey Tax Consequences****General**

The following summary of the anticipated tax treatment in Jersey in relation to the payments on the ordinary shares is based on the taxation law in force at the date of this annual report, and does not constitute legal or tax advice and investors should be aware that the relevant fiscal rules and practice and their interpretation may change. We encourage you to consult your own professional advisors on the implications of subscribing for, buying, holding, selling, redeeming or disposing of ordinary shares (or ADSs) and the receipt of interest and distributions, whether or not on a winding-up, with respect to the ordinary shares (or ADSs) under the laws of the jurisdictions in which they may be taxed. Under the Income Tax (Jersey) Law 1961, as amended, or the Jersey Income Tax Law: (i) we are regarded as tax resident in Jersey but, being neither a financial services company nor a specified utility company under the Jersey Income Tax Law at the date hereof, we will not be liable to pay Jersey income tax, (ii) we will continue to be able to pay dividends on our ordinary shares without any withholding or deduction for or on account of Jersey tax, and (iii) holders of our ordinary shares (other than Jersey residents) will not be subject to any Jersey tax in respect of the holding, sale or other disposition of their ordinary shares.

On May 6, 2008, Jersey introduced a 3% general sales tax on goods and services which was increased to 5% with effect from June 1, 2011. We have the benefit of exemption or end user relief from this charge as we have obtained international services entity status (for which an annual administrative fee of £200 is payable).

Currently, there is no double tax treaty or similar convention between the US and Jersey.

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As part of an agreement reached in connection with the EU Savings Tax Directive income in the form of interest payments, and in line with steps taken by other relevant third countries, with effect from July 1, 2005 a retention tax system was introduced in respect of payments of interest, or other similar income, made to an individual beneficial owner resident in an EU Member State by a paying agent established in Jersey (the terms beneficial owner and paying agent are defined in the EU Savings Tax Directive). The retention tax system applies for a transitional period prior to the implementation of a system of automatic communication to EU Member States of information regarding such payments. The transitional period will only end after all EU Member States apply automatic exchange of information and EU Member States unanimously agree that the US has committed to exchange of information upon request. During this transitional period, such an individual beneficial owner resident in an EU Member State is entitled to request a paying agent not to retain tax from such payments but instead to apply a system by which the details of such payments are communicated to the tax authorities of the EU Member State in which the beneficial owner is resident.

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The retention tax system and disclosure arrangements are implemented by means of bilateral agreements with each of the EU Member States, the Taxation (Agreements with European Union Member States) (Jersey) Regulations 2005 and Guidance Notes issued by the Policy & Resources Committee of the States of Jersey. Based on these provisions and the current practice of the Jersey tax authorities, dividend distributions to shareholders and income realized by shareholders in a Jersey company upon the sale, refund or redemption of shares do not constitute interest payments for the purposes of the retention tax system and therefore neither a Jersey company nor any paying agent appointed by it in Jersey is obliged to levy retention tax in Jersey under these provisions in respect thereof. However, the retention tax system could apply in the event that an individual resident in an EU Member State, otherwise receives an interest payment in respect of a debt claim (if any) owed by a company to the individual.

Taxation of Dividends

Under existing Jersey law, provided that the ordinary shares and ADSs are not held by, or for the account of, persons resident in Jersey for income tax purposes, payments in respect of the ordinary shares and ADSs, whether by dividend or other distribution, will not be subject to any taxation in Jersey and no withholding in respect of taxation will be required on those payments to any holder of our ordinary shares or ADSs.

Holders of our ordinary shares or ADSs who are resident in Jersey for Jersey income tax purposes suffer deduction of tax on payment of dividends by us at the standard rate of Jersey income tax for the time being in force. Any individual investor who is resident in Jersey who, directly or indirectly, owns more than 2% of our ordinary shares or ADSs may be subject to the deemed dividend or full attribution provisions which seek to tax shareholders or ADS holders of securities on all or a proportion of our profits in proportion to their shareholdings.

Taxation of Capital Gains and Estate and Gift Tax

Under current Jersey law, there are no death or estate duties, capital gains, gift, wealth, inheritance or capital transfer taxes. No stamp duty is levied in Jersey on the issue or transfer of ordinary shares or ADSs. In the event of the death of an individual sole shareholder, duty at rates of up to 0.75% of the value of the ordinary shares or ADSs held may be payable on the registration of Jersey probate or letters of administration which may be required in order to transfer or otherwise deal with ordinary shares or ADSs held by the deceased individual sole shareholder.

The European Union's evaluation of Jersey's business tax regime

In late 2009 it was reported that concerns had been raised by some members of the ECOFIN Code of Conduct group that the current tax regime for companies in Jersey, known as "zero-ten", could be interpreted as being outside the spirit of the EU Code of Conduct for Business Taxation. In light of this, the Treasury and Resources Minister of the States of Jersey announced a review of business taxation in Jersey in his budget speech on December 8, 2009. In a review undertaken on January 31, 2011 by the EU Council's High Level Working Party on Tax issues, or HLWP, it was concluded that the personal tax provisions known as the "deemed distribution" and "attribution" rules were in fact a business tax measure, and were therefore within the scope of the Code of Conduct. On February 15, 2011, and in the light of the HLWP's conclusions, the States of Jersey announced that Jersey's business taxation regime known as "zero-ten" will remain in place but that, as part of its good neighbor policy, Jersey will abolish the deemed distribution and attribution rules with effect from January 1, 2012. Representatives from Jersey met with the ECOFIN Code of Conduct group on September 13, 2011 to discuss Jersey's position on the harmful elements of the zero-ten regime. Jersey explained to the ECOFIN Code of Conduct group that legislation had been passed to abolish the deemed distribution and attribution rules with effect from January 1, 2012, thus removing the harmful elements of the zero-ten regime. The ECOFIN Code of Conduct group accepted Jersey's position and will now recommend to ECOFIN that Jersey has rolled back on the harmful tax measures and what now remains (the zero-ten tax rates) is compliant with the Code of Conduct. In December 2011, ECOFIN formally ratified the ECOFIN Code of Conduct group's recommendations. Accordingly, the way in which either we or our shareholders not resident in Jersey are taxed in Jersey will not change. We cannot assure you that in the future, the current taxation regime applicable in Jersey will not be amended and render us liable for taxation.

US Federal Income Taxation

The following discussion describes certain material US federal income tax consequences to US Holders (defined below) under present law of an investment in the ADSs or ordinary shares. This summary applies only to US Holders that hold the ADSs or ordinary shares as capital assets and that have the US dollar as their functional currency. This discussion is based on the tax laws of the US as in effect on the date of this annual report and on US Treasury regulations in effect or, in some cases, proposed, as of the date of this annual report, as well as judicial and administrative interpretations thereof available on or before such date. All of the foregoing authorities are subject to change, which change could apply retroactively and could affect the tax consequences described below.

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The following discussion does not address the tax consequences to any particular investor or to persons in special tax situations, such as:

banks;

certain financial institutions;

insurance companies;

broker dealers;

traders that elect to mark-to-market;

tax-exempt entities;

persons liable for alternative minimum tax;

real estate investment trusts;

regulated investment companies;

US expatriates;

persons holding ADSs or ordinary shares as part of a straddle, hedging, conversion or integrated transaction;

partnerships or pass-through entities, or persons holding ADSs or ordinary shares through such entities; or

persons that actually or constructively own 10% or more of our voting stock

US HOLDERS OF OUR ADSs OR ORDINARY SHARES ARE URGED TO CONSULT THEIR TAX ADVISORS ABOUT THE APPLICATION OF THE US FEDERAL TAX RULES TO THEIR PARTICULAR CIRCUMSTANCES AS WELL AS THE STATE AND LOCAL AND NON-US TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR ADSs OR ORDINARY SHARES.

The discussion below of the US federal income tax consequences to US Holders will apply to you if you are a beneficial owner of ADSs or ordinary shares and you are, for US federal income tax purposes:

a citizen or resident of the US;

a corporation (or other entity taxable as a corporation) organized under the laws of the United States, any State thereof or the District of Columbia;

an estate whose income is subject to US federal income taxation regardless of its source; or

a trust that (1) is subject to the primary supervision of a court within the United States and the control of one or more US persons for all substantial decisions of the trust or (2) has a valid election in effect under applicable US Treasury regulations to be treated as a US person. If you are a partner in a partnership or other entity taxable as a partnership that holds ADSs or ordinary shares, your tax treatment will depend on your status and the activities of the partnership.

The discussion below assumes that the representations contained in the deposit agreement are true and that the obligations in the deposit agreement and any related agreement will be complied with in accordance with their terms. If you hold ADSs, you should be treated as the holder of the underlying ordinary shares represented by those ADSs for US federal income tax purposes. The US Treasury has expressed concerns that intermediaries in the chain of ownership between the holder of an ADS and the issuer of the security underlying the ADS may be taking actions that are inconsistent with the beneficial ownership of the underlying security (for example, pre-releasing ADSs to persons that do not have the beneficial ownership of the securities underlying the ADSs). Accordingly, the creditability of any foreign taxes paid and the availability of the reduced tax rate for any dividends received by certain non-corporate US Holders, including individuals US Holders (as discussed below), could be affected by actions taken by intermediaries in the chain of ownership between the holders of ADSs and us if as a result of such actions the holders of ADSs are not properly treated as beneficial owners of the underlying ordinary shares.

Table of Contents***Distributions***

Subject to the rules applicable to PFICs, discussed below, the gross amount of distributions made by us with respect to the ADSs or ordinary shares (including the amount of any taxes withheld therefrom) will be includable in your gross income in the year received (or deemed received) as dividend income to the extent that such distributions are paid out of our current or accumulated earnings and profits as determined under US federal income tax principles. To the extent the amount of the distribution exceeds our current and accumulated earnings and profits (as determined under US federal income tax principles), such excess amount will be treated first as a tax-free return of your tax basis in your ADSs or ordinary shares, and then, to the extent such excess amount exceeds your tax basis in your ADSs or ordinary shares, as capital gain. We do not intend to calculate our earnings and profits under US federal income tax principles. Therefore, a US Holder should expect that a distribution will be treated as a dividend. No dividends received deduction will be allowed for US federal income tax purposes with respect to dividends paid by us.

With respect to non-corporate US Holders, including individual US Holders, for taxable years beginning before January 1, 2013, under current law dividends may be qualified dividend income that is taxed at the lower applicable capital gains rate provided that (1) we are not a PFIC (as discussed below) for either our taxable year in which the dividend is paid or the preceding taxable year, (2) certain holding period requirements are met, and (3) the ADSs or ordinary shares, as applicable, are readily tradable on an established securities market in the US. Under US Internal Revenue Service, or IRS, authority, common shares, or ADSs representing such shares, are considered to be readily tradable on an established securities market in the US if they are listed on the NYSE, as our ADSs are. However, based on existing guidance, it is not entirely clear whether any dividends you receive with respect to the ordinary shares will be taxed as qualified dividend income, because the ordinary shares are not themselves listed on US exchange. You should consult your tax advisors regarding the availability of the lower rate for dividends paid with respect to ADSs or ordinary shares, including the effects of any change in law after the date of this annual report.

The amount of any distribution paid in a current other than the US dollar (a foreign currency) will be equal to the US dollar value of such foreign currency on the date such distribution is received by the depository, in the case of ADSs, or by you, in the case of ordinary shares, regardless of whether the payment is in fact converted into US dollars at that time. Gain or loss, if any, realized on the sale or other disposition of such foreign currency will be US source ordinary income or loss, subject to certain exceptions and limitations. If such foreign currency is converted into US dollars on the date of receipt, a US Holder generally should not be required to recognize foreign currency gain or loss in respect of the dividend. The amount of any distribution of property other than cash will be the fair market value of such property on the date of distribution.

Subject to certain exceptions, for foreign tax credit purposes, dividends distributed by us with respect to ADSs or ordinary shares generally will constitute foreign source income. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, dividends distributed by us with respect to the ADSs or ordinary shares will generally constitute passive category income. To the extent the dividends would be taxable as qualified dividend income with respect to non-corporate US Holders, including individual US Holders (subject to the discussion above), the amount of the dividends taken into account for purposes of calculating the foreign tax credit limitation will in general be limited to the gross amount of the dividend, multiplied by the reduced tax rate applicable to qualified dividend income and divided by the highest tax rate normally applicable to dividends. You are urged to consult your tax advisors regarding the foreign tax credit limitation and source of income rules with respect to distributions on the ADSs or ordinary shares.

Sale or Other Disposition of ADSs or Ordinary Shares

Subject to the PFIC rules discussed below, upon a sale or other taxable disposition of ADSs or ordinary shares, you generally will recognize a capital gain or loss for US federal income tax purposes in an amount equal to the difference between the US dollar value of the amount realized and your tax basis in such ADSs or ordinary shares. If the consideration you receive for the ADSs or ordinary shares is not paid in US dollars, the amount realized will be the US dollar value of the payment received determined by reference to the spot rate of exchange on the date of the sale or other disposition. However, if the ADSs or ordinary shares, as applicable, are treated as traded on an established securities market and you are either a cash basis taxpayer or an accrual basis taxpayer that has made a special election (which must be applied consistently from year to year and cannot be changed without the consent of the IRS), you will determine the US dollar value of the amount realized in a foreign currency by translating the amount received at the spot rate of exchange on the settlement date of the sale. Your initial tax basis in your ADSs or ordinary shares will equal the US dollar value of the cost of such ADSs or ordinary shares, as applicable. If you use foreign currency to purchase ADSs or ordinary shares, the cost of such ADSs or ordinary shares will be the US dollar value of the foreign currency purchase price determined by reference to the spot rate of exchange on the date of purchase. However, if the ADSs or ordinary shares, as applicable, are treated as traded on an established securities market and you are either a cash basis taxpayer or an accrual basis taxpayer who has made the special election described above, you will determine the US dollar value of the cost of such ADSs or ordinary shares, as applicable, by translating the amount paid at the spot rate of exchange on the settlement date of the purchase.

Subject to certain exceptions and limitations, capital gain or loss on a sale or other taxable disposition of ADSs or ordinary shares generally will be US source gain or loss and treated as long-term capital gain or loss, if your holding period in the ADSs or ordinary shares exceeds one year.

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Subject to the PFIC rules discussed below and other limitations, if you are a non-corporate US Holder, including an individual US Holder, any long-term capital gain will be subject to US federal income tax at preferential rates. The deductibility of capital losses is subject to significant limitations.

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Passive Foreign Investment Company

A non-US corporation is considered a PFIC for any taxable year if either:

at least 75% of its gross income is passive income, or

at least 50% of its assets (determined on the basis of a quarterly average) is attributable to assets that produce or are held for the production of passive income.

We will be treated as owning our proportionate share of the assets and earning our proportionate share of the income of any other corporation in which we own, directly or indirectly, 25% or more (by value) of the stock.

Based on our financial statements and relevant market and shareholder data, we believe that we should not be treated as a PFIC with respect to our most recently closed taxable year. If we were treated as a PFIC for any year during which you held ADSs or ordinary shares, we will continue to be treated as a PFIC for all succeeding years during which you hold ADS or ordinary shares, absent a special election as discussed below. The application of the PFIC rules is subject to uncertainty in several respects, and we cannot assure you we will not be a PFIC for any taxable year. Furthermore, because PFIC status is a factual determination based on actual results for the entire taxable year, our US counsel expresses no opinion with respect to our PFIC status and expresses no opinion with respect to our expectations contained in this paragraph.

If we are a PFIC for any taxable year during which you hold ADSs or ordinary shares, you will be subject to special tax rules with respect to any excess distribution you receive and any gain you recognize from a sale or other disposition (including a pledge) of the ADSs or ordinary shares, unless you make a mark-to-market or qualified electing fund, or QEF, election (if available) as discussed below. Distributions you receive in a taxable year that are greater than 125% of the average annual distributions you received during the shorter of the three preceding taxable years or your holding period for the ADSs or ordinary shares will be treated as an excess distribution.

Under these special tax rules:

the excess distribution or gain will be allocated ratably over your holding period for the ADSs or ordinary shares,

the amount allocated to the current taxable year, and any taxable year prior to the first taxable year in which we became a PFIC, will be treated as ordinary income, and

the amount allocated to each other year will be subject to tax at the highest tax rate in effect for that year and the interest charge normally applicable to underpayments of tax will be imposed on the resulting tax attributable to each such year.

The tax liability for amounts allocated to years prior to the year of disposition or excess distribution cannot be offset by any net operating losses for such years, and gains (but not losses) realized on the sale of the ADSs or ordinary shares cannot be treated as capital, even if you hold the ADSs or ordinary shares as capital assets.

In addition, if we are a PFIC, to the extent any of our subsidiaries are also PFICs, you may be deemed to own shares in such subsidiaries that are directly or indirectly owned by us in that proportion which the value of the shares you own so bears to the value of all of our shares, and may be subject to the adverse tax consequences described above with respect to the shares of such subsidiaries you would be deemed to own.

If we are a PFIC, you may avoid taxation under the rules described above by making a QEF election to include your share of our income on a current basis in any taxable year that we are a PFIC, provided we agree to furnish you annually with certain tax information. However, we do not presently intend to prepare or provide such information.

Alternatively, if the ADSs are marketable stock (as defined below), you can avoid taxation under the unfavorable PFIC rules described above in respect of the ADSs by making a mark-to-market election in respect of the ADSs by the due date (determined with regard to extensions) for your

tax return in respect of your first taxable year during which we are treated as a PFIC. If you make a mark-to-market election for the ADSs or ordinary shares, you will include in income in each of your taxable years during which we are a PFIC an amount equal to the excess, if any, of the fair market value of the ADSs or ordinary shares as of the close of your taxable year over your adjusted basis in such ADSs or ordinary shares. You are allowed a deduction for the excess, if any, of the adjusted basis of the ADSs or ordinary shares over their fair market value as of the close of the taxable year. However, deductions are allowable only to the extent of any net mark-to-market gains on the ADSs or ordinary shares included in your income for prior taxable years. Amounts included in your income under a mark-to-market election, as well as gain on the actual sale or other disposition of the ADSs or ordinary shares, are treated as ordinary income. Ordinary loss treatment also applies to the deductible portion of any mark-to-market loss on the ADSs or ordinary shares, as well as to any loss realized on the actual sale or disposition of the ADSs or ordinary shares, to the extent that the amount of such loss does not exceed the net mark-to-market gains previously included for such ADSs or ordinary shares. Your basis in the ADSs or ordinary shares will be adjusted to reflect any such income or loss amounts. Further, distributions would be taxed as described above under Distributions, except the preferential dividend rates with respect to qualified dividend income would not apply. You will not be required to recognize mark-to-market gain or loss in respect of your taxable years during which we were not at any time a PFIC.

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The mark-to-market election is available only for marketable stock, which is stock that is traded in other than *de minimis* quantities on at least 15 days during each calendar quarter on a qualified exchange, including the NYSE, or other market, as defined in the applicable US Treasury regulations. Our ADSs are listed on the NYSE and consequently, if you hold ADSs the mark-to-market election would be available to you, provided the ADSs are traded in sufficient quantities. US Holders of ADSs or ordinary shares should consult their tax advisors as to whether the ADSs or ordinary shares would qualify for the mark-to-market election.

You also generally can make a deemed sale election in respect of any time we cease being a PFIC, in which case you will be deemed to have sold, at fair market value, your ADSs or ordinary shares (and shares of our PFIC subsidiaries, if any, that you are deemed to own) on the last day of our taxable year immediately prior to our taxable year in respect of which we are not a PFIC. If you make this deemed sale election, you generally would be subject to the unfavorable PFIC rules described above in respect of any gain realized on such deemed sale, but as long as we are not a PFIC for future years, you would not be subject to the PFIC rules for those future years.

If you hold ADSs or ordinary shares in any year in which we or any of our subsidiaries are a PFIC, you would be required to file an annual information report with the US Internal Revenue Service, for each entity that is a PFIC, regarding distributions received on the ADSs or ordinary shares and any gain realized on the disposition of the ADSs or ordinary shares. You should consult your tax advisors regarding the potential application of the PFIC rules to your ownership of ADSs or ordinary shares and the elections discussed above.

US Information Reporting and Backup Withholding

Dividend payments with respect to ADSs or ordinary shares and proceeds from the sale, exchange or redemption of ADSs or ordinary shares may be subject to information reporting to the IRS and possible US backup withholding. Backup withholding will not apply, however, to a US Holder who furnishes a correct taxpayer identification number and makes any other required certification or who is otherwise exempt from backup withholding and establishes such exempt status. US Holders should consult their tax advisors regarding the application of the US information reporting and backup withholding rules.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against your US federal income tax liability, and you may obtain a refund of any excess amounts withheld under the backup withholding rules by filing the appropriate claim for refund with the IRS and furnishing any required information.

Newly enacted legislation requires certain US Holders who are individuals, estates or trusts to pay a 3.8% tax on, among other things, dividends and capital gains from the sale or other disposition of ADSs or ordinary shares for taxable years beginning after December 31, 2012. In addition, for taxable years beginning after March 18, 2010, new legislation requires certain US Holders who are individuals to report information relating to an interest in our ADSs or ordinary shares, subject to certain exceptions. US Holders should consult their tax advisers regarding the effect, if any, of new US federal income tax legislation on their ownership and disposition of ADS or ordinary shares.

Additional Reporting Requirements

US individuals that own specified foreign financial assets with an aggregate value in excess of US\$50,000 are generally required to file an information report with respect to such assets with their tax returns. Specified foreign financial assets include any financial accounts maintained by foreign financial institutions, as well as any of the following, but only if they are not held in accounts maintained by financial institutions: (i) stocks and securities issued by non-US persons, (ii) financial instruments and contracts held for investment that have non-US issuers or counterparties, and (iii) interests in foreign entities. Our ADSs or ordinary shares may be subject to these rules. US Holders that are individuals should consult their tax advisers regarding the application of this requirement to their ownership of our shares.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

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Publicly filed documents concerning our company which are referred to in this annual report may be inspected and copied at the public reference facilities maintained by the Commission at 100 F Street, N.E., Washington, D.C. 20549. Copies of these materials can also be obtained from the Public Reference Room at the Commission's principal office, 100 F Street, N.E., Washington D.C. 20549, after payment of fees at prescribed rates.

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The Commission maintains a website at www.sec.gov that contains reports, proxy and information statements and other information regarding registrants that make electronic filings through its Electronic Data Gathering, Analysis, and Retrieval, or EDGAR, system. We have made all our filings with the Commission using the EDGAR system.

I. Subsidiary Information

For more information on our subsidiaries, please see Part I Item 4. Information on the Company C. Organizational Structure.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

A. General

Market risk is attributable to all market sensitive financial instruments including foreign currency receivables and payables. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments.

Our exposure to market risk is primarily a function of our revenue generating activities and any future borrowings in foreign currency. The objective of market risk management is to avoid excessive exposure of our earnings to loss. Most of our exposure to market risk arises from our revenue and expenses that are denominated in different currencies.

The following risk management discussion and the estimated amounts generated from analytical techniques are forward-looking statements of market risk assuming certain market conditions occur. Our actual results in the future may differ materially from these projected results due to actual developments in the global financial markets.

B. Risk Management Procedures

We manage market risk through our treasury operations. Our senior management and our Board of Directors approve our treasury operations objectives and policies. The activities of our treasury operations include management of cash resources, implementation of hedging strategies for foreign currency exposures, implementation of borrowing strategies and monitoring compliance with market risk limits and policies. Our foreign exchange committee, comprising the Chairman of the Board, our Group Chief Executive Officer and our Group Chief Financial Officer, is the approving authority for all our hedging transactions.

Components of Market Risk

Exchange Rate Risk

Our exposure to market risk arises principally from exchange rate risk. Although substantially all of our revenue less repair payments is denominated in pound sterling, US dollars and Euros, approximately 53.7% of our expenses (net of payments to repair centers made as part of our WNS Auto Claims BPO segment) in fiscal 2012 were incurred and paid in Indian rupees. The exchange rates among the Indian rupee, the pound sterling and the US dollar have changed substantially in recent years and may fluctuate substantially in the future. We hedge a portion of our foreign currency exposures. See Part I Item 5. Operating and Financial Review Prospects Foreign Exchange Exchange Rates.

Our exchange rate risk primarily arises from our foreign currency-denominated receivables. Based upon our level of operations in fiscal 2012, a sensitivity analysis shows that a 10.0% appreciation in the pound sterling against the US dollar would have increased revenue by approximately \$36.2 million and increased revenue less repair payments by approximately \$28.3 million in fiscal 2012. Similarly, a 10.0% appreciation or depreciation in the Indian rupee against the US dollar would have increased or decreased our expenses incurred and paid in Indian rupee in fiscal 2012 by approximately \$8.8 million.

To protect against exchange gains (losses) on forecasted revenue/inter-company revenue, we have instituted a foreign currency cash flow hedging program. Our operating entities hedge a part of their forecast revenue/inter-company revenue denominated in foreign currencies with forward contracts and options.

Table of Contents**Interest Rate Risk**

Our exposure to interest rate risk arises principally from our borrowings which have a floating rate of interest, a portion of which is linked to the US dollar LIBOR and the remainder is linked to the Bank of England base rate. We manage this risk by maintaining an appropriate mix between fixed and floating rate borrowings and through the use of interest rate swap contracts. The costs of floating rate borrowings may be affected by the fluctuations in the interest rates. In connection with the term loan facility entered into in 2008, which we refinanced in 2010, we entered into interest rate swap agreements with banks in fiscal 2009. These swap agreements effectively converted the term loan from a variable US dollar LIBOR interest rate to a fixed rate, thereby managing our exposure to changes in market interest rates under the term loan. The outstanding swap agreements as at March 31, 2012 aggregated \$24.0 million. Based upon our level of operations in fiscal 2012, if interest rates were to increase or decrease by 1.0%, the impact on annual interest expense on our floating rate borrowing would be approximately \$0.2 million.

We monitor our positions and do not anticipate non-performance by the counterparties. We intend to selectively use interest rate swaps, options and other derivative instruments to manage our exposure to interest rate movements. These exposures are reviewed by appropriate levels of management on a periodic basis. We do not enter into hedging agreements for speculative purposes.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES**D. American Depositary Shares**

Our ADR facility is maintained with Deutsche Bank Trust Company Americas, or the Depositary, pursuant to a Deposit Agreement, dated as of July 18, 2006, among us, our Depositary and the holders and beneficial owners of ADSs. We use the term "holder" in this discussion to refer to the person in whose name an ADR is registered on the books of the Depositary.

In accordance with the Deposit Agreement, the Depositary may charge fees up to the amounts described below:

Type of Service	Fees
1. Issuance of ADSs, including upon the deposit of ordinary shares or to any person to whom an ADS distribution is made pursuant to share dividends or other free distributions of shares, bonus distributions, share splits or other distributions (except where converted to cash)	\$5.00 per 100 ADSs (or any portion thereof)
2. Surrender of ADSs for cancellation and withdrawal of ordinary shares underlying such ADSs (including cash distributions made pursuant to a cancellation or withdrawal)	\$5.00 per 100 ADSs (or any portion thereof)
3. Distribution of cash proceeds, including cash dividends or sale of rights and other entitlements, not made pursuant to a cancellation or withdrawal)	\$2.00 per 100 ADSs (or any portion thereof)
4. Issuance of ADSs upon the exercise of rights	\$5.00 per 100 ADSs (or any portion thereof)
5. Operations and maintenance costs in administering the ADSs (provided that the total fees assessed under this item, combined with the total fees assessed under item 3 above, should not exceed \$0.02 per ADS in any calendar year)	\$0.02 per ADS per calendar year

In addition, holders or beneficial owners of our ADS, persons depositing ordinary shares for deposit and persons surrendering ADSs for cancellation and withdrawal of deposited securities will be required to pay the following charges:

taxes (including applicable interest and penalties) and other governmental charges;

registration fees for the registration of ordinary shares or other deposited securities with applicable registrar and applicable to transfers of ordinary shares or other deposited securities in connection with the deposit or withdrawal of ordinary shares or other deposited securities;

certain cable, telex, facsimile and electronic transmission and delivery expenses;

expenses and charges incurred by the Depositary in the conversion of foreign currency into US dollars;

fees and expenses incurred by the Depositary in connection with compliance with exchange control regulations and other regulatory requirements applicable to ordinary shares, deposited securities, ADSs and ADRs;

fees and expenses incurred by the Depositary in connection with the delivery of deposited securities; and

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any additional fees, charges, costs or expenses that may be incurred by the Depositary from time to time. In the case of cash distributions, the applicable fees, charges, expenses and taxes will be deducted from the cash being distributed. In the case of distributions other than cash, such as share dividends, the distribution generally will be subject to appropriate adjustments for the deduction of the applicable fees, charges, expenses and taxes. In certain circumstances, the Depositary may dispose of all or a portion of such distribution and distribute the net proceeds of such sale to the holders of ADS, after deduction of applicable fees, charges, expenses and taxes.

If the Depositary determines that any distribution in property is subject to any tax or other governmental charge which the Depositary is obligated to withhold, the Depositary may withhold the amount required to be withheld and may dispose of all or a portion of such property in such amounts and in such manner as the Depositary deems necessary and appropriate to pay such taxes or charges and the Depositary will distribute the net proceeds of any such sale after deduction of such taxes or charges to the holders of ADSs entitled to the distribution.

During fiscal 2011, the Depositary has made a payment of \$5,500 to IPREO (Hemscott Holdings Limited) on behalf of our company in consideration for our access to Bigdough investor relations tool.

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PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

Not applicable.

ITEM 15. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As required by Rules 13a-15 and 15d-15 under the Exchange Act, management has evaluated, with the participation of our Group Chief Executive Officer and Group Chief Financial Officer, the effectiveness of our disclosure controls and procedures as of the end of the period covered by this annual report. Disclosure controls and procedures refer to controls and other procedures designed to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the rules and forms of the Commission. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in our reports that we file or submit under the Exchange Act is accumulated and communicated to management, including our Group Chief Executive Officer and Group Chief Financial Officer, as appropriate to allow timely decisions regarding our required disclosure.

Based on the foregoing, our management, including our Group Chief Executive Officer and Group Chief Financial Officer, has concluded that, as at March 31, 2012, our disclosure controls and procedures were effective and provide a reasonable level of assurance.

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal controls over financial reporting.

Internal controls over financial reporting refers to a process designed by, or under the supervision of, our Group Chief Executive Officer and Group Chief Financial Officer and effected by our Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets;

provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and members of our Board of Directors; and

provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on our financial statements.

Management recognizes that there are inherent limitations in the effectiveness of any system of internal control over financial reporting, including the possibility of human error and the circumvention or override of internal control. Accordingly, even effective internal control over financial reporting can provide only reasonable assurance with respect to financial statement preparation, and may not prevent or detect all misstatements.

Management assessed the effectiveness of internal control over financial reporting as at March 31, 2012 based on the criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on the

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above criteria, and as a result of this assessment, management concluded that, as at March 31, 2012, our internal control over financial reporting was effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

The effectiveness of our internal control over financial reporting as at March 31, 2012 has been audited by Grant Thornton India LLP, an independent registered public accounting firm, as stated in their report set out below.

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Report of Independent Registered Public Accounting Firm

Board of Directors and Shareholders

WNS (Holdings) Limited

We have audited WNS (Holdings) Limited and Subsidiaries (the Company) internal control over financial reporting as of March 31, 2012, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, WNS (Holdings) Limited and subsidiaries maintained, in all material respects, effective internal control over financial reporting as of March 31, 2012, based on criteria established in *Internal Control - Integrated Framework* issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated statements of financial position of the Company as of March 31, 2012, March 31, 2011 and April 1, 2010, and the related consolidated statements of income, comprehensive income/(loss), changes in equity, and cash flows for each of the two years in the period ended March 31, 2012 and our report dated April 26, 2012 expressed an unqualified opinion on those financial statements.

/s/ Grant Thornton India LLP

Mumbai, India

April 26, 2012

Table of Contents**Changes in Internal Control over Financial Reporting**

Management has evaluated, with the participation of our Group Chief Executive Officer and Group Chief Financial Officer, whether any changes in our internal control over financial reporting that occurred during our last fiscal year have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. Based on the evaluation we conducted, management has concluded that no such changes have occurred.

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our Audit Committee members are Messrs. Albert Aboody (Chairman), Eric B. Herr, Richard O. Bernays and Sir Anthony A. Greener. Each of Messrs. Aboody, Herr, Bernays and Sir Anthony A. Greener is an independent director pursuant to the applicable rules of the Commission and the NYSE. See Part I Item 6. Directors, Senior Management and Employees A. Directors and Executive Officers for the experience and qualifications of the members of the Audit Committee. Our Board of Directors has determined that Messrs. Aboody and Herr each qualifies as an audit committee financial expert as defined in Item 16A of Form 20-F.

ITEM 16B. CODE OF ETHICS

We have adopted a written Code of Business Ethics and Conduct that is applicable to all of our directors, senior management and employees. We have posted the code on our website at www.wns.com. **Information contained in our website does not constitute a part of this annual report.** We will also make available a copy of the Code of Business Ethics and Conduct to any person, without charge, if a written request is made to our General Counsel at our principal executive offices at Gate 4, Godrej & Boyce Complex, Pirojshanagar, Vikhroli (W), Mumbai 400 079, India.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES**Principal Accountant Fees and Services**

Grant Thornton India LLP has served as our independent public accountant for the fiscal year ended March 31, 2012. Prior to fiscal 2011, Ernst & Young served as our independent public accountant for fiscal year ended March 31, 2010 and the subsequent interim reporting period through August 31, 2010. The following table shows the fees we paid or accrued for the audit and other services provided by Grant Thornton India LLP for the years ended March 31, 2012 and March 31, 2011, and the fees we paid or accrued for the audit and other services provided by our former independent auditor, Ernst & Young for the interim reporting period from March 31, 2010 through August 31, 2010.

	2012	Fiscal 2011 ⁽¹⁾	2011 ⁽²⁾
Audit fees	\$ 374,000	\$ 499,000	\$ 200,000
Audit-related fees	261,700	28,250	101,000
Tax fees	6,000	6,000	

Notes:

(1) Fees of Grant Thornton India LLP.

(2) Fees of Ernst & Young.

Audit fees. This category consists of fees billed for the audit of financial statements, quarterly review of financial statements and other audit services, which are normally provided by the independent auditors in connection with statutory and accounting matters that arose during, or as a result of, the audit or the review of interim financial statements and include the group audit; statutory audits required by non-US jurisdictions; comfort letters and consents; attest services; and assistance with and review of documents filed with the Commission.

Audit-related fees. This category consists of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements or that are traditionally performed by the external auditor, and include service tax certifications, advisory services relating to financial reporting in interactive data format (XBRL) and SAS 70 audits.

Tax fees. This category includes fees billed for tax compliance services, including tax consultations, such as assistance and representation in connection with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from taxing authorities and tax planning services.

Audit Committee Pre-approval Process

Our Audit Committee reviews and pre-approves the scope and the cost of all audit and permissible non-audit services performed by our independent auditor. All of the services provided by Grant Thornton India LLP during the last fiscal year have been pre-approved by our Audit Committee.

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ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

Neither we, nor any affiliated purchaser, made any purchase of our equity securities in fiscal 2012.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

We changed our auditor from Ernst & Young to Grant Thornton India LLP in August 2010. For more details, please see Part II Item 16F. Change in Registrant's Certifying Accountant in our annual report on Form 20-F for the year ended March 31, 2011.

ITEM 16G. CORPORATE GOVERNANCE

We have posted our Corporate Governance Guidelines on our website at www.wns.com.

Messrs. Eric B. Herr, Richard O. Bernays, Deepak S. Parekh, and Sir Anthony A. Greener are members of our Board of Directors and they serve on each of our Compensation Committee and Nominating and Corporate Governance Committee. Messrs. Albert Aboody, Eric B. Herr, Richard O. Bernays and Sir Anthony A. Greener serve on our Audit Committee. Each of Messrs. Aboody, Herr, Bernays and Sir Anthony A. Greener satisfies the independence requirements of the NYSE listing standards and the independence requirements of Rule 10A-3 of the Exchange Act. Effective June 1, 2010 (when Mr. Parekh entered into a consulting arrangement with another party), our Board of Directors decided that our Nominating and Corporate Governance Committee and our Compensation Committee are not fully independent.

As our ADSs are listed on the NYSE, we are subject to the NYSE listing standards. We believe that our corporate governance practices do not differ in any significant way from those required to be followed by issuers incorporated in the United States under the NYSE listing standards, except that:

The NYSE listing standards provide that US companies must have a nominating/corporate governance committee and a compensation committee each composed entirely of independent directors. Our Nominating and Corporate Governance Committee and our Compensation Committee are not composed entirely of independent directors.

The Dodd-Frank Wall Street Reform and Consumer Protection Act generally provides shareholders of US public companies with the right to cast three types of votes: (i) an advisory vote to approve the compensation of the named executive officers, (ii) an advisory vote on the frequency with which shareholders should be entitled to cast votes on the company's executive compensation, and (iii) an advisory vote to approve certain payments made in connection with an acquisition, merger or other specified corporate transaction. We, as a foreign private issuer, are not subject to these requirements and we do not adopt any such voting practices.

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PART III

ITEM 17. FINANCIAL STATEMENTS

See Part III Item 18. Financial Statements for a list of our consolidated financial statements included elsewhere in this annual report.

ITEM 18. FINANCIAL STATEMENTS

The following statements are filed as part of this annual report, together with the report of the independent registered public accounting firm:

Report of Independent Registered Public Accounting Firm

Consolidated Statements of Financial Position as at March 31, 2012, 2011 and April 1, 2010

Consolidated Statements of Income for the years ended March 31, 2012 and 2011

Consolidated Statements of Comprehensive Income/(Loss) for the years ended March 31, 2012 and 2011

Consolidated Statements of Changes in Equity for the years ended March 31, 2012 and 2011

Consolidated Statements of Cash Flows for the years ended March 31, 2012 and 2011

Notes to Consolidated Financial Statements

ITEM 19. EXHIBITS

The following exhibits are filed as part of this annual report:

- 1.1 Memorandum of Association of WNS (Holdings) Limited, as amended incorporated by reference to Exhibit 3.1 of the Registration Statement on Form F-1 (File No. 333-135590) of WNS (Holdings) Limited, as filed with the Commission on July 3, 2006.
- 1.2 Articles of Association of WNS (Holdings) Limited, as amended incorporated by reference to Exhibit 3.2 of the Registration Statement on Form F-1 (File No. 333-135590) of WNS (Holdings) Limited, as filed with the Commission on July 3, 2006.
- 2.1 Form of Deposit Agreement among WNS (Holdings) Limited, Deutsche Bank Trust Company Americas, as Depositary, and the holders and beneficial owners of American Depositary Shares evidenced by American Depositary Receipts, or ADR, issued thereunder (including the Form of ADR) incorporated by reference to Exhibit 4.1 of the Registration Statement on Form F-1 (File No. 333-135590) of WNS (Holdings) Limited, as filed with the Commission on July 3, 2006.
- 2.2 Specimen Ordinary Share Certificate of WNS (Holdings) Limited incorporated by reference to Exhibit 4.4 of the Registration Statement on Form 8-A (File No. 001-32945) of WNS (Holdings) Limited, as filed with the Commission on July 14, 2006.
- 4.1 Lease Deed dated January 25, 2006 between DLF Cyber City and WNS Global Services Private Limited incorporated by reference to Exhibit 4.2 of the Annual Report on Form 20-F for fiscal 2007 (File No. 001-32945) of WNS (Holdings) Limited, as filed with the Commission on June 26, 2007.

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- 4.2 Lease Deed dated March 10, 2005 between DLF Cyber City and WNS Global Services Private Limited incorporated by reference to Exhibit 10.2 of the Registration Statement on Form F-1 (File No. 333-135590) of WNS (Holdings) Limited, as filed with the Commission on July 3, 2006.
- 4.3 Leave and Licence Agreement dated May 10, 2011 between Godrej & Boyce Manufacturing Company Limited and WNS Global Services Private Limited with respect to the lease of office premises with an aggregate area of 84,429 square feet at Plant 10.**

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- 4.4 Leave and Licence Agreement dated May 10, 2011 between Godrej & Boyce Manufacturing Company Limited and WNS Global Services Private Limited with respect to the lease of office premises with an aggregate area of 108,000 square feet at Plant 5.**
- 4.5 Leave and Licence Agreement dated May 10, 2011 between Godrej & Boyce Manufacturing Company Limited and WNS Global Services Private Limited with respect to the lease of office premises with an aggregate area of 84,934 square feet at Plant 11.**
- 4.6 Lease Deed dated December 6, 2010 between DLF Assets Private Limited and WNS Global Services Private Limited with respect to lease of office premises incorporated by reference to Exhibit 4.7 of the Annual Report on Form 20-F for fiscal 2011 (File No. 001-32945) of WNS (Holdings) Limited, as filed with the Commission on April 29, 2011.
- 4.7 Lease Deed dated January 28, 2011 between BCR Real Estate Fund and WNS BPO Services Costa Rica, S.A. with respect to lease premises incorporated by reference to Exhibit 4.8 of the Annual Report on Form 20-F for fiscal 2011 (File No. 001-32945) of WNS (Holdings) Limited, as filed with the Commission on April 29, 2011.
- 4.8 Lease Deed dated January 20, 2012 between Sri Divi Satya Mohan, Sri Attaluri Praveen, Sri Divi Satya Sayee Babu and WNS Global Services Private Limited with respect to lease of office premises.**
- 4.9 WNS (Holdings) Limited 2002 Stock Incentive Plan incorporated by reference to Exhibit 10.10 of the Registration Statement on Form F-1 (File No. 333-135590) of WNS (Holdings) Limited, as filed with the Commission on July 3, 2006.
- 4.10 Form of the Second Amended and Restated WNS (Holdings) Limited 2006 Incentive Award Plan incorporated by reference to Appendix A to WNS (Holdings) Limited's Proxy Statement which was furnished as Exhibit 99.3 of its Report on Form 6-K (File No. 001-32945), as furnished to the Commission on August 12, 2011.
- 4.11 Master Services Agreement, dated July 11, 2008, between Aviva Global Services (Management Services) Private Ltd. and WNS Capital Investment Limited incorporated by reference to Exhibit 4.16 of the Annual Report on Form 20-F for fiscal 2008 (File No. 001-32945) of WNS (Holdings) Limited, as filed with the Commission on August 1, 2008. #
- 4.12 Variation Agreement dated August 3, 2009 between Aviva Global Services (Management Services) Private Ltd. and WNS Capital Investment Limited incorporated by reference to Exhibit 4.13 of the Annual Report on Form 20-F for fiscal 2011 (File No. 001-32945) of WNS (Holdings) Limited, as filed with the Commission on April 29, 2011.
- 4.13 Novation and Agreement of Amendment dated March 24, 2011 between Aviva Global Services (Management Services) Private Ltd., WNS Capital Investment Limited and WNS Global Services Private Limited to assign the Master Services Agreement, dated July 11, 2008, between Aviva Global Services (Management Services) Private Ltd. and WNS Capital Investment Limited which was incorporated by reference to Exhibit 4.16 of the Annual Report on Form 20-F for fiscal 2008 (File No. 001-32945) of WNS (Holdings) Limited, as filed with the Commission on August 1, 2008. incorporated by reference to Exhibit 4.14 of the Annual Report on Form 20-F for fiscal 2011 (File No. 001-32945) of WNS (Holdings) Limited, as filed with the Commission on April 29, 2011.
- 4.14 Facility Agreement dated July 2, 2010 between WNS (Mauritius) Limited, as borrower, WNS (Holdings) Limited and subsidiary guarantors named there in, the Hongkong and Shanghai Banking Corporation Limited, DBS Bank Ltd and BNP Paribas, as lead arrangers, and others incorporated by reference to Exhibit 99.1 of the Report on Form 6-K (File No. 001-32945) of WNS (Holdings) Limited, as furnished to the Commission on July 30, 2010.
- 8.1 List of subsidiaries of WNS (Holdings) Limited.**
- 12.1 Certification by the Chief Executive Officer to 17 CFR 240, 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. **
- 12.2 Certification by the Chief Financial Officer to 17 CFR 240, 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. **
- 13.1 Certification by the Chief Executive Officer to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. **
- 13.2 Certification by the Chief Financial Officer to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. **

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15.1 Consent of Grant Thornton India LLP, independent registered public accounting firm. **

** Filed herewith.

Certain portions of this exhibit have been omitted pursuant to a confidential treatment order of the Commission. The omitted portions have been separately filed with the Commission.

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SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Date: April 26, 2012

WNS (HOLDINGS) LIMITED

By: /s/ Keshav R. Murugesh
Name: Keshav R. Murugesh
Title: Group Chief Executive Officer

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Shareholders of

WNS (Holdings) Limited

We have audited the accompanying consolidated statements of financial position of WNS (Holdings) Limited and subsidiaries (the Company) as of March 31, 2012, March 31, 2011 and April 1, 2010, and the related consolidated statements of income, comprehensive income/(loss), changes in equity, and cash flows for each of the two years in the period ended March 31, 2012. These consolidated financial statements are the responsibility of the Company s management. Our responsibility is to express an opinion on the consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of WNS (Holdings) Limited and subsidiaries as of March 31, 2012, March 31, 2011 and April 1, 2010, and the results of their operations and their cash flows for each of the two years in the period ended March 31, 2012, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company s internal control over financial reporting as of March 31, 2012, based on the criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated April 26, 2012 expressed an unqualified opinion thereon.

/s/ Grant Thornton India LLP

Mumbai, India

April 26, 2012

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

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

	Notes	As at March 31, 2012	As at March 31, 2011	As at April 1, 2010
ASSETS				
Current assets:				
Cash and cash equivalents	4	\$ 46,725	\$ 27,090	\$ 32,311
Bank deposits and marketable securities	5	26,384	12	45
Trade receivables, net	6	66,421	78,586	44,821
Unbilled revenue		35,878	30,837	40,892
Funds held for clients		20,706	8,799	11,372
Current tax assets		3,860	8,502	5,602
Derivative assets	12	3,724	11,182	22,808
Prepayments and other current assets	7	21,925	16,447	16,694
Total current assets		225,623	181,455	174,545
Non-current assets:				
Investments		2	2	
Goodwill	8	86,695	93,533	90,662
Intangible assets	9	115,141	156,587	188,079
Property and equipment	10	45,418	47,178	48,547
Derivative assets	12	1,550	2,282	8,375
Deferred tax assets	23	43,712	33,518	25,200
Other non-current assets	7	6,880	8,040	8,611
Total non-current assets		299,398	341,140	369,474
TOTAL ASSETS		\$ 525,021	\$ 522,595	\$ 544,019
LIABILITIES AND EQUITY				
Current liabilities:				
Trade payables		\$ 47,304	\$ 43,748	\$ 27,900
Provisions and accrued expenses	14	31,854	32,933	43,390
Derivative liabilities	12	9,849	9,963	17,597
Pension and other employee obligations	13	29,027	31,029	31,023
Short term line of credit	11	23,965	14,593	
Current portion of long term debt	11	26,031	49,392	39,567
Deferred revenue	15	6,180	6,962	4,891
Current taxes payable	23	8,183	3,088	2,550
Other liabilities	16	5,208	4,126	8,745
Total current liabilities		187,601	195,834	175,663
Non-current liabilities:				
Derivative liabilities	12	1,210	431	7,600
Pension and other employee obligations	13	4,565	4,485	4,286
Long term debt	11	36,674	42,889	94,658
Deferred revenue	15	4,072	5,976	3,515

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Other non-current liabilities	16	2,675	2,978	3,727
Deferred tax liabilities	23	4,097	5,146	8,226
Total non-current liabilities		53,293	61,905	122,012
TOTAL LIABILITIES		240,894	257,739	297,675
Shareholders' equity:				
Share capital (ordinary shares \$0.16 (10 pence) par value, authorized 60,000,000 shares; issued: 50,078,881, 44,443,726 and 43,743,953 shares each as at March 31, 2012, March 31, 2011 and April 1, 2010, respectively)				
	17	7,842	6,955	6,848
Share premium		263,529	211,430	206,968
Retained earnings		59,122	46,589	28,676
Other components of equity		(46,366)	(118)	3,852
Total shareholders' equity		284,127	264,856	246,344
TOTAL LIABILITIES AND EQUITY		\$ 525,021	\$ 522,595	\$ 544,019

See accompanying notes.

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

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

		Year ended March 31,	
	Notes	2012	2011
Revenue	18	\$ 474,122	\$ 616,251
Cost of revenue	18,19	340,951	490,021
Gross profit		133,171	126,230
Operating expenses:			
Selling and marketing expenses	19	26,336	23,454
General and administrative expenses	19	51,344	56,363
Foreign exchange gains, net		(1,948)	(15,123)
Amortization of intangible assets		29,476	31,810
Operating profit		27,963	29,726
Other income, net	21	(43)	(1,125)
Finance expense	20	4,017	11,446
Profit before income taxes		23,989	19,405
Provision for income taxes	23	11,456	1,492
Profit		\$ 12,533	\$ 17,913
Earnings per share of ordinary share	24		
Basic		\$ 0.28	\$ 0.40
Diluted		\$ 0.27	\$ 0.40

See accompanying notes.

Table of Contents**WNS (HOLDINGS) LIMITED****CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)**

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

	Notes	Year ended March 31,	
		2012	2011
Profit		\$ 12,533	\$ 17,913
Other comprehensive income/(loss), net of taxes	23		
Pension adjustment		108	683
Changes in fair value of cash flow hedges:			
Current year (loss)/gain		(5,992)	(11,466)
Reclassification to profit/(loss)		(2,967)	(378)
Foreign currency translation		(37,397)	7,191
Total other comprehensive loss, net of taxes		\$ (46,248)	\$ (3,970)
Total comprehensive (loss)/income		\$ (33,715)	\$ 13,943

See accompanying notes.

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

(Amounts in thousands, except 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, 2010	43,743,953	\$ 6,848	\$ 206,968	\$ 28,676	\$ (11,578)	\$ 15,430	\$	\$ 246,344
Shares issued for exercised options and restricted share units (RSUs)	699,773	107	672					779
Share-based compensation			3,221					3,221
Excess tax benefits from exercise of share-based options and RSUs			569					569
Transactions with owners	699,773	107	4,462					4,569
Profit				17,913				17,913
Other comprehensive income/(loss), net of taxes					7,191	(11,844)	683	(3,970)
Total comprehensive income for the period				17,913	7,191	(11,844)	683	13,943
Balance as at March 31, 2011	44,443,726	\$ 6,955	\$ 211,430	\$ 46,589	\$ (4,387)	\$ 3,586	\$ 683	\$ 264,856

	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, 2011	44,443,726	\$ 6,955	\$ 211,430	\$ 46,589	\$ (4,387)	\$ 3,586	\$ 683	\$ 264,856
Issue of ordinary shares net of issuance cost (net of tax)	5,400,000	849	45,448					46,297
Shares issued for exercised options and restricted share units (RSUs)	235,155	38	93					131
Share-based compensation			5,316					5,316
Excess tax benefits from exercise of share-based options and RSUs			1,242					1,242
Transactions with owners	5,635,155	887	52,099					52,986

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Profit				12,533					12,533
Other comprehensive income/(loss), net of taxes				(37,397)	(8,959)	108			(46,248)
Total comprehensive income for the period				12,533	(37,397)	(8,959)	108		(33,715)
Balance as at March 31, 2012	50,078,881	\$ 7,842	\$ 263,529	\$ 59,122	\$ (41,784)	\$ (5,373)	\$ 791		\$ 284,127

See accompanying notes

Table of Contents**WNS (HOLDINGS) LIMITED****CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Amounts in thousands, except per share data)

	Year ended March 31,	
	2012	2011
Cash flows from operating activities:		
Profit	\$ 12,533	\$ 17,913
Adjustments to reconcile profit to net cash generated from operating activities:		
Depreciation and amortization	45,436	49,429
Share-based compensation	5,309	3,218
Amortization of debt issue cost	669	1,281
Allowance for doubtful accounts	1,171	1,249
Unrealized exchange loss, net	1,880	1,040
Current tax expense	22,832	13,263
Interest expense	3,348	10,165
Interest income	(63)	(101)
Dividend income	(424)	
Gain on sale of property and equipment	(9)	(19)
Deferred income taxes	(11,376)	(11,771)
Deferred rent	214	(16)
Excess tax benefit from share based compensation	(1,242)	(569)
Unrealized gain on derivative instruments	20	(5,445)
Others, net	56	56
Changes in operating assets and liabilities:		
Accounts receivable and unbilled revenue	4,657	(20,409)
Other current assets	(11,113)	7,423
Accounts payable	3,763	13,643
Deferred revenue	(2,594)	4,381
Other liabilities	1,501	(26,914)
Cash generated from operating activities before interest and income taxes	76,568	57,817
Income taxes paid	(13,946)	(13,711)
Interest paid	(5,437)	(8,412)
Interest received	62	112
Net cash provided by operating activities	57,247	35,806
Cash flows from investing activities		
Earn-out payment		(494)
Purchase of remaining (35%) stake in joint venture	(2,132)	
Subscription of shares in a non-profit organization		(2)
Purchase of property and equipment and intangibles	(21,218)	(15,263)