

WNS (HOLDINGS) LTD
Form 20-F
June 15, 2010

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**SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549
FORM 20-F**

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

þ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**
For the fiscal year ended March 31, 2010

OR

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

OR

o **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)

Not Applicable

Jersey, Channel Islands

(Translation of Registrant's Name Into English)

(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)

Vikas Gupta

General Counsel

Gate 4, Godrej & Boyce Complex

Pirojshanagar, Vikhroli(W)

Mumbai 400 079, India

(91-22) 4095-2100

vikas.gupta@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

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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)

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 of March 31, 2010, 43,743,953 ordinary shares, par value 10 pence per share, were issued and outstanding, of which 21,235,382 ordinary shares were held in the form of 21,235,382 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 Website, 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 by the International Accounting Standards Board Other

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 if the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

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**EXPLANATORY NOTE REGARDING RESTATEMENT OF
OUR CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands, unless otherwise indicated)**

This annual report on Form 20-F contains the restatement of our consolidated statements of income, of equity and comprehensive income and of cash flows for the years ended March 2009 and 2008, and our consolidated balance sheet as of March 31, 2009 as presented in Item 18. Financial Statements of this annual report, our selected consolidated statements of income data for the years ended March 31, 2009, 2008, 2007 and 2006, and our selected consolidated balance sheet data as of March 31, 2009, 2008, 2007 and 2006 as presented in Item 3. Key Information A. Selected Financial Data of this annual report, and our selected quarterly financial information for each of the first, second and third quarters of the year ended March 31, 2010 and for each of the quarters of the year ended March 31, 2009 as presented in Item 5. Operating and Financial Review and Prospects Quarterly Results of this annual report. On April 22, 2010, we announced that we have, in consultation with our audit committee, concluded that corrections to our prior accounting treatment for referral fees earned from garages, and revenue and costs on completed but unbilled repairs, in our Auto Claims BPO segment (our auto claims business) are required.

As background, we provide our clients (insurance companies) automobile accident management services, where we arrange for the repairs of damaged cars. We pay the repair center for all repair services and 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. In a majority of cases, the referral fees from repair centers are passed on to the client. In the past, we had recognized the referral fees from repair centers and the repair payments from clients, net of the amount of referral fees that are passed back to clients, as revenue, and had recognized the payments to the repair centers as cost of revenue. We have determined that we should not include the referral fees from repair centers within revenue, and should instead subtract them from the costs of revenue for our auto claims business. We had also previously not recognized as revenue the amount of completed but unbilled repairs due from clients and similarly not recognized the corresponding costs of these repairs as cost of revenue. We had recorded the repair costs and related revenue only upon receipt of an invoice from the repair center. We have concluded that we should recognize as revenue the amount of completed but unbilled repairs due from clients and similarly recognize the corresponding costs of these repairs as costs of revenue.

As a result of the foregoing, we have restated our previously issued financial statements for the years ended March 31, 2009, 2008, 2007 and 2006 and for the first, second and third quarters of the year ended March 31, 2010 and each of the quarters of the year ended March 31, 2009. The restatement adjustments resulted in a cumulative net increase to previously reported equity of approximately \$130, \$68, \$119 and \$165 as of March 31, 2009, 2008, 2007 and 2006, respectively, and an increase (decrease) in previously reported net income by \$104, \$(53), \$(66) and \$(114) for the years ended March 31, 2009, 2008, 2007 and 2006, respectively. The restatement also had the effect of reducing previously reported revenue by \$18.4 million, \$21.8 million, \$6.9 million and \$7.4 million and cost of revenue by \$18.5 million, \$21.8 million, \$6.8 million and \$7.2 million for the years ended March 31, 2009, 2008, 2007 and 2006, respectively. The cumulative impact of similar adjustments on retained earnings related to periods prior to April 1, 2005 amounting to \$286 was recorded as a prior period adjustment in the statement of equity.

Tables setting forth the effects of the restatement adjustments relating to the aforementioned accounting of referral fees and revenue and cost of completed but unbilled repairs as revenue and cost of revenue, respectively, on affected line items in our consolidated statements of income, of equity and comprehensive income and of cash flows for the years ended March 31, 2009 and 2008 and consolidated balance sheet as of March 31, 2009 are presented in note 2 to our consolidated financial statements included elsewhere in this annual report. Tables setting forth the effects of such restatement adjustments on affected line items in our consolidated statement of income for March 31, 2007 and 2006 and for each of the first, second and third quarters of the year ended March 31, 2010 and for each of the quarters of the year ended March 31, 2009 are presented in Item 5. Operating and Financial Review and Prospects Restatement of our Consolidated Financial Statements of this annual report.

All financial information contained in this annual report on Form 20-F gives effect to the restatement of our consolidated financial statements as described above. We have not amended, and we do not intend to amend, our previously filed annual reports on Form 20-F or our quarterly financial statements contained in current reports on

Form 6-K previously furnished to the US Securities and Exchange Commission, or the Commission, for each of the fiscal years and fiscal quarters of the first nine months of fiscal 2010 and from fiscal 2009 through fiscal 2006. Financial information included in reports previously filed or furnished by us for periods from April 1, 2005 through December 31, 2009 should not be relied upon and are superseded by the information in this annual report on Form 20-F.

For more information on the matters that have caused us to restate our financial statements and data previously reported, see Item 5. Operating and Financial Review and Prospects Restatement of our Consolidated Financial Statements of this annual report and note 2 to our consolidated financial statements included in Item 18. Financial Statements of this annual report. We have identified a material weakness in our internal control over financial reporting. As a result, management has concluded that our disclosure controls and procedures and internal control over financial reporting were not effective as of March 31, 2010. A description of that material weakness, as well as our plan to remediate that material weakness, is more fully discussed in Item 15. Controls and Procedures.

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CONVENTIONS USED IN THIS ANNUAL REPORT

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 and references to Rs. or rupees or Indian rupees are to the legal currency of India. References to pound sterling or £ are to the legal currency of the UK. References to pence are to the legal currency of Jersey, Channel Islands. Our financial statements are presented in US dollars and are prepared in accordance with US generally accepted accounting principles, or US GAAP. References to a particular fiscal year are to our fiscal year ended March 31 of that year. Any discrepancies in any table between totals and sums of the amounts listed are due to rounding. Names of our clients are listed in alphabetical order in this annual report, unless otherwise stated.

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.

We also refer in various places within this annual report to revenue less repair payments, which is a non-GAAP measure that is calculated as revenue less payments to automobile repair centers and more fully explained in Item 5. Operating and Financial Review and Prospects. The presentation of this non-GAAP information is not meant to be considered in isolation or as a substitute for our financial results prepared in accordance with US 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.

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, seek, should and similar. Those statements include, among other things, the discussions of our business strategy and expectations concerning our market position, future operations, margins, profitability, liquidity and capital resources. We caution you that reliance on any forward-looking statement involves risks and uncertainties, and that although we believe that the assumptions on which our forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate, and, as a result, the forward-looking statements based on those assumptions could be materially incorrect. These risks and uncertainties include but are not limited to:

- worldwide economic and business conditions;
- political or economic instability in the jurisdictions where we have operations;
- regulatory, legislative and judicial developments;

- our ability to attract and retain clients

- technological innovation;

- telecommunications or technology disruptions;

- future regulatory actions and conditions in our operating areas;

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

- the implications of the accounting changes and restatement of our financial statements described in Explanatory Note Regarding our Consolidated Financial Statements for our reporting with the Commission, and any adverse developments in existing legal proceedings or the initiation of new legal proceedings;

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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;

increasing competition in the BPO 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 Item 3. Key Information D. Risk Factors, 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

The financial data presented below has been adjusted to reflect the restatement of our consolidated financial results as more fully described in Explanatory Note Regarding Restatement of our Consolidated Financial Statements in the front of this annual report and in note 2 to our consolidated financial statements included elsewhere in this annual report. The selected consolidated statement of income data presented below for fiscal 2010, 2009 and 2008, and the selected consolidated balance sheet data as of March 31, 2010 and 2009, have been derived from our consolidated financial statements included elsewhere in this annual report. The selected consolidated statements of income data presented below for fiscal 2009 and 2008 and the consolidated balance sheet data as of March 31, 2009 have been restated in connection with the restatements discussed in note 2 to our consolidated financial statements included elsewhere in this annual report. The selected consolidated statement of income data presented below for fiscal 2007 and 2006 and the selected consolidated balance sheet data as of March 31, 2008, 2007 and 2006 have been restated below as discussed in the Explanatory Note in the front of this annual report. Our consolidated financial statements are prepared and presented in accordance with US GAAP. Our historical results do not necessarily indicate our results expected for any future period.

Effective April 1, 2007, our company adopted the provisions of Accounting Standards Codification, or ASC 740

Income Taxes related to accounting for uncertain tax positions (Financial Accounting Standards Board Interpretation No. 48) and recognized a \$1.3 million increase in liabilities for unrecognized tax obligations related to tax positions taken in prior periods with a corresponding reduction in retained earnings.

You should read the following information in conjunction with Item 5. Operating and Financial Review and Prospects, and our consolidated financial statements included elsewhere in this annual report.

We have not amended, and we do not intend to amend, our previously filed annual reports on Form 20-F or our quarterly financials statements contained in current reports on Form 6-K previously furnished to the Commission for each of the fiscal years and fiscal quarters of the first nine months of fiscal 2010 and from fiscal 2009 through fiscal 2006. Financial information included in reports previously filed or furnished by us for periods from April 1, 2005 through December 31, 2009 should not be relied upon and are superseded by the information in this annual report.

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	For the Year Ended March 31,				
	2010	2009	2008	2007	2006
		(Restated)	(Restated)	(Restated)	(Restated)
	(US dollars in millions, except share and per share data)				
Consolidated Statement of Income Data:					
Revenue	\$ 582.5	\$ 520.9	\$ 438.0	\$ 345.4	\$ 195.5
Cost of revenue ⁽¹⁾	439.3	391.8	341.5	264.4	138.5
Gross profit	\$ 143.2	\$ 129.1	\$ 96.5	\$ 81.0	\$ 57.0
Operating expenses:					
Selling, general and administrative expenses ⁽¹⁾	\$ 86.2	\$ 75.5	\$ 72.7	\$ 52.5	\$ 36.3
Amortization of intangible assets	32.4	24.9	2.9	1.9	0.9
Impairment of goodwill, intangibles and other assets ⁽²⁾			15.5		
Operating income	24.6	28.7	5.4	26.6	19.8
Other expense (income), net	7.1	5.6	(9.2)	(2.5)	(0.5)
Interest expense	13.8	11.8		0.1	0.4
Income before income taxes	3.7	11.3	14.6	29.0	19.9
Provision for income taxes	1.0	3.4	5.2	2.5	1.7
Net income	\$ 2.7	\$ 7.9	\$ 9.4	\$ 26.5	\$ 18.2
Less: Net loss attributable to redeemable noncontrolling interest	(1.0)	(0.3)			
Net income attributable to WNS (Holdings) Limited shareholders	3.7	8.2	9.4	26.5	18.2
Earnings per share of ordinary share					
Basic	\$ 0.09	\$ 0.19	\$ 0.22	\$ 0.69	\$ 0.55
Diluted	\$ 0.08	\$ 0.19	\$ 0.22	\$ 0.64	\$ 0.52
Basic weighted average ordinary shares outstanding	43,093,316	42,520,404	42,070,206	38,608,188	32,874,299
Diluted weighted average ordinary shares outstanding	44,174,128	43,108,599	42,945,028	41,120,497	35,029,766

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	2010	2009 (Restated)	As of March 31, 2008 (Restated)	2007 (Restated)	2006 (Restated)
			(US dollars in millions)		
Consolidated Balance Sheet Data:					
<i>Assets</i>					
Cash and cash equivalents	\$ 32.3	\$ 38.9	\$ 102.7	\$ 112.3	\$ 18.5
Bank deposits and marketable securities	0.0	8.9	8.1	12.0	
Accounts receivable, net	85.7	71.2	58.6	52.4	31.1
Other current assets ⁽³⁾	58.9	54.4	23.4	18.5	10.8
Total current assets	176.9	173.4	192.8	195.2	60.4
Goodwill and intangible assets, net	278.7	299.1	96.9	44.4	42.5
Property, plant and equipment, net	51.7	56.0	50.8	41.8	30.6
Deposits and deferred tax assets	32.3	21.9	15.4	6.2	4.3
Other assets	10.3	11.4	1.3		
Total assets	549.9	561.8	357.2	287.6	137.8
<i>Liabilities, redeemable noncontrolling interest and equity</i>					
Current portion of long term debt	40.0	45.0			
Accrual for earn-out payment			33.7		
Other current liabilities ⁽⁴⁾	133.9	132.5	88.8	75.1	56.2
Total current liabilities	173.9	177.5	122.5	75.1	56.2
Long term debt	95.0	155.0			
Other non-current liabilities ⁽⁵⁾	27.1	41.2	7.5	6.9	3.3
Redeemable noncontrolling interest	0.3	0.0			
Total WNS (Holdings) Limited shareholders equity	253.6	188.1	227.2	205.6	78.3
Total liabilities, redeemable noncontrolling interest and equity	\$ 549.9	\$ 561.8	\$ 357.2	\$ 287.6	\$ 137.8

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The following tables set forth for the periods indicated selected consolidated financial data:

	For the Year Ended March 31,				
	2010	2009 (Restated)	2008 (Restated)	2007 (Restated)	2006 (Restated)
	(US dollars in millions, except percentages and employee data)				
Other Consolidated Financial Data:					
Revenue	\$ 582.5	\$ 520.9	\$ 438.0	\$ 345.4	\$ 195.5
Gross profit as a percentage of revenue	24.6%	24.8%	22.0%	23.5%	29.1%
Operating income as a percentage of revenue	4.2%	5.5%	1.2%	7.7%	10.1%
Other Unaudited Consolidated Financial and Operating Data:					
Revenue less repair payments ⁽⁶⁾	\$ 390.5	\$ 385.0	\$ 290.6	\$ 219.6	\$ 147.8
Gross profit as a percentage of revenue less repair payments	36.7%	33.5%	33.2%	36.9%	38.5%
Operating income as a percentage of revenue less repair payments	6.3%	7.4%	1.9%	12.1%	13.3%
Number of employees (at period end)	21,958	21,356	18,104	15,084	10,433

Notes:

- (1) Includes the following share-based compensation amounts:

	For the Year Ended March 31,				
	2010	2009	2008	2007	2006
	(US dollars in millions)				
Cost of revenue	\$ 3.7	\$3.6	\$2.4	\$1.0	\$0.1
Selling, general and administrative expenses	11.4	9.8	4.4	2.7	1.8

- (2) In fiscal 2008, we recorded an impairment charge of \$9.1 million on goodwill and \$6.4 million on intangible assets acquired in the purchase of

Trinity Partners
Inc., or Trinity
Partners.

- (3) Consists of funds held for clients, employee receivables, prepaid expenses, prepaid income taxes, deferred tax assets and other current assets.
- (4) Consists of obligations under accounts payable, short term line of credit, accrued employee cost, deferred revenue, income taxes payable, deferred tax liabilities and other current liabilities.
- (5) Consists of non-current portion of derivative contracts, capital leases, deferred revenue, deferred tax liabilities, other liabilities and accrued pension liability.
- (6) Revenue less repair payments is a non-GAAP measure. See the explanation

below, as well as 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 measure) to revenue less repair payments (a non-GAAP measure):

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	For the Year Ended March 31,				
	2010	2009	2008	2007	2006
		(Restated)	(Restated)	(Restated)	(Restated)
	(US dollars in millions)				
Revenue	\$ 582.5	\$ 520.9	\$ 438.0	\$ 345.4	\$ 195.5
Less: Payments to repair centers	192.0	135.9	147.4	125.8	47.7
Revenue less repair payments	\$ 390.5	\$ 385.0	\$ 290.6	\$ 219.6	\$ 147.8

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 accident management services, where we arrange for automobile repairs through a network of third party repair centers. In our accident management services, we act as the principal in our dealings with the third party repair centers and our clients. The amounts we invoice to our clients for payments made by us to third party repair centers is reported as revenue. Since we wholly subcontract the repairs to the repair centers, we evaluate our financial performance based on revenue less repair payments to third party repair centers which is a non-GAAP 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 non-fault repairs, revenue including repair payments is used as a primary measure to allocate resources and measure operating performance. As we provide a consolidated suite of accident management services including credit hire and credit repair for our non-fault repairs business, we believe that measurement of that line of business has to be on a basis that includes repair payments in revenue.

Revenue less repair payments is a non-GAAP measure which is calculated as revenue less payments to repair centers. We believe that the presentation of this non-GAAP measure in this annual report provides useful information for investors regarding the financial performance of our business and our two reportable segments. See Item 5. Operating and Financial Review and Prospects Results by Reportable Segment. The presentation of this non-GAAP information is not meant to be considered in isolation or as a substitute for our financial results prepared in accordance with US 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.

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 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.

In the United States, Europe and Asia, market and economic conditions have been challenging with tighter credit conditions during fiscal 2010 and continuing into fiscal 2011. In fiscal 2010 and continuing into fiscal 2011, continued concerns about the systemic impact of inflation, energy costs, geopolitical issues, the availability and cost of credit, the mortgage market and a declining real estate market have contributed to increased market volatility and diminished expectations for the economy globally. These conditions, combined with volatile oil prices, declining business and

consumer confidence and increased unemployment have, in fiscal 2010 and continuing into fiscal 2011, contributed to extreme volatility.

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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 US and international 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, 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, the average pound sterling/US dollar exchange rate for fiscal 2010 depreciated 7.2% as compared to the average exchange rate for fiscal 2009 which 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 the 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 worsens 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.

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 2010 and 2009, our five largest clients accounted for 53.0% and 53.4% of our revenue and 45.1% and 46.3% of our revenue less repair payments, respectively. In fiscal 2010, our three largest clients individually accounted for 15.5%, 13.4% and 12.6%, respectively, of our revenue as compared to 15.5%, 15.3% and 11.0%, respectively, in fiscal 2009. In fiscal 2010, our largest client, AVIVA, individually accounted for 23.1% of our revenue less repair payments compared to 21.0% in fiscal 2009.

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 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 International Holdings Limited, or 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 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. We expect these facilities to continue to generate revenue for us under the AVIVA master services agreement. Further, through our acquisition of Aviva Global, we also acquired three facilities in Bangalore, Chennai and Pune. We expect revenue from AVIVA under the AVIVA master services agreement to account for a significant portion of our revenue. We therefore expect our dependence on AVIVA to continue for the foreseeable future. The AVIVA master services agreement provides for a committed amount of

revenue. However, notwithstanding the minimum revenue commitment, there are also terminations 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 revenue 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.

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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.

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 stock price.

Effective internal control over financial reporting is necessary for us to provide reliable financial reports, and 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 has concluded that as of March 31, 2010, our company's disclosure controls and procedures and internal control over financial reporting was not effective due to a material weakness identified in the design and operating effectiveness of our internal controls over the recognition and accrual of repair payments to garages and the related fees in our Auto Claims BPO segment. In order to remediate the identified material weakness, we intend to augment our existing US GAAP expertise and strengthen our monitoring controls and documentation for the revenue recognition process in our Auto Claims BPO segment. We cannot assure you that the measures that we intend to implement or any additional measures that we may implement will be successful in remediating the material weakness identified.

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 stock price.

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., or Warburg Pincus, acquired a controlling stake in our company in May 2002, we have experienced rapid growth and significantly expanded our operations. Our revenue has grown at a compound annual growth rate of 15.3% to \$582.5 million in fiscal 2010 from \$438.0 million in fiscal 2008. Our revenue less repair payments has grown at a compound annual growth rate of 15.9% to \$390.5 million in fiscal 2010 from \$290.6 million in fiscal 2008. Our employees have increased to 21,958 as of March 31, 2010 from 18,104 as of March 31, 2008. Our majority owned 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 six locations in India, the Philippines, Sri Lanka, the UK, Romania and Costa Rica. In fiscal 2011, we intend to establish additional delivery centers, as well as continue to streamline our operations by further consolidating production capacities in our delivery centers.

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, or the AVIVA master services agreement, pursuant to which we are providing BPO services to AVIVA's UK and Canadian businesses. Aviva Global was the business process offshoring subsidiary of AVIVA. Through our acquisition of Aviva Global, we also acquired three facilities in Bangalore, Chennai and Sri Lanka in July 2008, and one facility in Pune in August 2008. See Part II Management's Discussion and Analysis of Financial Condition and Results of Operations—Revenue—Our Contracts for more details on this transaction.

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,

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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.

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

A substantial portion of our clients are concentrated in the banking, financial services and insurance, or BFSI, industry, and the travel and leisure industry. In fiscal 2010 and 2009, 65.4% and 62.6% of our revenue, respectively, and 48.4% and 49.5% of our revenue less repair payments, respectively, were derived from clients in the BFSI industry. During the same periods, clients in the travel and leisure industry contributed 16.3% and 19.6% of our revenue, respectively, and 24.3% and 26.5% 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. Since the second half of fiscal 2009, there has been a significant slowdown in the growth of the global economy accompanied by a significant reduction in consumer and business spending worldwide. Certain of our targeted industries are especially vulnerable to the crisis in the financial and credit markets or to the economic downturn. A downturn in any of our targeted industries, particularly the BFSI 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 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. The downturn in the mortgage market could result in a further decrease in the demand for our services and adversely affect our results of our operations.

Further, since the second half of fiscal 2009, the downturn in worldwide economic and business conditions has resulted in a few of our clients reducing or postponing their outsourced business requirements, which have in turn decreased the demand for our services and adversely affected our results of operations. In particular, our revenue is highly dependent on the economic environment in Europe and the United States, which continues to be weak. In fiscal 2010 and 2009, 74.9% and 74.7% of our revenue, respectively, and 62.6% and 65.7% of our revenue less repair payments, respectively, were derived from clients located in Europe. During the same periods, 24.5% and 25.0% of our revenue, respectively, and 36.5% and 33.9% of our revenue less repair payments, respectively, were derived from clients located in North America (primarily the United States). Any further weakening of the European or United States 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. For example, the crisis in the financial and credit markets in the United States has led to a significant change in the financial services industry in the United States in recent times, with the United States federal government taking over or providing financial support to leading financial institutions and with leading investment banks going bankrupt or being forced to sell themselves in distressed circumstances. 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 2010, 2009 and 2008, the attrition rate for our employees who have completed six months of employment with us was 32%, 31% and 38%, respectively. We cannot assure you that our attrition rate will not increase. There is significant competition in the jurisdictions wherever we have operation centers, including India, the Philippines and Sri Lanka, for professionals with the skills necessary to perform the services we offer to our

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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 businesses will depend, in large part, 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.

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. Furthermore, the term loan that we have incurred to fund the transaction may put a strain on our financial position.

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 and Canadian businesses. 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 entered into a \$200 million term loan facility with ICICI Bank UK Plc, or the Term Loan, as agent, to fund, together with cash on hand, the consideration for the transaction. See Part II Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources. 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.

Furthermore, the Term Loan may put a strain on our financial position. For example:

- it could increase our vulnerability to general adverse economic and industry conditions;
- it could require us to dedicate a substantial portion of our cash flow from operations to payments on the Term Loan, thereby reducing the availability of our cash flow to fund capital expenditure, working capital and other general corporate purposes;
- it requires us to seek lenders' consent prior to paying dividends on our ordinary shares;
- it limits our ability to incur additional borrowings or raise additional financing through equity or debt instruments;
- and
- it imposes certain financial covenants on us which we may not be able to meet and this may cause the lenders to accelerate the repayment of the balance loan outstanding.

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 India, the Philippines, Sri Lanka, the UK, Romania, Costa Rica, the US and Australia, and we service clients across Europe, North America and Asia. Our corporate structure also spans multiple jurisdictions, with our parent holding company incorporated in Jersey, Channel Islands, and intermediate and operating subsidiaries incorporated in India, the Philippines, Sri Lanka, the UK, Mauritius, Romania, the Philippines, China, the Netherlands, Singapore, the US, Australia and Costa Rica. 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;

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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 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 Rs. 47.46 per \$1.00 in fiscal 2010, which represented a depreciation of the Indian rupee of 3.0% as compared with the average exchange rate of approximately Rs. 46.10 per \$1.00 in fiscal 2009, which in turn represented a depreciation of the Indian rupee of 14.9% as compared with the average exchange rate of approximately Rs. 40.13 per \$1.00 in fiscal 2008. The average pound sterling/US dollar exchange rate was approximately £0.63 per \$1.00 in fiscal 2010, which represented a depreciation of the pound sterling of 7.2% as compared with the average exchange rate of approximately £0.58 per \$1.00 in fiscal 2009, which in turn represented a depreciation of the pound sterling of 14.3% as compared with the average exchange rate of approximately £0.50 per \$1.00 in fiscal 2008.

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.

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 United States, including in connection with the Troubled Asset Relief Program, 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 United States, 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, it is possible that legislation could be adopted that would restrict US private sector companies that have federal or state governmental contracts from outsourcing their services to offshore service providers or that could have an adverse impact on the economics of outsourcing for private companies in the US. Such legislation could have an adverse impact on our business with US clients.

Such concerns have also led the United Kingdom 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/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.

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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.

Our 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 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. 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 Application 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 fluctuation 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 year-end 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. 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

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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.

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, 2011 (including work orders/statement of works that will expire on or before March 31, 2011 although the related master services agreement has been renewed) represent approximately 6.5% of our revenue and 9.7% of our revenue less repair payments from our clients in fiscal 2010. 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.

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 12 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.

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

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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.

We enter into long-term contracts with our clients, and our failure to estimate the resources and time required for our contracts may negatively affect our profitability.

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 therefore bear the risk of cost overruns, completion delays and wage inflation in connection with these contracts. If we fail to estimate accurately the resources and time required for a contract, future wage inflation rates or currency exchange rates, or if we fail to complete our contractual obligations within the contracted timeframe, our revenue and profitability may be negatively affected. 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.

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. 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 engagement revenue, margins and cash flows over increasingly longer contract periods and general economic and political conditions.

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.

We have incurred losses in the past. We may not be profitable in the future and may not be able to secure additional business

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.

Our dependence on our offshore delivery centers requires us to maintain active data and voice communications between our main delivery centers in India, Sri Lanka, Romania, the Philippines and the UK, our international technology hubs in the US and the UK 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

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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. 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. 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 and may present difficulties in financing the acquisition 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,

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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.

We recorded an impairment charge of \$15.5 million to our earnings in fiscal 2008 and may be required to record a significant charge to earnings in the future when we review our goodwill, intangible or other assets for potential impairment.

As of March 31, 2010, we had goodwill and intangible assets of approximately \$90.7 million and \$188.1 million, respectively, which primarily resulted from the purchases of Aviva Global, BizAps, Chang Limited, Marketics Technologies (India) Private Limited, or Marketics, Flovate, Town & Country Assistance Limited (which we subsequently rebranded as WNS Assistance) and WNS Global Services Private Limited, or WNS Global. Of the \$188.1 million of intangible assets as of March 31, 2010, \$178.5 million pertain to our purchase of Aviva Global. Under US GAAP, 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 an impairment charge of \$15.5 million to our earnings in fiscal 2008 relating to Trinity Partners. 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 \$178.5 million of intangible assets relating to our purchase of Aviva Global. Although our impairment review of goodwill and intangible assets in fiscal 2010 and 2009 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 typhoon 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 significantly influence our corporate actions, and may also enter into transactions that may result in a change in control of our company.

Warburg Pincus beneficially owns approximately 48.6% of our shares. As a result of its ownership position, Warburg Pincus has the ability to significantly 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. Actions that are supported by Warburg Pincus are very likely to be taken and the interests of Warburg Pincus may differ from the interests of other shareholders of our company.

A change in control or potential change in control transaction may consume management time and company resources and may have a material adverse impact on our business.

In July 2009, our board of director received unsolicited offers from a few financial institutions and strategic investors to buy a majority or all of the ordinary shares of our company. While such offers or proposed sale may not result in the consummation of a change in control transaction, consideration and evaluation of such offers may consume management time and company resources and distract management's attention. Warburg Pincus, our 48.6% shareholder, 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 potential change in control may cause uncertainty among our employees, our creditors and other stakeholders, and may thereby have a material adverse impact on our business. If a change in control transaction is consummated, many of our client contracts may entitle those clients to terminate the client contract with our company. Any of the foregoing events 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 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.

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 are incorporated in Jersey, Channel Island 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 Island, we enjoy tax benefits that result in us not having to pay taxes in Jersey. In late 2009 it was reported that concerns had been raised by some members of the ECOFIN Code of Conduct group as to whether the current tax regime for companies incorporated in Jersey could be interpreted as being outside the spirit of the EU Code of Conduct for Business Taxation. The Treasury and Resources Minister of the States of Jersey confirmed in his budget speech on December 8, 2009 that the current tax regime in Jersey had been found to be compliant with the EU Code of Conduct. The Minister has also announced a review of business taxation in Jersey. Although

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the Minister stated in his budget speech that he understood the fundamental importance of tax neutrality to Jersey's financial service industry and the requirement that this be maintained, the outcome of this review cannot at this time be predicted. We cannot assure you that following the review, the current taxation regime applicable in Jersey will not be amended and render us liable for taxation.

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. Various 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. The Government of India may decide to introduce the reservation policy. According to this policy, all companies operating in the private sector in India, including our subsidiaries in India, would be required to reserve a certain percentage of jobs for the economically underprivileged population in the relevant state where such companies are incorporated. If this policy is introduced, our ability to hire employees of our choice may be restricted. 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 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, on the value of our ADSs and on 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 could be negatively affected.

Under the Indian Finance Act, 2000, except for three delivery centers located in Mumbai, Nashik and Pune, all our delivery centers in India benefit from a holiday from Indian corporate income taxes. As a result, our service operations, including any businesses we acquire, have been subject to relatively low Indian income tax liabilities. We incurred minimal income tax expense on our Indian operations in fiscal 2010 as a result of the tax holiday, compared to approximately \$15.1 million that we would have incurred if the tax holiday had not been available for the respective period.

The Indian Finance Act, 2000 phases out the tax holiday for companies registered as an exporter of business process outsourcing services with the Software Technology Parks of India, or STPI, over a ten-year period from fiscal 2000 through fiscal 2009. In May 2008, the Government of India passed the Indian Finance Act, 2008, which extended the tax holiday period by an additional year through fiscal 2010. In August 2009, the Government of India passed the Indian Finance (No. 2) Act, 2009, which further extended the STPI tax holiday period by an additional year through fiscal 2011. Because of the extension of the STPI tax holiday through fiscal 2011, we recorded in fiscal 2010 a net deferred tax credit of \$0.5 million on account of a reversal of deferred tax liability on intangibles, partially offset by a reversal of deferred tax assets on lease rentals. The tax holiday enjoyed by our delivery centers located in Bangalore, Chennai, Gurgaon, Mumbai, Nashik and Pune will expire on April 1, 2011 except for the tax holiday enjoyed by three of our delivery centers located in Mumbai, Nashik and Pune which expired on April 1, 2007, April 1, 2008 and April 1, 2009, respectively. Our subsidiaries in Sri Lanka and Costa Rica and our joint venture company in the Philippines

also benefit from similar tax exemptions. We incurred minimal income tax expense on our Sri Lanka operations in fiscal 2010 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 respective period. When our tax holiday 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. For example, in the absence of a tax holiday in India, income derived from India would be taxed up to a maximum of the then existing annual tax rate which, as of March 31, 2010 was 33.99%.

In 2005, the Government of India implemented the Special Economic Zones Act, 2005, or the SEZ

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legislation, with the effect that taxable income of new operations established in designated special economic zones, or 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. Our delivery center in Gurgaon benefits from this tax holiday which will expire in fiscal 2022. 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 the 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.

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.

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 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 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 a few orders of assessment outstanding that we believe could be material to our company given the magnitude of the claim. For example, in January 2009, we received an order of assessment from the Indian tax authorities that assessed additional taxable income for fiscal 2005 on WNS Global, our wholly-owned Indian subsidiary, that could give rise to an estimated Rs. 728.1 million (\$16.1 million based on the exchange rate on March 31, 2010) in additional taxes, including interest of Rs. 225.9 million (\$5.0 million based on the exchange rate on March 31, 2010). In March 2009, we received from the Indian service tax authority an assessment order demanding payment of Rs. 346.2 million (\$7.7 million based on the exchange rate on March 31, 2010) of service tax and penalty for the period from March 1, 2003 to January 31, 2005. In November 2009, we received a draft order of assessment from the Indian tax authorities (incorporating a transfer pricing order that we had received in October 2009) that assessed additional taxable income for fiscal 2006 on WNS Global that could give rise to an estimated Rs. 759.99 million (\$16.8 million based on the exchange rate on March 31, 2010) in additional taxes, including interest of Rs. 235.86 million (\$5.2 million based on the exchange rate on March 31, 2010). We have disputed the draft assessment order and have filed an appeal on December 29, 2009 before the Dispute Resolution Panel, or DRP, a panel recently set by Government of India as an alternative to first appellate authority. The final order of assessment is expected to be passed in the month of September or October 2010. After consultation with our Indian tax advisors, we believe that the chances of the aforementioned assessments, upon challenge, being sustained at the higher appellate authorities are remote and we intend to vigorously dispute the assessments and order. We may be required to deposit with the tax authorities all or a portion of the disputed amount pending final resolution of the respective matters. 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. See Part II Management's Discussion and Analysis of Financial Condition and Results of Operations Tax Assessment Orders for more details on these assessments.

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 recent bombings of the Taj Mahal Hotel and Oberoi

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Hotel in Mumbai, 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 pay for acquisitions using our equity securities. As of May 31, 2010, we had 44,039,723 ordinary shares outstanding, including 21,408,081 shares represented by 21,408,081 ADSs. In addition, as of May 31, 2010, there were options and restricted stock units, or RSUs, outstanding under our 2002 Stock Incentive Plan and our Amended and Restated 2006 Incentive Award Plan to purchase a total of 2,690,279 ordinary shares or ADSs. 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 be sold in the United States if they are registered or qualify for an exemption from registration, including pursuant to Rule 144 under the Securities Act.

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;

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actual or anticipated fluctuations in our three monthly 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.

Holders of ADSs may be restricted in their ability to exercise voting rights.

At our request, the depository of the ADSs will mail to you any notice of shareholders' meeting received from us together with information explaining how to instruct the depository to exercise the voting rights of the ordinary shares represented by ADSs. If the depository 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 depository 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 depository 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.

We may be classified as a passive foreign investment company which could result in adverse United States federal income tax consequences to US Holders.

We believe we are not a passive foreign investment company, or PFIC, for United States federal income tax purposes for our taxable year ended March 31, 2010. However, we must make a separate determination each year as to whether we are a PFIC after the close of each taxable year. A non-US corporation will be considered a PFIC for any taxable year if either (i) at least 75% of its gross income 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 a taxable year) is attributable to assets that produce or are held for the production of passive income. As noted in our annual report for our taxable year ended March 31, 2007, our PFIC status in respect of our taxable year ended March 31, 2007 was uncertain. 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 ADSs or ordinary shares, absent a special election.

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 12 Castle Street, St. Helier, Jersey JE2 3RT, Channel Islands. 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 Companies (Jersey) Law, 1991, or the 1991 Law. We gave notice of this to the Jersey Financial Services Commission 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)

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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., 420 Lexington Avenue, Suite 2515, New York, New York 10170.

We began operations as an in-house unit of British Airways in 1996 and started focusing on providing business process outsourcing, or BPO, 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 (which we subsequently rebranded as WNS Assistance and which constitutes 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 industry to include insurance-based automobile claims processing. In fiscal 2004, we acquired the health claims management business of Greensnow Inc. In fiscal 2006, we acquired Trinity Partners (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 April 2008, we acquired Chang Limited, an auto insurance claims processing services provider in the UK, through its wholly-owned subsidiary, 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 pursuant to which we are providing BPO services to AVIVA's UK and Canadian businesses. 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 Global was the business process offshoring subsidiary of AVIVA. See Item 5. Operating and Financial Review and Prospects Revenue Our Contracts for more details on this transaction.

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, NTrance Customer Services Private Limited, WNS Customer Solutions Private Limited, WNS Customer Solutions Shared Services Private Limited and WNS Workflow Technologies (India) Private Limited. This Scheme of Amalgamation became effective on August 27, 2009. In another restructuring exercise, our subsidiary WNS (Mauritius) Limited transferred its shareholding in three of its then subsidiaries, First Offshoring Technologies Private Limited, Servicesource Offshore Technologies Private Limited and Hi-Tech Offshoring Services Private Limited, to WNS Global for a cash consideration of Rs. 23.06 million in November 2009, followed by a merger of these three subsidiaries 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. This Scheme of Amalgamation became effective on March 31, 2010. As a result of the various restructuring activities undertaken in fiscal 2010, our organizational structure has been simplified, and now comprises 24 companies in 13 countries. We are headquartered in Mumbai, India, and we have client service offices in New York (US), New South Wales (Australia), London (UK), and Singapore and delivery centers in Mumbai, Gurgaon, Pune, Bangalore, Chennai and Nashik (India), Manila (the Philippines), Ipswich and Manchester (the UK), Bucharest (Romania), Colombo (Sri Lanka), and San Jose (Costa Rica). We completed our initial public offering in July 2006 and our ADSs are listed on the New York Stock Exchange, or the NYSE, under the symbol WNS.

Our capital expenditure in fiscal 2010, 2009, 2008 and 2007 amounted to \$13.3 million, \$22.7 million, \$28.1 million and \$27.5 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 2011 to be approximately \$16.0 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. We expect to meet these estimated capital expenditure from cash generated from operating activities and existing cash and

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cash equivalents. See Item 5. Operating and Financial Review and Prospects Liquidity and Capital Resources for more information.

B. Business Overview

We are a leading provider of offshore BPO services. We provide comprehensive data, voice and analytical services that are underpinned by our expertise in our target industry sectors. We transfer the business processes of our clients which are typically companies headquartered in Europe, North America and Asia Pacific regions to our delivery centers located in India, the Philippines, Sri Lanka, the UK, Romania and Costa Rica. We provide high quality execution of client processes, monitor these processes against multiple performance metrics, and seek to improve them on an ongoing basis.

According to the National Association of Software and Service Companies, or NASSCOM, an industry association in India, we have been among the top two India-based offshore business process outsourcing companies in terms of export revenue for fiscal 2009. As of March 31, 2010, we had 21,958 employees executing approximately 600 distinct business processes for more than 225 clients. Our largest clients in fiscal 2010 in terms of revenue contribution included AVIVA, Biomet Inc., British Airways, Centrica plc, FedEx, Marsh & McLennan Companies Inc., or MMC, Société Internationale de Télécommunications Aéronautiques, or SITA, T-Mobile, Travelocity.com LP, or Travelocity, United Airlines and Virgin Atlantic Airways Ltd. See Clients.

We design, implement and operate comprehensive business processes for our clients, involving one or more data, voice and analytical components. Our services include industry-specific processes that are tailored to address our clients business and industry practices, particularly in the travel and leisure, and BFSI industries, as well as businesses in the consumer products, retail, professional services, pharmaceutical, media and entertainment, manufacturing, logistics, telecommunications, and utilities industries. In addition, we deliver shared services applicable across multiple industries, in areas such as finance and accounting, and research and analytics services (formerly referred to as knowledge services). In May 2009, we reorganized our industry-specific capabilities to form a new core functional service capability called business transformation services. These services seek 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 leveraging program management to achieve cost savings.

We generate revenue primarily from providing business process outsourcing services. A portion of our revenue includes payments which we make to automobile repair centers. We evaluate our business performance based on revenue net of these payments in the case of fault repairs, since we believe that revenue less repair payments reflects more accurately the value of the business process outsourcing services we directly provide to our clients. See Item 5. Operating and Financial Review and Prospects Results by Reportable Segment. In fiscal 2010, our revenue was \$582.5 million, our revenue less repair payments was \$390.5 million and our net income attributable to WNS shareholders was \$3.7 million.

Between fiscal 2008 and fiscal 2010, our revenue grew at a compound annual growth rate of 15.3% and our revenue less repair payments grew at a compound annual growth rate of 15.9%. During this period, we grew both organically and through acquisitions. We believe we have achieved rapid growth and industry leadership through our understanding of the industries in which our clients operate, our focus on operational excellence, and a senior management team with significant experience in the global outsourcing industry. Our revenue is characterized by client, industry, geographic and service diversity, which we believe offers us a sustainable business model.

Industry Overview

Companies globally are outsourcing a growing proportion of their business processes to streamline their organizations, reduce costs, create flexibility, and improve their processes to increase shareholder returns. More significantly, many of these companies are outsourcing to offshore locations such as India to access a high quality and cost-effective workforce. We are a pioneer in the offshore business process outsourcing industry and continue to be well positioned to benefit from the combination of the outsourcing and offshoring trends.

While a limited number of global corporations such as General Electric Company, British Airways (through our subsidiary, WNS Global) and American Express Company established in-house business process outsourcing facilities in India in the mid-1990s, offshore business process outsourcing growth only accelerated significantly from 2000

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onwards with the emergence of third party providers. This has been followed by a shift in focus from largely call center related outsourcing in areas such as telemarketing and client services to a wider range of more complex business processes such as finance and accounting, insurance claims administration and market research analysis. The global business process outsourcing industry is large and growing rapidly. According to the 2010 Strategic Review published by NASSCOM in February 2010, or the NASSCOM 2010 Strategic Review, the global business process outsourcing market was estimated at \$112.2 billion in 2009 and is projected to grow at a 7.1% compound annual growth rate from 2009 through 2013 to \$147.7 billion. The following charts set forth the relative growth rate and size of the global business process outsourcing industry and the global information technology industry in addition to the expected growth rate of the Indian offshore business process outsourcing industry:

Global IT Outsourcing vs. BPO Market (\$ in billions) Indian BPO Industry Revenues (\$ in billions)

Source: NASSCOM Strategic Review, February 2010
Note: Years ending December 31

Source: NASSCOM Strategic Review, February 2010
Note: Years ending March 31

We believe that India is widely considered to be the most attractive destination for offshore information technology, or IT, and business process outsourcing services, or BPO. According to the NASSCOM 2010 Strategic Review, India accounts for approximately 51%, Canada accounts for 19%, Philippines for 6%, Central and Eastern Europe (CEE) for 6% and others for the remaining 18% of the addressable offshore IT-BPO market. It is further estimated that India based resources account for about 60-70% of the offshore delivery capabilities available across the leading multi-national IT-BPO players. The key factors for India's predominance include its large, growing and highly educated English-speaking workforce coupled with a business and regulatory environment that is conducive to the growth of the business process outsourcing industry.

Offshore business process outsourcing is typically a long-term strategic commitment for companies. The processes that companies outsource are frequently complex and integrated with their core operations. These processes require a high degree of customization and, often, a multi-stage offshore transfer program. Clients would therefore incur high switching costs to transfer these processes back to their home locations or to other business process outsourcing

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providers. As a result, once an offshore business process outsourcing provider gains the confidence of a client, the resulting business relationship is usually 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:

- established reputation and industry leadership;
- demonstrated ability to execute a diverse range of mission-critical and often complex business processes;
- capability to scale employees and infrastructure without a diminution in quality of service; and
- ability to innovate, add new operational expertise and drive down costs.

As the offshore business process outsourcing industry evolves further, we believe that scale, reputation and leadership will increasingly become more important factors in this selection process.

Competitive Strengths

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

Offshore business process outsourcing market leadership

- We have received recognition as an industry leader from various industry bodies or publications. For example:
- NASSCOM has named us among the top two India-based offshore business process outsourcing companies in terms of export revenue for fiscal 2009;
 - 2009 Global Outsourcing 100, a publication of International Association of Outsourcing Professional (IAOP), named us the industry-specific multi-year winner;
 - The Shared Services and Outsourcing Network, a global community of outsourcing professionals, granted us the Best New Outsourced Services Award in 2009;
 - 2009 Global Outsourcing 100 named us among the top 10 outsourcing companies focused on the utilities industry;
 - 2009 Global Outsourcing 100 named us among the top five outsourcing companies focused on the air transportation industry;
 - WCBF, USA, an independent organization providing Six Sigma solutions, granted us the Best Project Achievement in Green Six Sigma Award in 2009;
 - The World Environment Foundation, in association with the Institute of Directors, granted us the Golden Peacock Eco-Innovation Award for Green Lean Sigma Program in 2009;
 - The Global Services Magazine, in conjunction with a leading outsourcing advisor, neoIT, named us the Best Performing Finance and Accounting Outsourcing Provider in 2008 and among the top two best performing business process outsourcing companies in 2008 and 2009;
 - KLM Royal Dutch Airlines recognized us with the Partners in Innovation Challenge Award in 2008; and
 - The CIO Magazine (Indian Edition) granted us an award for Innovative Strategic Solutions in 2008.

We have closely followed industry trends in order to target services with high potential. For example, since our emergence as a third party business process outsourcing provider, we have aggressively invested in finance and accounting, and research and analytics services. As demand has ramped up in the industrials and infrastructure sector, in

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April 2008, we set up a team to focus on the industrial and infrastructure industry sectors. We have also focused our service portfolio on more complex processes, avoiding the delivery of 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. For example, in May 2009, we reorganized our industry-specific capabilities to form a new core functional service capability called business transformation services. These services seek 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 leveraging program management to achieve cost savings.

We believe our early differentiation from other players and the length of our working relationship with many industry-leading clients has significantly contributed to our reputation as a proven provider of offshore business process outsourcing services. We believe that this reputation is a key differentiator in our attracting and winning clients.

Deep industry expertise

We have established deep expertise in the industries we target. We have developed our business by creating focused business units that provide industry-specific services. Our industry-focused strategy allows us to retain and enhance expertise thereby enabling us to:

- offer a suite of services that deliver a comprehensive industry-focused business process outsourcing program;
- leverage our existing capabilities to win additional clients and identify new industry-specific service offerings;
- cultivate client relationships that may involve few processes upon initial engagement to develop deeper engagements ultimately involving a number of integrated processes;
- provide proprietary technology platforms for use in niche areas in specific sectors such as auto insurance and travel;
- recruit and retain talented employees by offering them industry-focused career paths; and
- achieve market leadership in several of the industries we target.

Experience in transferring processes offshore and running them efficiently

Many of the business processes that are outsourced by clients 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 smooth transfer of business processes from our clients facilities to our delivery centers. For example, our highly experienced program management team has transferred approximately 600 distinct business processes for more than 225 clients.

We focus on delivering our client processes effectively on an ongoing basis. We have also invested in a quality assurance team that satisfies the International Standard Organization, or ISO, 9001:2000 standards for quality management systems, and applies Six Sigma, a statistical methodology for improving consistent quality across processes, and other process re-engineering methodologies to further improve our process delivery. The composition of our revenue enables us to continuously optimize the efficiency of our operations.

Diversified client base across multiple industries and geographic locations

We serve a large, diversified client base of more than 225 clients across Europe, North America, Asia and the Middle East, including clients who are market leaders within their respective industries. We have clients across the multiple sectors of the travel and leisure, and BFSI industries as well as other industries such as consumer products, retail, professional services, pharmaceutical, media and entertainment, manufacturing, logistics, telecommunications, and utilities. To date, many of our clients have transferred a limited number of their business processes offshore. We believe, therefore, that we have a significant opportunity to increase the revenue we generate from these clients in the future as they decide to expand their commitment to offshore business process outsourcing. See Clients.

Table of Contents***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.

Ability to manage the rapid growth of our organization

We have 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. We have also established a highly scalable operational infrastructure in multiple locations supported by a world-class information technology and communications network infrastructure.

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 senior management team have an average of over 20 years of experience in diverse industries, including in the 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

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 and further develop our industry expertise, enhance our brand to attract new clients, develop organically new business services and industry-focused operating units and make selective acquisitions. The key elements of our strategy are described below.

Drive rapid growth through penetration of our existing client base

We have a large and diverse existing client base that includes many leading global corporations, most of whom have transferred only a limited number of their business processes offshore. We leverage our expertise in providing comprehensive process solutions by identifying additional processes that can be transferred offshore, cross-selling new services, adding technology-based offerings, and expanding and deepening our existing relationships. We have account managers tasked with 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.

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 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 thought leadership initiatives in the form of 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.

Reinforce leadership in existing industries and penetrate new industry sectors

We have a highly successful industry-focused operating model through which we have established a leading offshore business process outsourcing practice in the travel and leisure, and BFSI sectors. We intend to leverage our in-depth

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knowledge of these industries to penetrate additional sectors within these industries. For example, through our recent acquisition of Aviva Global, we see opportunities to penetrate the multi-line insurance and other segments of the insurance industry. Our 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. We continue to leverage our existing expertise in emerging businesses to develop our practice in the consumer products, retail, professional services, pharmaceutical, and media and entertainment sectors.

Broaden industry expertise and enhance growth through selective acquisitions

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 four main categories of clients through industry-focused business units. First, we serve clients in the travel and leisure industry, including airlines, travel intermediaries and other related service providers, for whom we perform services such as customer service and revenue accounting. Second, we serve clients in the BFSI industry for whom we perform services such as insurance claims management, account set-up and other related services, and asset management support. Third, we serve clients in the industrial and infrastructure industry, including manufacturing, logistics, telecommunications and utilities. Fourth, we serve clients in several other industries, including consumer products, retail, professional services, pharmaceutical, and media and entertainment, which we refer to as emerging businesses. In addition to industry-specific services, we offer a range of services across multiple industries, in the areas of finance and accounting services and market, business and financial research and analytical services, which we collectively refer to as finance and accounting services, and research and analytics services (formerly referred to as knowledge services), respectively. Further, in May 2009, we reorganized our industry-specific capabilities to form a new core functional service capability called business transformation services. These services seek 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 leveraging program management to achieve cost savings. This structure is depicted in the graphic below:

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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—North America and Europe. In addition, we have a team focused on serving 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 resource, training, corporate communications, corporate finance, risk management and legal departments, which we refer to as our corporate-enabling units.

Travel and Leisure Services

We believe that we currently have one of the largest and most diverse service offerings among offshore business process outsourcing service providers in the travel and leisure services domain.

Our service portfolio includes processes 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:

airlines and hotels;

travel intermediaries; and

others, such as global distribution systems and network providers.

We served a diverse client base in this business unit that included British Airways, SITA, Travelocity, United Airlines and Virgin Atlantic Airways Ltd in fiscal 2010. In fiscal 2010, we served more than 25 airlines, hotels and travel intermediaries. As of March 31, 2010, we had 5,941 employees in this business unit, several hundred of whom have International Air Transport Association, or IATA, or other travel industry related certifications. In fiscal 2010 and 2009, this business unit represented 16.3% and 19.6% of our revenue, and 24.3% and 26.5% of our revenue less repair payments, respectively.

The following graphic illustrates the key areas in which we provide services to clients in this business unit:

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Case Study

A global airline sought a high quality, cost-effective solution for its passenger revenue accounting and recovery processes. The company turned to us to support its efforts to control costs and improve process efficiencies in these processes, leveraging our offshore capabilities to meet these objectives and enhance recoveries from fare audits. In 2006, the client transitioned its revenue accounting and fare audit operations to our India-based team of over 300 employees. Our program managers worked with the client to ensure that the migration was successful by documenting the processes, training our staff in a short period of time, and setting-up IT connectivity. After the process migration, our operations team maintained high quality delivery and continued to identify process improvement opportunities through a rigorous Six Sigma program.

Currently, we deliver revenue accounting and fare audit functions, ensuring accurate, efficient and timely processing, leading to enhanced recoveries. Key features of our solution include:

- End-to-end passenger revenue accounting operations, including complex functions of interline, auditing, investigation, refunds and collections;
- Stringent service level agreements with the client;
- Multi-location delivery to ensure business continuity;
- Highly skilled staff with deep domain knowledge;
- Effective staff training capabilities; and
- Rigorous quality assurance and Six Sigma programs.

Benefits delivered by our team included:

- Significant cost savings;
- Initiatives to increase productivity levels;
- Improved service quality;
- Process efficiencies; and
- Development of comprehensive management information system and reporting.

BFSI Services

We were ranked as the leading insurance outsourcer in India by the International Association of Outsourcing Professionals in The Global Outsourcing 100 list for 2009. We also have expertise in the retail and mortgage banking, and asset management sectors.

The key BFSI industry sectors we serve include:

- integrated financial services companies;
- life, annuity, and property and casualty insurers;
- insurance brokers and loss assessors;
- self-insured auto fleet owners;
- commercial and retail banks;

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mortgage banks and loan servicers;
asset managers and financial advisory service providers; and
healthcare payors, providers and device manufacturers.

We served a diverse client base in this business unit that included AVIVA, Biomet Inc. and MMC in fiscal 2010. We also serve a large US-based financial advisory provider, a top ten UK auto insurer, a large insurance loss adjuster, several self-insured fleet owners and several mortgage-related companies. As of March 31, 2010, we had 8,485 employees working in this business unit. In fiscal 2010 and 2009, revenue from this business unit represented 65.4% and 62.6% of our revenue, and revenue less repair payments from this business unit represented 48.4% and 49.5% of our revenue less repair payments, respectively.

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. Call 24-7 provides comprehensive end-to-end solutions to the UK insurance industry by leveraging cost efficient claims processing, technology, and engineering and collision repair expertise to deliver quality service to its insurer clients through the accident management process. Call 24-7 offers a comprehensive suite of back-office insurance claims services, including first notification of loss, third party claims handling, replacement vehicle provisioning and repair management through a national network of approved body shops.

The following graphic illustrates the key areas in which we provide services to clients in this business unit:

Banking and Financial Services Offerings

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Insurance Services Offerings

Our BFSI business unit includes our auto claims business, branded WNS Assistance, which is comprised of our WNS Auto Claims BPO segment. WNS Assistance offers a blended onshore-offshore delivery model that enables us to handle the entire automobile insurance claims cycle. We offer comprehensive accident management services to our clients where we arrange for repair of automobiles through a network of repair centers. We also offer claims management services where we process accident insurance claims for our clients. For most of our clients in our auto claims business, our employees receive telephone calls reporting automobile accidents, generate electronic insurance claim forms and arrange for automobile repairs in cases of automobile damage. We also 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 Item 5. Operating and Financial Review and Prospects Results by Reportable Segment.

Case Study

Our client, a leading retail broker-dealer, provides investment tools, including real-time quotes, customized charts, market summaries and research tools, such as company profiles and earnings estimates, to its customers. Experiencing aggressive growth, the client realized that it had to scale its back office to meet the needs of advisors and field staff. The back office had to be designed to support the full range of product offerings. The client turned to us to design and implement the operation.

We deliver services across the entire life cycle of a broker-dealer, supporting financial products including:

New account set up (for brokerage accounts);

Client administration (relating to beneficiary change, case management for annuities, life and mutual funds, bank authorization and payment for new business);

Advisor compensation (relating to commission earned on each new account / transaction); and

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Client portfolio administration.

We also provide support for new products as they are added to the client portfolio. These include brokerage products, annuities, insurance and managed products. A dedicated recovery team manages financial plan recovery, and sends notifications and advisories to customers.

Some of the key features of our solution include:

Flexible pricing model: The client is billed on a unit transaction pricing model for a substantial portion of the work scope. This allows for greater flexibility as business volumes fluctuate. For example, volumes can surge by as much as 30-40% during the tax season. This requires meticulous planning between both the client and our team to manage fluctuating volumes.

Rapid scaling of operations: We were able to scale our operations rapidly in order to deliver 24 processes ranging from low to high complexity within six months of engagement commencement,

Deep domain expertise: We initially created a pool of domain experts to provide advice on the salient features of the client's products. Currently, given the power of this capability, the client has transitioned all transactions to us.

Currently, we support the full range of the client's brokerage functions starting with the opening of a customer account to portfolio management and field staff compensation. We also increased the accuracy of processing and significantly improved turnaround time on requests.

Industrial and Infrastructure Services

Our industrial and infrastructure services business unit focuses specifically on the needs of the manufacturing, logistics, telecommunications and utilities industries.

We served a diverse client base that included Centrica plc, FedEx and T-Mobile in fiscal 2010. As of March 31, 2010, we had 2,646 employees working in this business unit. In fiscal 2010 and 2009, revenue from this business unit represented 7.6% and 6.9% of our revenue, and 11.4% and 9.3% of our revenue less repair payments, respectively.

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The following graphic illustrates the key areas in which we provide services to clients in this business unit:

Case Study.

Our client, a leading gas and electricity provider in the United Kingdom and North America, wanted to significantly increase its customer service while reducing cost of operations. In the course of its transformation to a more consumer-centric company, the client chose to outsource its processes to us.

WNS associates manage customer care processes for this client, interacting directly with consumers through all channels of communication, including email, white mail and outbound calling. We also deliver back office exceptions billing, a crucial financial back office process, which enables the client to identify and bill customers accurately by plugging potential revenue leakages. Our solution achieved the following:

- Supported the client's implementation of its first SAP platform by acting as subject matter experts. SAP is a leading provider of business management software;

- Responded to a rapid increase in customer interaction volumes;

- Scaled our team from 26 to over 1,500 associates in that time period and revamped training materials;

- Implemented projects utilizing Six Sigma and LEAN methodologies at transition, laying the foundation for continuous program improvement, resulting in higher quality transition by embedding Black Belts, which refers to in-house coaches on Six Sigma, to design quality model;

- Reduced the time for a team member to reach optimum productivity, and increased productivity;

- Improved debt recovery; and

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Reduced backlog by collaboratively working with the client.

Emerging Businesses

Prior to April 2008, our emerging businesses unit addressed the needs of the manufacturing, logistics, telecommunications, utilities, consumer products, retail, professional services, pharmaceutical, and media and entertainment industries. In April 2008, we created a new industrial and infrastructure services business unit to focus specifically on the needs of the manufacturing, logistics, telecommunications and utilities industries. We believe several industries are at an accelerating stage of offshore business process outsourcing adoption, and therefore present significant opportunities for growth. These industries include consumer products, retail, professional services, pharmaceutical and, media and entertainment industries.

As of March 31, 2010, we had 3,615 employees in this business unit. In fiscal 2010 and 2009, this business unit represented 10.7% and 10.9% of our revenue, and 15.9% and 14.7% of our revenue less repair payments, respectively. Our strategy for our emerging businesses is to nurture and develop emerging industry-specific capabilities up to a point of critical mass from which new industry-focused operating units may emerge. We utilize three core functional service capabilities to penetrate our emerging businesses. These capabilities are broadly classified as:

- finance and accounting services focused on finance and accounting services;
- research and analytics services focused on market, business and, financial research and analytical services; and
- business transformation services focused on business and process optimization services.

Case Study

In our emerging businesses unit, we worked with a leading global consumer packaged goods company which was faced with the challenge of improving the level of customer care to both the 500,000 sales representatives and consumers in more than 100 countries, while reducing associated costs. This challenge was accentuated during peak seasons as the client has to scale its customer care function while maintaining its service levels.

The client first engaged us through a pilot project delivering customer care for the sales representatives in the US. After the pilot was successfully completed, the client expanded the scope of our work to include other geographies and product lines.

Currently, we deliver the entire range of customer care services, including voice and email support in multiple geographies. The services which are delivered from our global network specifically centers in India, Romania, and the Philippines and include:

- Order management supporting sales representatives, including booking sales, assisting with product information, providing current promotion information, and shipping details;
- Responding to customer service requests by sales representatives, including the provision of information on product return schemes and other product-related information, and advising on the status of shipment delays;
- Customer service supporting global sales managers by responding to queries on a variety of subjects, including product information, promotional schemes, shipping details of specific orders, and sales representative order backlogs. These queries are managed via calls or emails;
- Customer service for the client's consumers, where the client's consumers can call, email or write a letter to our team. We then respond with the necessary product information, product availability, promotional offers, or address product complaints; and
- Sales representative support, including the recruitment of sales representatives. Our team handles calls from potential recruits who want information on how to become sales representatives, how can they apply, benefits and other queries.

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We improved the efficiency of our client's customer care processes and reduced costs, while delivering consistent service levels in the face of variable volumes. As a result, service levels improved during the peak sales season. We reduced the call abandon rates and reduced costs. Given the success of the customer care outsourcing, the client has also outsourced its finance and accounting processes to us.

Finance and Accounting Services

In our finance and accounting services area, we offer critical finance and accounting services to our clients. In June 2008, we acquired BizAps, a provider of SAP solutions, to optimize the enterprise resource planning functionality for our finance and accounting processes. The acquisition of BizAps has enabled us to further assist our global customers in improving their shared services finance and accounting functions, including core processes such as procure-to-pay and order-to-cash. Based in the UK and the US, BizAps offers SAP optimization services and SAP certified solutions designed to simplify SAP roll-out and enhance functionality for internal and outsourced shared services centers.

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

Case Study

A global professional services firm sought to consolidate and standardize its finance and accounting, or F&A, processes across 40 countries and 35 operating companies on more than 25 disparate platforms. The organization wanted to transform its finance function and reduce its cost of operations in order to remain competitive in a global economy. This required simplification and standardization of its globally fragmented processes including those delivered by the client's own captive shared service center.

Given the fragmented nature of the processes, we first conducted an exhaustive diagnostic. Based on the results, we developed a detailed transition plan to consolidate and standardize processes. Simple to complex F&A processes were then transitioned in a phased manner to our dedicated F&A centers of excellence. Currently, we deliver a full range of F&A processes including processes relating to accounts payable, accounts receivables, payroll and employee benefits, travel and expense, general accounting, fiduciary accounting, and management accounting and reporting across 40 countries, including the US, Canada, the UK, Ireland, Puerto Rico, Bermuda, Hungary, Australia and some countries in Asia Pacific and Europe. We delivered the following additional benefits to our client:

Reduced cost of operations;

Improved financial controls by a comprehensive documentation approach, embedding strong quality processes and enhancing the overall control environment, particularly from the standpoint of compliance with the US Sarbanes-Oxley Act of 2002; and

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Delivered the following process improvements by leveraging LEAN, Kaizen (a continuous productivity improvement philosophy) and Six Sigma methodologies:

- o Increased productivity;
- o Reduced the volumes of queries and referrals significantly;
- o Helped recover VAT credit;
- o Introduced automated duplication check process to prevent duplicate payments;
- o Reconciled significant amounts of long pending inter-company balances; and
- o Increased efficiency on reconciliations across entities.

Research and Analytics Services

In the research and analytics services area, we offer market, business, and financial research and analytical services such as business and financial research, market research, domain specific analytical services, data services and business services to our clients who are typically pharmaceutical companies, consulting firms, market research companies and investment banks. These services range from low complexity data collection services to complex and high-end analytics which require specialized skill sets. Our research and analytics services also include industry-specific processes that are tailored to address our clients' business and industry practices in the pharmaceutical, retail, financial services and insurance, consumer products and other emerging industries like travel, manufacturing, technology, media and telecommunications. Our analysts have bachelors, masters or doctorate degrees in statistics, management, business administration, finance and accountancy or economics, which enable us to support many of our clients' simple to highly complex research and analytics needs. We have institutionalized processes around staffing, internal training, knowledge transfer, transition, team management and client communication that are unique to high-end knowledge process outsourcing relationships.

In May 2007, we acquired Marketics, a provider of offshore analytics services. Over the last three years, Marketics has developed a wide range of technology-enabled analytic services, primarily targeting the sales and marketing organizations of consumer-centric companies. Marketics' value proposition is focused on enhancing business decision making through the use of complex analytics such as predictive modeling to understand consumer behavior patterns and sales data analytics to support inventory allocation.

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

Case Study

A global beverage company sought to transform their way of conducting market research and analytics. The client wanted to accomplish two key objectives: first, free up internal resources from data gathering to focus them on the consumer and marketing functions; and second, obtain more value from existing data.

The client started its engagement with us with a pilot team answering everyday business questions on opportunities for brands, consumers, market, occasions, using proprietary survey research protocols. The scope soon expanded to include consumer surveys, brand equity tracking surveys and integrated marketing communications tracking, as well as the management of the supporting research data. This information resides with research partners in 40 different countries, stemming from reports that are run on a wide range of time frames. We became the custodian of the historical tracker, supporting these 40 markets globally.

Our key value-added contributions include:

Fast turnaround on key queries. We developed a blended onsite/offshore delivery model which helped the client gain a better understanding of strategic and business challenges with an overnight turnaround.

Thinking supplier partnership. We leveraged a resource mix of modeling analysts, marketing domains and technology experts to support the client on both strategic and tactical business questions, including portfolio analysis, everyday business questions such as market size estimation, shopper and consumer insights, identifying consumer need gaps for new product development and implementing an analytics center of excellence to support account growth.

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Ongoing efficiency. We identified a pattern of client requests which drove the automation and creation template reports, including a unique monitoring report. This report is currently used in over 35 global markets by the client's senior management team.

Business Transformation Services

In May 2009, we reorganized our industry-specific capabilities to form a new core functional service capability called business transformation services. These services seek to help our clients identify business and process optimization opportunities through technology-enabled solutions, process redesigning and improvements using a variety of techniques, and leveraging technical and management development programs to achieve cost savings. Because the economic climate is dynamic, our clients seek cost savings beyond labor arbitrage and look for step changes in productivity and the ability to manage variability. To more effectively address our clients' needs, we have restructured our existing capabilities in process and domain consulting, program management, and quality and technology analytics into a comprehensive service. Our services include implementation of best practices, technology-enabled solutions optimization and leading-edge analytics. We use various processes, tools and methodologies to deliver our business transformation services, including the Six Sigma & Lean methodologies, engagement models tied to results, analytics-based business insights, domain and process expertise, process re-engineering, best practices, and standardization and automation.

The following graphic illustrates the key transformation services that we provide:

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Table of Contents**Sales and Marketing**

The offshore business process outsourcing services sales cycle is 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 diagnostics studies and conducting pilot implementations to test our delivery capabilities. Due to the complex nature of our sales cycle, we have organized our sales teams by business units and staffed them with professionals who have specialized industry knowledge. This industry focus enables our sales teams to better understand the prospective client's business needs and offer appropriate industry-focused solutions.

Our sales and sales support professionals are based in the US, Eastern Europe, Singapore, the UK, India, Australia and Dubai. Our sales teams work closely with our sales support team in India, which provides critical analytical support throughout the sales cycle. 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 also assign dedicated account managers to our key clients. These managers work day-to-day with the client and our service delivery teams to address the client's needs. More importantly, by using the 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.

Clients

As of March 31, 2010, we had a diverse client base of more than 225 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 Item 5. Operating and Financial Review and Prospects Revenue for additional information on our client base.

In fiscal 2010, the following were among our top 25 clients (including their affiliates) by revenue:

AVIVA	SITA
Biomet Inc.	T-Mobile
British Airways	Travelocity
Centrica plc	United Airlines
FedEx	Virgin Atlantic Airways Ltd.

MMC

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.

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	Year Ended March 31,	
	2010	2009
Below \$1.0 million	173	161
\$1.0 million to \$5.0 million	36	40
\$5.0 million to \$10.0 million	12	6
More than \$10.0 million	7	9

Competition

Competition in the business process outsourcing services industry is intense and growing steadily. See 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. We compete primarily with:

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

business process outsourcing divisions of numerous information technology service companies located in India such as Infosys BPO Ltd (formerly Progeon Ltd) 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 Ltd., 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 Ltd) 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, in some cases, our own proprietary software and platforms to provide our services. Our principal proprietary software includes our platform for passenger revenue accounting called JADE, which we use in our travel and leisure business unit, and an auto claims software platform called Claimsflo, which we use in WNS Assistance. In addition, BizAps' proprietary and licensed software are used to optimize clients' functions and processes like procure to pay and order to cash. 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. We customarily enter into licensing and non-disclosure agreements with our clients with respect to the use of their software systems and platforms. Our contracts usually provide that all intellectual property created 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.

We have registered the trademark WNS and WNS-Extending Your Enterprise in the US, EU and India (in certain relevant categories).

Table of Contents**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. We also have wide-area-network, or WAN, local-area-network, or LAN, and desktop teams that focus on creating and maintaining our large pool of 16,039 workstations, or seats, and seek to ensure that our associates face minimal loss in time and efficiency in their work processes.

We have a well-developed international telecommunications infrastructure. We use a global wide area network, which we refer to as the WNSNet to connect our clients' data centers in the UK, Europe, North America and Asia with our delivery centers. WNSNet has extensive security and virus protection capabilities built in to protect the privacy of our clients and their customers and to protect against computer virus attacks. We believe our telecommunications network is adaptable to our clients' legacy systems as well as to new and emerging technologies. Our telecommunications network is supported by a 24/7 network management system. Our network is designed to eliminate any single-point-of-failure in the delivery of services to clients.

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 307 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 715 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 of March 31, 2010, more than 219 of our projects were completed according to the Six Sigma and LEAN methodologies and currently 97 projects are ongoing. 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 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.

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 for optimal implementation of systems to manage organizational information security risks. These standards seek to ensure that sensitive company information remains secure. Currently, information security systems at 11 delivery centers are ISO 27001:2005 certified, and we expect to seek similar certifications in our other 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 or sensitive authentication data through the adoption of 12 security requirements.

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

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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 of March 31, 2010, we had 21,958 employees, of which 19,642 are based in India, 1,268 are based in the Philippines, 411 are based in the UK, 367 are based in Sri Lanka, 179 are based in Romania, 62 are based in the US, and 29 are based in Costa Rica. Most of our associates hold university degrees. As of March 31, 2009 and 2008, we had 21,356 and 18,104 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 we have developed effective human resource strategies and a strong track record in recruiting. As part of our recruiting strategy, we encourage candidates to view joining our organization as choosing a long-term career in the field of travel, BFSI or another specific industry or service area. We use a combination of recruitment from college campuses and professional institutes, via recruitment agencies, job portals, advertisements and walk-in applications. In addition, a significant number of our applicants are referrals by existing employees. We currently recruit an average of 885 employees per month.

During fiscal 2010, 2009 and 2008, the attrition rate for our employees who have completed six months of employment with us was 32%, 31% and 38%, 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 culture, 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.

Our significant effort on the learning and development of our supervisory, management and leadership team is visible through focused learning initiatives targeted at employees with specific job roles and based upon current and future business competency requirements. Since 2008, we have implemented a structured five-day leadership program 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.

Since the launch of the Harvard Leadership and Management series programs, over 304 members of our employees ranking Associate Vice President and above have enrolled to these programs. In addition to this, we offer higher education opportunities through tie-ups with leading institutions such as the Indian Institute of Management and the Symbiosis Institute of Business Management.

In 2009, the WNS Learning Academy launched Leader's Peak, a dual process approach with our leaders within the organization, including our Group Chief Executive Officer, running developmental workshops for senior teams on the one hand and video-led Know Your Leader sessions at the associate and team leader level. Over 8,300 team members have witnessed Leader's Peak videos.

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In 2009, the WNS Learning Academy formed a core team aimed at providing an innovative approach to deal with operational challenges on client projects. This is implemented through a series of project based initiatives using coaching and process re-engineering techniques to impact client service level agreements and business metrics such as client satisfaction scores and employee productivity. Over 1,000 employees have been a part of such engagements in 2009. In addition to this, earlier this year in 2010, we have created a customized engagement to facilitate senior members of our off shore operations teams to identify and consolidate cross sell and up sell opportunities within their existing client base.

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 India, Sri Lanka, the Philippines, Europe and the US that regulate various aspects of our business. See 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 benefit from certain tax incentives promulgated by the Indian government, including a tax holiday from Indian corporate income taxes for the operation of most of our Indian facilities. The tax holiday enjoyed by our delivery centers located in Bangalore, Chennai, Gurgaon, Mumbai, Nashik and Pune will expire on April 1, 2011, except for the tax holiday enjoyed by three of our delivery centers located in Mumbai, Nashik and Pune which expired on April 1, 2007, April 1, 2008 and April 1, 2009, respectively. As a result of these incentives, our operations have been subject to lower Indian tax liabilities. In May 2007, the Indian Finance Act, 2007 was adopted, with the effect of subjecting Indian companies that benefit from a holiday from Indian corporate income taxes to the minimum alternate tax, or MAT. From fiscal 2007 to fiscal 2009, MAT was applied at the rate of 11.33% in the case of profits exceeding Rs. 10 million and 10.3% in the case of profits not exceeding Rs. 10 million. The MAT has been increased (1) to the rate of 16.99% in the case of profits exceeding Rs. 10 million and 15.45% in the case of profits not exceeding Rs. 10 million in fiscal 2010, and (2) to 19.93% in the case of profits exceeding Rs. 10 million and 18.54% in the case of profits not exceeding Rs. 10 million in fiscal 2011. As a result of the adoption of Indian Finance Act, 2007, we became subject to MAT and have been required to pay additional taxes since fiscal 2008. 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. In addition to this tax holiday, our Indian subsidiaries are also entitled to certain benefits under relevant state legislation/regulations. These benefits include preferential allotment of land in industrial areas developed by the 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.

Our Sri Lankan subsidiary, our joint venture company in the Philippines and our subsidiary in Costa Rica also benefit from certain tax exemptions.

See 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;

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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 amount which may be payable by such defendant may be limited by virtue of 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, which provides 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 United Kingdom is responsible or a person carrying on business in Jersey.

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 du Feu & Jeune, 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 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. This section, which is the statutory basis for the recognition of foreign judgments, states that a foreign judgment is conclusive as to any matter directly adjudicated upon except:

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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.

C. Organizational Structure

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

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Notes:

- (1) WNS (Holdings) Limited made 99.99% capital contribution in WNS Global Services Netherlands Cooperative U.A. (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.
- (2) All the shares except one share of WNS Mortgage Services Private Limited 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.
- (3) In August 2009, the following seven then Indian

subsidiaries of WNS Global Services Private Limited, or WNS Global, were merged 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 Technologies (India) Private Limited, Noida Customer Operations Private Limited, NTrance Customer Services Private Limited, WNS Customer Solutions Private Limited, WNS Customer Solutions Shared Services Private Limited and WNS Workflow Technologies (India) Private Limited. This Scheme of Amalgamation became effective on August 27, 2009. In November 2009,

WNS (Mauritius) Limited transferred its shareholding in three of its then subsidiaries, First Offshoring Technologies Private Limited, Servicesource Offshore Technologies Private Limited and Hi-Tech Offshoring Services Private Limited, to WNS Global for a cash consideration of Rs. 23.06 million. Thereafter, these three subsidiaries 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. This Scheme of Amalgamation became effective on March 31, 2010.

- (4) Formerly known as Flovate Technologies Limited.
- (5) Formerly known as Marketics, Inc.

(6) WNS Philippines, Inc is a joint venture company set up between the Co-Op and Advanced Contact Solutions, Inc., or ACS. ACS has assigned its rights and obligations under the joint venture agreement in favor of its holding company Paxys Inc, Philippines. The Co-op has a 65% ownership interest in WNS Philippines Inc.

(7) Formerly known as Call 24-7 Limited.

(8) Formerly known as Aviva Global Services Singapore Pte. Ltd., or Aviva Global.

D. Property, Plant and Equipment

As of May 31, 2010, we have an installed capacity of 16,039 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⁾
Mumbai	362,391	2,844		
Plant 10			February 15, 2011	N/A
Plant 11 (old)			May 31, 2010/ January 31, 2011	February 28, 2013/ October 31, 2013
Plant 11			October 23, 2011	July 23, 2014
Plant 5			November 30, 2012	August 31, 2015
Airoli ⁽²⁾			May 31, 2019	N/A

Gurgaon Towers A & B	293,051	2,107	April 30, 2014 May 31, 2014	N/A/ N/A
Tower C			September 30, 2010	March 31, 2015
DLF Building 6 ⁽³⁾			September 15, 2012/ October 31, 2012/ August 31, 2013	September 15, 2017/ October 31, 2017/ August 31, 2018

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Location	Total Space (square feet)	Total Number of Workstations/Seats	Lease Expiration	Extendable Until⁽¹⁾
Pune	584,364	5,378		
Sofotel ⁽⁴⁾			March 31, 2011	N/A
Magarpatta ⁽⁵⁾			N/A	N/A
Weikfield ⁽⁶⁾			February 14, 2014/ April 30, 2014/ June 14, 2014	February 14, 2018/ April 30, 2018/ June 14, 2018
Nashik	88,356	987		
Shreeniketan			June 30, 2010	N/A
Vascon ⁽⁷⁾			October 14, 2013	N/A
Bangalore	191,890	2,005		
RMZ Continental			June 14, 2010/ October 31, 2010/ May 5, 2010	June 14, 2025/ October 31, 2025/ May 5, 2025
Chennai	82,905	762		
RMZ Millenia			March 31, 2012	August 31, 2048
Sri Lanka:	33,124	400		
Colombo (HNB)			July 31, 2011	N/A
UK:	26,816	424		
Ipswich WNSA			August 26, 2012	N/A
Ipswich(SFH)-WNSA ⁽⁸⁾			October 31, 2009	N/A
Ipswich-WNSWT			August 26, 2012	N/A
Marple-Call-24-7 ⁽⁹⁾			April 3, 2013	N/A
The Lodge WNS UK Sales			December 21, 2014	N/A
BizAps Chiswick High Road			December 31, 2011	N/A
US:	3,620	7		
New York			May 31, 2011	N/A
BizAps ⁽¹⁰⁾			January 31, 2010	N/A
Romania:	26,748	155		
Bucharest			December 31, 2012	See footnote no. 11
The Philippines:	38,102	855		
Superstone			December 31, 2010	N/A
Eastwood			August 31, 2015	August 31, 2018
Costa Rica	11,603	115		
San Jose			September 15, 2011	N/A

Notes:

N/A means not applicable.

- (1) Reflects the expiration date if each of our applicable extension options are exercised.
- (2) We expect to commence interior fit out works during the first quarter of fiscal 2011 and expect to move into these office premises over a period of 18 months commencing in the first quarter of fiscal 2011.
- (3) We completed interior fit out works in a portion of these premises in fiscal 2010 and have started operations. We expect to carry out interior fit out works on the balance of these premises in fiscal 2011.
- (4) On March 31, 2010, we gave notice to the lessor, informing him that we do not intend to extend the term of the lease beyond March 31, 2011.
- (5) We own these premises.

- (6) We have completed interior fit out works in five floors and started operations in this premises. We expect to commence interior fit out works in the balance three floors of these premises during the first half of fiscal 2011 and expect to move into the premises over a period of 18 months.
- (7) The operations at our prior Unity delivery center was transferred to our new facility at Vascon, Nashik in fiscal 2010 and we handed over the Unity premises back to the landlord. We expect to carry out the interior fit out works in the balance portion of Vascon premises in fiscal 2011.

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- (8) Renewal is in progress and expected to be completed by June 2010.
- (9) On February 1, 2010, we gave notice to terminate the Marple lease with effect from August 6, 2010. We are also in negotiations to lease a new premise.
- (10) Renewal discussions are in progress.
- (11) No option to renew unless mutually agreed by the parties in writing.

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

In order to streamline our operations and to increase seat utilization, in fiscal 2009 and fiscal 2010, we closed our delivery centers in Raheja, Mumbai, Marisoft, Pune, and Prestige Garnet, Bangalore, and terminated the leases in respect of a portion of the premises at Panschil Level 2, Pune, RMZ Millenia, Chennai, and Unity Plaza, Nashik. The production capacities at these locations have been consolidated with other premises available at our company. In fiscal 2011, we intend to establish additional delivery centers, as well as continue to streamline our operations by further consolidating production capacities in our delivery centers.

ITEM 4 A. UNRESOLVED STAFF COMMENTS

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 Item 3 . Key Information D. Risk Factors.

Restatement of our Consolidated Financial Statements

(Amounts in thousands except per share data, unless otherwise indicated)

On April 22, 2010, we announced that we have, in consultation with our audit committee, concluded that corrections to our prior accounting treatment for referral fees earned from garages, and revenue and costs on completed but

unbilled repairs, in our Auto Claims BPO segment (our auto claims business) are required.

As background, we provide our clients (insurance companies) automobile accident management services, where we arrange for the repairs of damaged cars. We pay the repair center for all repair services and 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. In a majority of cases, the referral fees from repair centers are passed on to the client. In the past, we had recognized the referral fees from repair centers and the repair payments from clients, net of the amount of referral fees that are passed back to clients, as revenue, and had recognized the payments to the repair centers as cost of revenue. We have determined that we should not include the referral fees from repair centers within revenue, and should instead subtract them from the costs of revenue for our auto claims business. We had also previously not recognized as revenue the amount of completed but unbilled repairs due from clients and similarly not recognized the corresponding costs of these repairs as cost of revenue. We had recorded the repair costs and related revenue only upon receipt of an invoice from the repair center. We have concluded that we should recognize as revenue the amount of completed but unbilled repairs due from clients and similarly recognize the corresponding costs of these repairs as costs of revenue.

As a result of the foregoing, we have restated our previously issued financial statements for fiscal 2009, 2008, 2007 and 2006 and for the first, second and third quarters of fiscal 2010 and each of the quarters of fiscal 2009. The restatement adjustments resulted in a cumulative net increase to previously reported equity of approximately \$130, \$68, \$119 and \$165 as of March 31, 2009, 2008, 2007 and 2006, respectively, and an increase (decrease) in previously reported net income by \$104, \$(53), \$(66) and \$(114) for fiscal 2009, 2008, 2007 and 2006, respectively. The restatement also had the effect of reducing previously reported revenue by \$18.4 million, \$21.8 million, \$6.9 million and \$7.4 million and cost of revenue by \$18.5 million, \$21.8 million, \$6.8 million and \$7.2 million for fiscal 2009, 2008, 2007 and 2006, respectively. The cumulative impact of similar adjustments on retained earnings related to periods prior to April 1, 2005 amounting to \$286 was recorded as a prior period adjustment in the statement of equity.

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Tables setting forth the effects of the restatement adjustments relating to the aforementioned accounting of referral fees and revenue and cost of completed but unbilled repairs as revenue and cost of revenue, respectively, on affected line items in our consolidated statement of income, of equity and comprehensive income and of cash flows for fiscal 2009 and 2008 and consolidated balance sheet as of March 2009 are presented in note 2 to our consolidated financial statements included elsewhere in this annual report. Tables setting forth the effects of such restatement adjustments on affected line items in our consolidated statement of income for fiscal 2007 and 2006, and for each of the first, second and third quarters of fiscal 2010 and for each of the quarters of fiscal 2009 are presented below. The earnings per share information under the *As restated* column for the first, second and third quarters of fiscal 2010 presented below also reflects adjustments to give effect to the change in the carrying amount of redeemable noncontrolling interest resulting from the application of ASC 480-10 *Distinguishing Liabilities from Equity* (refer to note 21 to our consolidated financial statements included elsewhere in this annual report).

	Quarter ended December 31, 2009		
	As previously reported	Adjustments	As restated
	(US dollars in thousands)		
Consolidated Statement of Income impact			
Revenue	\$ 149,114	(3,274)	\$ 145,840
Cost of revenue	113,956	(3,211)	110,745
Gross profit	35,158	(63)	35,095
Operating income	6,486	(63)	6,423
Income (loss) before income taxes	33	(63)	(30)
Provision for income taxes	64	(18)	46
Net loss	(31)	(45)	(76)
Net income attributable to WNS (Holdings) Limited shareholders	\$ 343	(45)	\$ 298
Earnings per share of ordinary share			
Basic	\$ 0.01	\$ 0.00	\$ 0.01
Diluted	\$ 0.01	\$ 0.00	\$ 0.01

	Quarter ended September 30, 2009		
	As previously reported	Adjustments	As restated
	(US dollars in thousands)		
Consolidated Statement of Income impact			
Revenue	\$ 153,047	\$(7,070)	\$ 145,977
Cost of revenue	116,139	(7,064)	109,075
Gross profit	36,908	(6)	36,902
Operating income	6,729	(6)	6,723
Income before income taxes	1,226	(6)	1,220
Provision for income taxes	227	(2)	225
Net income	999	(4)	995

Net income attributable to WNS (Holdings) Limited shareholders	\$ 1,355	\$ (4)	\$ 1,351
Earnings per share of ordinary share			
Basic	\$ 0.03	\$ (0.01)	\$ 0.02
Diluted	\$ 0.03	\$ (0.01)	\$ 0.02

Quarter ended June 30, 2009

As
previously
reported Adjustments As restated
(US dollars in thousands)

Consolidated Statement of Income impact

Revenue	\$136,695	\$ (3,602)	\$ 133,093
Cost of revenue	99,509	(3,561)	95,948
Gross profit	37,186	(41)	37,145
Operating income	8,220	(41)	8,179
Income before income taxes	1,280	(41)	1,239
Provision for income taxes	327	(12)	315
Net income	953	(30)	923

Net income attributable to WNS (Holdings) Limited shareholders	\$ 1,067	\$ (30)	\$ 1,037
Earnings per share of ordinary share			
Basic	\$ 0.02	\$ 0.00	\$ 0.02
Diluted	\$ 0.02	\$ 0.00	\$ 0.02

Quarter ended March 31, 2009

As
previously
reported Adjustments As restated
(US dollars in thousands)

Consolidated Statement of Income impact

Revenue	\$132,513	\$ (6,080)	\$ 126,433
Cost of revenue	99,887	(6,209)	93,678
Gross profit	32,626	129	32,755
Operating income	7,495	129	7,624
Income before income taxes	3,297	129	3,426
Provision for income taxes	958	36	994
Net income	2,339	93	2,432

Table of Contents**Quarter ended March 31, 2009**

	As previously reported	Adjustments	As restated
	(US dollars in thousands)		
Net income attributable to WNS (Holdings) Limited shareholders	\$2,446	\$ 93	\$2,539
Earnings per share of ordinary share			
Basic	\$ 0.06	\$ 0.00	\$ 0.06
Diluted	\$ 0.06	\$ 0.00	\$ 0.06

Quarter ended December 31, 2008

	As previously reported	Adjustments	As restated
	(US dollars in thousands)		
Consolidated Statement of Income impact			
Revenue	\$134,010	\$(3,087)	\$130,923
Cost of revenue	97,030	(2,937)	94,093
Gross profit	36,980	(149)	36,831
Operating income	10,659	(149)	10,510
Income before income taxes	2,591	(149)	2,442
Provision for income taxes	705	(42)	663
Net income	1,886	(108)	1,778
Net income attributable to WNS (Holdings) Limited shareholders	\$ 2,066	\$ (108)	\$ 1,958
Earnings per share of ordinary share			
Basic	\$ 0.05	\$ 0.00	\$ 0.05
Diluted	\$ 0.05	\$ 0.00	\$ 0.05

Quarter ended September 30, 2008

	As previously reported	Adjustments	As restated
	(US dollars in thousands)		
Consolidated Statement of Income impact			
Revenue	\$149,797	\$(5,032)	\$144,765
Cost of revenue	114,912	(5137)	109,775
Gross profit	34,885	105	34,990
Operating income	5,569	105	5,674
Income before income taxes	2,074	105	2,179
Provision for income taxes	1,847	29	1,876
Net income	227	75	302
Net income attributable to WNS (Holdings) Limited shareholders	\$ 227	\$ 75	\$ 302
Earnings per share of ordinary share			
Basic	\$ 0.01	\$ 0.00	\$ 0.01

Diluted	\$ 0.01	\$ 0.00	\$ 0.01
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Quarter ended June 30, 2008

	As previously reported	Adjustments	As restated
	(US dollars in thousands)		
Consolidated Statement of Income impact			
Revenue	\$122,944	\$(4,164)	\$118,780
Cost of revenue	98,487	(4,224)	94,263
Gross profit	24,457	61	24,518
Operating income	4,791	61	4,852
Income before income taxes	3,131	61	3,192
Benefit for income taxes	(208)	17	(191)
Net income	3,339	44	3,383
Net income attributable to WNS (Holdings) Limited shareholders	\$ 3,339	\$ 44	\$ 3,383
Earnings per share of ordinary share			
Basic	\$ 0.08	\$ 0.00	\$ 0.08
Diluted	\$ 0.08	\$ 0.00	\$ 0.08

Year ended March 31, 2007

	As previously reported	Adjustments	As restated
	(US dollars in thousands)		
Consolidated Statement of Income impact			
Revenue	\$352,286	\$(6,906)	\$345,380
Cost of revenue	271,174	(6,812)	264,362
Gross profit	81,112	(94)	81,018
Operating income	26,755	(94)	26,661
Income before income taxes	29,155	(94)	29,061
Provision for income taxes	2,574	(28)	2,546
Net income	26,581	(66)	26,515
Net income attributable to WNS (Holdings) Limited shareholders	\$ 26,581	\$ (66)	\$ 26,515
Earnings per share of ordinary share			
Basic	\$ 0.69	\$ 0.00	\$ 0.69
Diluted	\$ 0.65	\$ (0.01)	\$ 0.64

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	Year ended March 31, 2006		
	As previously reported	Adjustments	As restated
	(US dollars in thousands)		
Consolidated Statement of Income impact			
Revenue	\$202,809	\$(7,356)	\$ 195,453
Cost of revenue	145,730	(7,194)	138,536
Gross profit	57,079	(162)	56,917
Operating income	19,876	(162)	19,714
Income before income taxes	19,903	(162)	19,741
Provision for income taxes	1,574	(49)	1,525
Net income	18,329	(114)	18,215
Net income attributable to WNS (Holdings) Limited shareholders	\$ 18,329	\$ (114)	\$ 18,215
Earnings per share of ordinary share			
Basic	\$ 0.56	\$ (0.01)	\$ 0.55
Diluted	\$ 0.52	\$ 0.00	\$ 0.52

Overview

We are a leading provider of offshore business process outsourcing, or BPO, services. We provide comprehensive data, voice and analytical services to our clients, which are typically companies located in Europe, North America and Asia Pacific regions. As of March 31, 2010, we had 21,958 employees across all our delivery centers. According to NASSCOM, we have been among the top two India-based offshore business process outsourcing companies in terms of export revenue since 2004.

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 focus, however, is on deepening our client relationships and maximizing shareholder value over the life of a client's relationship with us.

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 accident management services, where we arrange for automobile repairs through a network of third party repair centers. In our accident management services, we act as the principal in our dealings with the third party repair centers and our clients. The amounts we invoice to our clients for payments made by us to third party repair centers is reported as revenue. Since we wholly subcontract the repairs to the repair centers, we evaluate our financial performance based on revenue less repair payments to third party repair centers which is a non-GAAP 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 non-fault repairs, revenue including repair payments is used as a primary measure to allocate resources and measure operating performance. As we provide a consolidated suite of accident management services including credit hire and credit repair for our non-fault repairs business, we believe that measurement of that line of business has to be on a basis that includes repair payments in revenue. Revenue less repair payments is a non-GAAP measure which is calculated as revenue less payments to repair

centers. The presentation of this non-GAAP information is not meant to be considered in isolation or as a substitute for our financial results prepared in accordance with US 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.

Between fiscal 2008 and fiscal 2010, our revenue grew from \$438.0 million to \$582.5 million, representing a compound annual growth rate of 15.3%, and our revenue less repair payments grew from \$290.6 million to \$390.5 million, representing a compound annual growth rate of 15.9%. During this period, we grew both organically and through acquisitions.

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

	For the Year Ended March 31,		
	2010	2009	2008
		(Restated)	(Restated)
		(US dollars in millions)	
Revenue	\$582.5	\$ 520.9	\$ 438.0
Less: Payments to repair centers	192.0	135.9	147.4
Revenue less repair payments	\$390.5	\$ 385.0	\$ 290.6

Global Economic Conditions

In the United States, Europe and Asia, market and economic conditions have been challenging with tighter credit conditions and slower growth during fiscal 2010 and continuing into fiscal 2011. In fiscal 2010 and continuing into fiscal 2011, continued concerns about the systemic impact of inflation, energy costs, geopolitical issues, the availability and cost of credit, the mortgage market and a declining real estate market have contributed to increased market volatility and diminished expectations for the economy globally. These conditions, combined with volatile oil prices, declining business and consumer confidence and increased unemployment have, in fiscal 2010 and continuing into fiscal 2011, contributed to extreme volatility.

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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 US and international 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, 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, the average pound sterling/US dollar exchange rate for fiscal 2010 depreciated 7.2% as compared to the average exchange rate for fiscal 2009, which 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 the economic slowdown or the timing or strength of a subsequent economic recovery generally or in our targeted industries, including the travel and leisure, and insurance industries. If macroeconomic conditions worsens 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.

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, and banking, financial services and insurance, or BFSI, industries.

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 (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 Pune, Gurgaon and Mumbai.

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

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.

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

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 and Canadian businesses, as described under Revenue Our Contracts.

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

In January 2010, we expanded our facility in Manila, the Philippines.

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. In fiscal 2010, our revenue was \$582.5 million as compared to \$520.9 million in fiscal 2009, representing an increase of 11.8%. In fiscal 2010, our revenue less repair payments was \$390.5 million as compared to \$385.0 million in fiscal 2009, representing an increase of 1.4%.

We believe that we have been successful in achieving revenue growth due to a number of factors, including our understanding of our clients' industries, our focus on operational excellence and our world-class management team with significant experience in the global outsourcing industry. We have been successful in adding new clients who are diversified across industries and geographies to our existing large client base. Our client base grew from 14 clients in May 2002 to more than 225 clients as of March 31, 2010 (for our definition of significant clients, see Item 4. Information on the Company B. Business Overview Clients). In fiscal 2010, 2009 and 2008, we added 10, 20 and 45 significant clients, respectively.

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

Revenue by Top Clients

Since the time of the Warburg Pincus investment in our company, we have increased our client base and significantly reduced our client concentration. Prior to this investment, our largest client contributed over 90% of our revenue. In comparison, during fiscal 2010, our largest client contributed 15.5% of our revenue and 23.1% of our revenue less repair payments.

The following table sets forth the percentage of revenue and revenue less repair payments that we derived from our largest clients for the periods indicated:

	Revenue			Revenue Less Repair Payments		
	Year Ended March 31,			Year Ended March 31,		
	2010	2009	2008	2010	2009	2008
		(Restated)	(Restated)		(Restated)	(Restated)
Top five clients	53.0%	53.4%	56.0%	45.1%	46.3%	42.2%
Top ten clients	64.8%	67.3%	67.5%	58.2%	60.7%	56.0%
Top 20 clients	76.5%	77.9%	77.5%	73.5%	74.2%	70.8%

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In fiscal 2010, our three largest clients individually accounted for 15.5%, 13.4% and 12.6%, respectively, of our revenue as compared to 15.5%, 15.3% and 11.0% respectively, in fiscal 2009.

Revenue by Industry

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

To achieve in-depth domain expertise and provide industry-specific services to our clients, we organize our business delivery along industry-focused business units. These business units seek to leverage our domain expertise to deliver industry-specific services to our clients. Accordingly, our industry-focused business units are:

travel and leisure;

BFSI (which includes our WNS Auto Claims BPO segment);

emerging businesses (which serves the consumer products, retail, professional services, pharmaceutical, and media and entertainment industries using core service capabilities provided by our finance and accounting services, and research and analytics services capabilities); and

industrial and infrastructure which was spun off from emerging businesses to become a separate business unit in April 2008.

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) and calendar year end holidays (our fiscal third 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).

In May 2002, when Warburg Pincus acquired a majority stake in our business, we were primarily providing business process outsourcing services to airlines. Since then we have expanded our service portfolio across the travel and leisure industry and have also established significant operations in BFSI and other industries, which we include in our emerging businesses business unit. Our revenue and revenue less repair payments are diversified along these business units in the proportions and for the periods set forth in the table below:

Business Units	Revenue Year Ended March 31,			Revenue Less Repair Payments Year Ended March 31,		
	2010	2009 (Restated)	2008 (Restated)	2010	2009 (Restated)	2008 (Restated)
Travel and leisure	16.3%	19.6%	23.6%	24.3%	26.5%	35.6%
BFSI	65.4%	62.6%	55.3%	48.4%	49.5%	32.7%
Industrial and infrastructure ⁽¹⁾	7.6%	6.9%		11.4%	9.3%	
Emerging businesses	10.7%	10.9%	21.1%	15.9%	14.7%	31.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Note:

(1) Established as a separate

business unit in
April 2008,
prior to which,
it was part of
our emerging
businesses unit.

Revenue by Geography

The majority of our clients are located in Europe (primarily the UK) and North America (primarily the US). The share of our revenue from the UK increased to 58.2% in fiscal 2010 from 55.9% in fiscal 2009 due primarily to an increase in

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business from existing clients in our auto claims business. The share of our revenue less repair payments from the UK decreased to 55.2% in fiscal 2010 from 58.2% in fiscal 2009 primarily due to the adverse exchange rate movement of pound sterling to US dollar by an average of 7.2% in fiscal 2010 as compared to fiscal 2009. Since the time of the Warburg Pincus investment in our company in fiscal 2003, we have invested in establishing a sales and marketing presence in North America, which has resulted in our revenue less repair payments coming from North America representing a significant portion of our revenue less repair payments.

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

	Revenue			Revenue Less Repair Payments		
	Year Ended March 31,			Year Ended March 31,		
	2010	2009 (Restated)	2008 (Restated)	2010	2009 (Restated)	2008 (Restated)
UK	58.2%	55.9%	49.5%	55.2%	58.2%	50.3%
Europe (excluding the UK)	16.7%	18.8%	23.8%	7.4%	7.5%	9.4%
North America (primarily the US)	24.5%	25.0%	26.0%	36.5%	33.9%	39.1%
Rest of World	0.6%	0.3%	0.7%	0.9%	0.4%	1.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

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 primarily based on three pricing models per full-time-equivalent; per transaction; or cost-plus as follows:

per full-time-equivalent arrangements typically involve billings based on the number of full-time employees (or equivalent) deployed on the execution of the business process outsourced;

per transaction arrangements 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); and

cost-plus arrangements 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 three primary 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.

Our prior contracts with a major client, AVIVA, granted Aviva Global the option to require us to transfer our facilities at Sri Lanka and Pune to Aviva Global. The Sri Lanka facility was transferred at book value and 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

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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. With our acquisition of Aviva Global, we have resumed control of the Sri Lanka facility that we had transferred to Aviva Global in July 2007 (as described above) as well as acquired Aviva Global's Bangalore facilities. Further, the Pune facility has remained with us. In addition, through our acquisition of Aviva Global's, we acquired two facilities in Chennai and Pune which were operated by third party BPO providers for Aviva Global under similar build-operate-transfer, or BOT, contracts. Following our acquisition of Aviva Global, we renamed Aviva Global as WNS Customer Solutions (Singapore) Private Limited, or WNS Global Singapore. WNS Global Singapore exercised its option to require the third party BPO providers to transfer these facilities to WNS Global Singapore. The completion of the transfers of the Chennai and Pune facilities to WNS Global Singapore occurred in July and August 2008, respectively. See [Liquidity and Capital Resources](#) for details on the purchase price paid to AVIVA for the AVIVA transaction.

Pursuant to the master services agreement with AVIVA MS, or the AVIVA master services agreement, we have agreed to 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.

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 our contract with one of our top five clients based on revenue less repair payments in fiscal 2010, and the AVIVA master services agreement that we entered into in July 2008 as described above. Under the terms of our agreement with one of our top five clients, the annual forecasted revenue to be provided to us for calendar year 2010 amounts to \$41.1 million. In the event actual revenue provided to us in any year is less than 75% of the annual forecasted revenue for that year, or the Annual Minimum Revenue Commitment, the client has agreed to pay us 65% of the difference between the Annual Minimum Revenue Commitment and the actual revenue provided for that year after certain deductions. However, notwithstanding these minimum revenue commitments, there are also termination at will provisions which permit the client to terminate the individual statements of work without cause with 180 days notice upon payment of a termination fee. These termination provisions dilute the impact of the minimum revenue commitment. Our earlier agreement with this client was due to expire in December 2010. We re-negotiated this agreement and entered into a new agreement with the client on December 31, 2009. The new agreement replaced our earlier agreement and became effective on April 1, 2010 and expires in December 2015. Under the terms of the renewed agreement, the client has not committed to provide us any minimum volume of business, however, we will be the exclusive provider of certain key services from delivery locations outside of the US, including customer service and ticketing support for the client. Under the 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 entitles us to a payment by the client of a termination fee of \$5.4 million. We received the termination fee payment on its due date of April 1, 2010 and as it is 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). In the case of the AVIVA master services 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 deed of variation 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

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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 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 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 expiry of 24 months from October 10, 2008, in each case, with six months notice upon payment of a termination fee. The Annual Minimum Revenue Commitment and the Minimum Volume Commitment under these two contracts were met in fiscal 2010.

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 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. For fiscal 2007, FMFC accounted for 4.3% and 6.8% of our revenue and revenue less repair payments, respectively. Contractually, FMFC was obligated to provide us with annual minimum revenue, or pay the shortfall, through fiscal 2011. We have filed claims in FMFC's Chapter 11 case both for the payment of unpaid invoices for services rendered to FMFC before FMFC filed for Chapter 11 bankruptcy, for our entitlement under FMFC's annual minimum revenue commitment, and for administrative expenses. The amount of outstanding claims filed totaled \$15.6 million. In a judgment passed by the bankruptcy court in 2009, the claim filed by WNS amounting to \$11.6 million on account of loss of profit from the remainder of the minimum revenue commitment has been denied. We have appealed against this order which is pending before the Bankruptcy Appellate Court, Tucson, Arizona. The realizability of these claims cannot be determined at this time. We have provided an allowance for doubtful accounts for the entire amount of accounts receivable from FMFC. In the same matter, the liquidating trustee, appointed by the bankruptcy court, has filed a petition against us claiming a refund of payments made by FMFC to us during the 90 days period immediately prior to its filing of the bankruptcy petition. FMFC paid a sum of \$4 million during the period from May 22, 2007 through August 21, 2007. All these payments were made in the ordinary course of business and were against the undisputed invoices of the services provided by us to FMFC during the relevant period. After consultation with our counsel, we believe we have a meritorious defense against any such claim by the liquidating trustee and we intend to dispute such claim.

In our WNS Auto Claims BPO segment, we earn revenue from claims handling and accident management services. For claims handling, we charge on a per claim basis or a fixed fee per vehicle over a contract period. For automobile accident 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 consolidated suite of services towards accident management including credit hire and credit repair for non-fault repairs business. Overall, we believe that we have established a sustainable business model which offers revenue visibility over a substantial portion of our business. We have done so by:

- developing a broad client base which has resulted in limited reliance on any particular client;

- seeking to balance our revenue base by targeting industries that offer significant offshore outsourcing potential;

- addressing the largest markets for offshore business process outsourcing services, which provide geographic diversity across our client base; and

- focusing our service mix on diverse data, voice and analytical processes, resulting in enhanced client retention.

Expenses

The majority of our expenses are comprised of cost of revenue and operating expenses. The key components of our cost of revenue are payments to repair centers, employee costs and infrastructure-related costs. Our operating expenses include selling, general and administrative, or SG&A, expenses and amortization of intangible assets. Our non-operating expenses include interest expenses, other income and other expenses.

Cost of Revenue

Our WNS Auto Claims BPO segment includes automobile accident management services, where we arrange for repairs through a network of repair centers. The payments to repair centers represent the largest 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.

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Employee costs are also a significant 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 Item 4. Information on the Company B. Business Overview Human Capital. We expect our employee costs to increase as we continue to increase our headcount to service additional business and as wages continue to increase in India. See Item. 3. Key Information. D. Risk Factors Risks Related to Our Business Wage increases in India 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 infrastructure costs are comprised of depreciation, 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.

SG&A Expenses

Our SG&A expenses are primarily comprised of corporate employee costs for sales and marketing, general and administrative and other support personnel, travel expenses, legal and professional fees, share-based compensation expense, brand building expenses, and other general expenses not related to cost of revenue.

SG&A expenses as a proportion of revenue were 14.8% in fiscal 2010 as compared with 14.5% for fiscal 2009.

SG&A expenses as a proportion of revenue less repair payments were 22.1% in fiscal 2010 as compared with 19.6% for fiscal 2009. We expect SG&A expenses to increase but at a lower rate than the increase in our revenue less repair payments.

We expect our corporate employee costs for general and administrative and other support personnel to increase in fiscal 2011 but at a lower rate than the increase in our revenue less repair payments.

We expect the employee costs associated with sales and marketing and related travel costs to increase in fiscal 2010. See 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.

Amortization of Intangible Assets

Amortization of intangible assets is associated with our acquisitions of PRG Airlines fare audit services business in August 2006, GHS financial accounting business in September 2006, Marketics in May 2007, Flovate in June 2007, Call 24-7 in April 2008, BizAps in June 2008 and Aviva Global in July 2008.

Other expense (income), net

Other expense (income), net is primarily comprised of interest income and foreign exchange gains or losses.

Interest Expense

Interest expense primarily relates to interest charges payable on our secured 4.5 year Term Loan facility of \$200 million entered into in July 2008 to finance our transaction with AVIVA and interest charges arising from our short-term note payable and our line of credit.

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 work stations. Generally, an

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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.

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

	As of March 31,		
	2010	2009	2008
Total headcount	21,958	21,356	18,104
Built up seats ⁽¹⁾	15,836	15,485	11,062
Used seats ⁽¹⁾	13,659	12,456	8,559
Seat utilization rate ⁽²⁾	1.4	1.4	1.6

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 acquire a new client or increase headcount.

(2) The seat utilization rate is calculated by

dividing the total headcount by the number of built up seats to show the rate at which we are able to utilize our built up seats. The decrease in seat utilization during fiscal 2009 was due to the acquisition of Aviva Global where seat utilization was lower as compared to the seat utilization of the rest of WNS.

Foreign Exchange

Exchange Rates

Although a substantial portion of our revenue and revenue less repair payments is denominated in pound sterling (71.9% and 58.1%, respectively, in fiscal 2010, 71.4% and 61.4%, respectively, in fiscal 2009, and 69.3% and 53.8%, respectively, in fiscal 2008) and US dollars (24.9% and 37.1%, respectively, in fiscal 2010, 25.5% and 34.4%, respectively, in fiscal 2009, and 26.9% and 40.5%, respectively, in fiscal 2008), most of our expenses (net of payments to repair centers) (58.5% in fiscal 2010, 61.6% in fiscal 2009 and 72.0% in fiscal 2008) 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 Rs. 47.46 per \$1.00 in fiscal 2010, which represented a depreciation of the Indian rupee of 3.0% as compared with the average exchange rate of approximately Rs. 46.10 per \$1.00 in fiscal 2009, which in turn represented a depreciation of the Indian rupee of 14.9% as compared with the average exchange rate of approximately Rs. 40.13 per \$1.00 in fiscal 2008. The average pound sterling/US dollar exchange rate was approximately £0.63 per \$1.00 in fiscal 2010, which represented a depreciation of the pound sterling of 7.2% as compared with the average exchange rate of approximately £0.58 per \$1.00 in fiscal 2009, which in turn represented a depreciation of the pound sterling of 14.3% as compared with the average exchange rate of approximately £0.50 per \$1.00 in fiscal 2008. 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 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.

Table of Contents***Currency Regulation***

Our Indian subsidiary, WNS Global, is registered as an exporter of business process outsourcing services with the Software Technology Parks of India, or STPI. According to the prevailing foreign exchange regulations in India, an exporter of business process outsourcing services registered with the STPI 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 associated with STPI status. Units which are not registered with STPI are required to receive these proceeds within six months. 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 WNS Global 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.

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 the UK, the US and Mauritius enter into contractual agreements directly with our clients for the provision of business process outsourcing services by WNS Global. WNS Global holds the foreign currency it receives 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 India, Sri Lanka, the Philippines, the UK, Romania, Costa Rica, the US, the Netherlands, Singapore, Mauritius, Australia and China. 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.

Our Indian operations are eligible to claim income tax exemption with respect to profits earned from export revenue by various delivery centers registered with STPI. This benefit used to be available from the date of commencement of operations to March 31, 2009, subject to a maximum of ten years. In May 2008, the Government of India passed the Indian Finance Act, 2008, which extended the tax holiday period by an additional year through fiscal 2010. In August 2009, the Government of India passed the Indian Finance (No. 2) Act, 2009, which further extended the STPI tax holiday period by an additional year through fiscal 2011. We had 13 such delivery centers in fiscal 2010, 14 such delivery centers in fiscal 2009 and 14 such delivery centers in fiscal 2008. The tax benefits of our 13 delivery centers located in Bangalore, Chennai, Gurgaon, Mumbai, Nashik and Pune will expire on April 1, 2011 while the tax benefits enjoyed by three of our other delivery centers located in Mumbai, Nashik and Pune expired on April 1, 2007, 2008 and 2009, respectively. Upon expiry of the tax holiday, income tax will be leviable at the rate of 33.22%.

One of our Sri Lankan subsidiaries is also 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. This tax holiday is available for five years from the year of assessment in which the subsidiary commences to make profits or any year of assessment not later than two years from the date of commencement of operations, whichever is the earlier. The tax holiday for this Sri Lankan subsidiary expires on March 31, 2011. The tax holiday for another Sri Lankan subsidiary expired on March 31, 2009. Upon expiry of the tax holiday, income tax will be leviable at the rate of 15% on the first Sri Lankan rupees five million of income and at the rate of 35% on income exceeding Sri Lankan rupees five million. Our joint venture company 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, 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 May 2007, the Indian Finance Act, 2007 was adopted, with the effect of subjecting Indian companies that benefit from a holiday from Indian corporate income taxes to the minimum alternate tax, or MAT. From fiscal 2007 to fiscal 2009, the MAT was applied at the rate of 11.33% in the case of profits exceeding Rs. 10 million and 10.3% in the case of profits not exceeding Rs. 10 million. The MAT has been increased (1) to the rate of 16.99% in the case of profits exceeding Rs. 10 million and 15.45% in the case of profits not exceeding Rs. 10 million in fiscal 2010 and (2) to 19.93% in the case of profits exceeding Rs. 10 million and 18.54% in the case of profits not exceeding Rs. 10 million in fiscal 2011. As a result of the adoption of Indian Finance Act, 2007, we became subject to MAT and have been required to pay additional taxes since fiscal 2008. 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 when our tax holiday expires or is withdrawn by the Indian tax authorities.

As a result of the foregoing, the additional income tax expense we would otherwise have had to incur at the statutory rates in India and Sri Lanka, if the tax exemption was not available, would have been approximately \$15.6 million for fiscal 2010, \$16.1 million for fiscal 2009 and \$11.5 million for fiscal 2008. When our tax holiday expires or is withdrawn by Indian tax authorities, our tax expense will materially increase. Our Indian operations had incurred tax losses from some of its STPI units which have not been set off against the other taxable income, therefore tax losses are being such carried forward to subsequent years. We have not recognized a deferred tax asset on such carried forward losses as there is uncertainty regarding the availability of such operating losses to be set off against taxable income in subsequent years.

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 Item 6. Directors, Senior Management and Employees B. Compensation Employee Benefit Plans) allow us to recover the fringe benefit tax from all our employees in India except those 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.

In 2005, the Government of India implemented the Special Economic Zone, or SEZ, legislation with the effect that taxable income of new operations established in designated SEZs may be eligible for tax exemption equal to (i) 100% of their profits or gains derived from export income for the first five years from the commencement of operations; (ii) 50% of those profits or gains derived from export income for the next five years; and (iii) 50% of those profits or gains derived from export income for a further five years, subject to satisfying certain capital investment requirements. Our delivery center in Gurgaon set up in fiscal 2008 benefits from this tax holiday equal to 100% exemption until fiscal 2012 and 50% from fiscal 2013 until fiscal 2022.

We may establish one or more new operations centers in designated SEZs that would be eligible for the benefits of the SEZ legislation, subject to the receipt of requisite governmental and regulatory approvals. 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 may be challenged in courts by certain non-governmental organizations. It is possible that, as a result of such political pressures, the procedure for obtaining the benefits of 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 the establishment of additional operations in the SEZs.

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 with US GAAP. Note 3 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 generate revenue by 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 we have persuasive evidence of an arrangement, services have been rendered, the fee is determinable and collectibility is reasonably assured. We conclude that we have persuasive evidence of an arrangement when we enter into an agreement with our clients with terms and conditions that describe the service and the related payments and are legally enforceable. We consider revenue to be determinable when the services have been provided in accordance with the agreement. 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.

In limited instances we have entered into minimum commitment arrangements, wherein the service contracts either provide for a minimum revenue commitment on an annual basis or a cumulative basis over multiple years, stated in terms of annual minimum amounts. In such minimum commitment arrangements where a minimum commitment is specific to an annual period, any revenue shortfall is invoiced and recognized at the end of this period. However, when the shortfall in a particular year can be offset with revenue received in excess of minimum commitments in subsequent years, 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 recognized 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 and 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 we can conclude that it 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.

We invoice our clients depending on the terms of the arrangement, which include billing based on a per employee, per transaction or cost-plus basis. 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 such work are recognized in the period the services are rendered. For certain of our clients, we perform process transition activities and charge some of them for these activities upon execution of the contract with such client. We defer the revenue and the cost attributable to client process transition activities with respect to these clients where such activities do not represent the culmination of a separate earning process. Such revenue and cost are subsequently recognized ratably over the period in which the related BPO services are performed. The deferment of cost is limited to the amount of the deferred revenue. Any cost in excess of the deferred revenue is recognized during the period it was incurred.

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, or claims handling, and arranging for car hire and repairs with repair centers across the UK and the related payment processing for such repairs, or accident management. 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 is 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 accident management services, we negotiate with and set up a network of repair centers where vehicles involved in an accident can be repaired. We are the principal in these transactions between the repair center and the client. The repair centers bill us for the

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negotiated costs of the repair and we invoice such costs to the client. We recognize the amounts invoiced to the client as revenue as we have determined that we meet the criteria established by ASC Subtopic 605-45, *Reporting Revenue Gross as a Principal versus Net as an Agent*. Factors considered in determining that we are the principal in the transaction include whether (i) we negotiate the labor rates with repair centers; (ii) we determine which repair center should be used; (iii) we are responsible for timely and satisfactory completion of repairs; and (iv) we bear the credit risk. If there are circumstances where the above criteria are not met and therefore the company is not the principal in providing accident management services, amounts received from customers are recognized and presented net of payment to repair centers in the consolidated statement of income. Revenue from accident management services is recorded net of the repairer referral fees passed on to customers.

Share-based Compensation

We provide share-based awards such as stock options and RSUs to our employees, directors and executive officers through various equity compensation plans. We recognize the share based compensation in accordance with ASC 718, *Stock Compensation*, or ASC 718. ASC 718 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.

In accordance with the provisions of ASC 718, share-based compensation for all awards granted, modified or settled on or after April 1, 2006, that we expect to vest, is recognized on a straight line basis over the requisite service period, which is generally the vesting period of the award.

ASC 718 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. 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 stock 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 stock 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.

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, 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 that result in deductions on our income tax returns, based on the amount of share-based compensation recognized and the statutory tax rate in the jurisdiction in which we will receive a tax deduction. Because the deferred tax assets we record are based upon the share-based compensation expenses in a particular jurisdiction, the aforementioned inputs that affect the fair value of our stock awards also indirectly affect our income tax expense. In addition, differences between the deferred tax assets recognized for financial reporting purposes and the actual tax deduction reported on our income tax returns are recorded in additional paid-in capital. If the tax deduction is less than the deferred tax asset, such shortfalls reduce our pool of excess tax benefits. If the pool of excess tax benefits is reduced to zero, then subsequent shortfalls would increase our income tax expense.

Table of Contents***Business Combinations***

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.

Impairment of Goodwill, Intangible Assets and Property and Equipment

The goodwill impairment test is a two-step process. The first step of the process consists of estimating the fair value of each of our reporting units, based on a discounted cash flow model, using revenue and profit forecasts and comparing those estimated fair values with the carrying values which include the allocated goodwill.

We determine reporting units and estimate the goodwill to be allocated to each reporting unit under ASC 350

Intangible Goodwill and others The identification of the reporting units is based on the economic characteristics and availability of discrete financial data with respect to the reporting unit.

If the estimated fair value is less than the carrying value, a second step is performed to compute the amount of the impairment by determining the implied fair value of goodwill. The determination of a reporting unit's implied fair value of goodwill requires the allocation of the estimated fair value of the reporting unit to the assets and liabilities of the reporting unit. Any unallocated fair value representing the implied fair value of goodwill is then compared to its corresponding carrying value. If the carrying value exceeds the implied fair value of goodwill, the difference is recognized as an impairment charge.

Fair value of a reporting unit is determined using the income approach which involves the use of significant estimates and assumptions. These estimates and assumptions include revenue growth rate, and operating margins used to calculate projected future cash flows, weighted average cost of capital, discount rates, risk-free rates, market rate of return, risk premiums, future economic and market conditions, and determination of appropriate market comparables. We base our fair value estimates on assumptions we believe to be reasonable but that are unpredictable and inherently uncertain. Actual future results may differ from those estimates. In addition, we make certain judgments and assumptions in allocating shared assets and liabilities to determine the carrying values for each of our reporting units. Our most recent annual goodwill impairment analysis, which was performed during the fourth quarter of fiscal 2010, did not result in an impairment charge.

We amortize intangible assets with definite lives and purchased property and equipment over the estimated useful lives and review them for impairment, if indicators of impairment arise. We estimate the useful lives of intangible assets and purchase property and equipment after consideration of historical results and anticipated results based on our current plans.

We perform impairment reviews of intangible assets and property and equipment when events or circumstances indicate that the value of the assets may be impaired. Indicators of impairment include operating or cash flow losses, significant decreases in market value or changes in the physical condition of the property and equipment. When indicators of impairment are present, the evaluation of impairment is based upon a comparison of the carrying amount of the intangible asset or property and equipment to the estimated future undiscounted net cash flows expected to be generated by the asset. If estimated future undiscounted cash flows are less than the carrying amount of the asset, the asset is considered impaired. The impairment expense is determined by comparing the estimated fair value of the intangible asset or property and equipment to its carrying value, with any shortfall from fair value recognized as an expense in the current period. The estimate of undiscounted cash flows and the fair value of assets require several assumptions and estimates like the weighted average cost of capital, discount rates, risk-free rates, market rate of return and risk premiums and can be affected by a variety of factors, including external factors such as industry and

economic trends, and internal factors such as changes in our business strategy and our internal forecasts. Although we believe the historical assumptions and estimates we have made are reasonable and appropriate, different assumptions and estimates could materially impact our reported financial results.

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We cannot predict the occurrence of future events that might adversely affect the reported value of goodwill, intangible assets or property and equipment. 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 change in relationship with significant customers.

Income Taxes

We apply the asset and liability method of accounting for income taxes as described in ASC 740, *Income Taxes*, or ASC 740. Under this method, deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry-forwards. Deferred tax assets and liabilities are measured using tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

We record a valuation allowance to reduce our deferred tax assets to the amount that is more likely than not to be realized. In order for us to realize our deferred tax assets, we must be able to generate sufficient taxable income in those jurisdictions where the deferred tax assets are located. We consider future growth, forecasted earnings, future taxable income, the mix of earnings in the jurisdictions in which we operate, and prudent and feasible tax planning strategies in determining the need for a valuation allowance. In the event we were to determine that we would not be able to realize all or part of our net deferred tax assets in the future, an adjustment to the deferred tax assets would be charged to earnings in the period in which we make such a determination. Likewise, if we later determine that it is more likely than not that the net deferred tax assets would be realized, we would reverse the applicable portion of the previously provided valuation allowance.

We calculate our current and deferred tax provision based on estimates and assumptions that could differ from the actual results reflected in income tax returns filed during the subsequent year. Adjustments based on filed returns are generally recorded in the period when the tax returns are filed and the global tax implications are known, which can materially impact our effective tax rate.

Significant judgment is required in determining our worldwide income tax provision. In the ordinary course of a global business, there are many transactions and calculations where the ultimate tax outcome is uncertain. Some of these uncertainties arise as a consequence of revenue sharing and cost reimbursement arrangements among related entities, eligibility of our operations for the tax holidays, segregation of foreign and domestic earnings and expenses to avoid double taxation and carry forward of losses for set off against future taxable income. Although we believe that our estimates are reasonable, the final tax outcome of these matters could be different from that which is reflected in our historical income tax provisions and accruals. Such differences could have a material effect on our income tax provision and net income in the period in which such determination is made.

The amount of income tax we pay is subject to ongoing audits by income tax authorities, which often result in adjustments to our taxable profits. Our estimate of the potential outcome for any uncertain tax issue is highly judgmental. We believe we have adequately provided for any reasonably foreseeable outcome related to these matters. However, our future results may include favorable or unfavorable adjustments to our estimated tax liabilities in the period the assessments are made or resolved, tax examinations are closed or when statutes of limitation on potential assessments expire. Additionally, the jurisdictions in which our earnings or deductions are realized may differ from our current estimates. As a result, our effective tax rate may fluctuate significantly on a quarterly basis.

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.

Further ASC 740-10 requires us to recognize a provision for uncertainty in income taxes based on minimum recognition threshold. Evaluation of tax positions and recognition of provisions, under the provisions of ASC 740, involves interpretation of tax laws, estimates of probabilities of tax positions being sustained and the amounts of payments to be

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made under various scenarios. Although we believe we have adequately reserved for our uncertain tax positions, no assurance can be given with respect to the final outcome of these matters. To the extent that the final outcome of 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

The primary risks managed by using derivative instruments are foreign currency exchange risk and interest rate risk. 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 our floating rate borrowings. Our primary exchange rate exposure is with the US dollars, pound sterling and the Indian rupee. For derivative instruments which qualify for cash flow hedge accounting, we record the effective portion of gain or loss from changes in the fair value of the derivative instruments in accumulated other comprehensive income (loss), which is reclassified into earnings in the same period during which the hedged item affects earnings. 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 the 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. When it is probable that a forecasted transaction will not occur, we discontinue the hedge accounting and recognize immediately in the consolidated statement of income, the gains and losses attributable to such derivative instrument that were accumulated in other comprehensive income (loss). Although we believe that our estimates of the forecasted transactions are reasonable and based on historical experience, 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.

Fair value measurements

ASC 820-10, *Fair Value Measurements and Disclosures* defines fair value as the price that would be paid upon sale of an asset or upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value should be calculated based on assumptions that market participant would use in pricing the asset or liability, not on assumptions specific to us. In addition, the fair value of assets and liabilities should include consideration of non-performance risk including credit risk.

ASC 820-10 also discusses valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flow), and the cost approach (cost to replace the service capacity of an asset or replacement cost). The statement utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those three levels:

Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.

Level 3: Unobservable inputs that reflect the reporting entity's own assumptions.

Where applicable, we use quoted prices in active markets for identical assets or liabilities to determine fair value. This pricing methodology applies to our Level 1 assets, which consists of cash equivalents and marketable securities. If quoted market prices in active markets for identical assets or liabilities are not available to determine fair value, then we use quoted market prices for similar assets and liabilities or inputs other than the quoted prices that are observable, either directly or indirectly. This pricing methodology applies to our Level 2 items, which consist of our interest rate swaps and foreign currency derivative instruments. The estimate of fair value of interest rate swaps and foreign currency derivative instruments require several assumptions and estimates like the future interest rates and discounting

factor and can be affected by a variety of factors, including volatility and forward rates. Although we believe the assumptions and estimates we have made are reasonable and appropriate, different assumptions and estimates could materially impact our reported financial position.

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

	Revenue Year Ended March 31,			Revenue Less Repair Payments Year Ended March 31,		
	2010	2009(Restated)	2008(Restated)	2010 Unaudited	2009(Restated) Unaudited	2008(Restated) Unaudited
Cost of revenue	75.4%	75.2%	78.0%	63.3%	66.5%	66.8%
Gross profit	24.6%	24.8%	22.0%	36.7%	33.5%	33.2%
Operating expenses:						
SG&A	14.8%	14.5%	16.6%	22.1%	19.6%	25.0%
Amortization of intangibles assets	5.6%	4.8%	0.7%	8.3%	6.5%	1.0%
Impairment of goodwill, intangibles and other assets			3.5%			5.3%
Operating income	4.2%	5.5%	1.2%	6.3%	7.4%	1.9%
Other expense (income), net	1.2%	1.1%	(2.1)%	1.8%	1.5%	(3.2)%
Interest expense	2.4%	2.3%		3.5%	3.1%	
Provision for income taxes	0.2%	0.6%	1.2%	0.3%	0.9%	1.8%
Net income	0.5%	1.5%	2.2%	0.7%	2.1%	3.3%
Net loss attributable to redeemable noncontrolling interest	0.2%	0.1%		0.3%	0.1%	
Net income attributable to WNS shareholders	0.6%	1.6%	2.2%	1.0%	2.1%	3.3%

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

	Year Ended March 31,		
	2010	2009(Restated)	2008(Restated)
Revenue	100.0%	100.0%	100.0%
Less: Payments to repair centers	33.0%	26.1%	33.6%
Revenue less repair payments	67.0%	73.9%	66.4%

Fiscal 2010 Compared to Fiscal 2009 (Restated)

Revenue. Revenue in fiscal 2010 was \$582.5 million, an increase of \$61.6 million, or 11.8%, over our revenue of \$520.9 million in fiscal 2009. This increase in revenue of \$61.6 million was primarily attributable to an increase in revenue from existing clients of \$38.8 million and, to a lesser extent, an increase in revenue from new clients of \$22.8 million. The increase in revenue from existing clients was primarily attributable to increased business from existing clients of WNS Assistance, our auto claims business. The increase in revenue from existing clients was also on account of an expansion of the number of processes that we executed for these clients and an increase in volumes for the existing processes, partially offset by the adverse exchange rate movement of pound sterling to US dollar by an average of 7.2% in fiscal 2010 as compared to fiscal 2009. Revenue from the UK, and North America (primarily the US) accounted for \$339.2 million and \$142.7 million, respectively, of our revenue for fiscal 2010, representing an increase of 16.5% and 9.4%, respectively, from fiscal 2009. The increase in revenue from the UK was primarily attributable to increased business from existing clients of our auto claims business and on account of revenue

contribution resulting from the AVIVA transaction for the full twelve month period in fiscal 2010 as opposed to the partial nine month period in fiscal 2009. Revenue from Europe (excluding the UK) accounted for \$97.3 million of our revenue for fiscal 2010, representing a decrease of 0.4% from fiscal 2009 primarily on account of a decrease in the volume of business from existing clients.

Revenue Less Repair Payments. Revenue less repair payments in fiscal 2010 was \$390.5 million, an increase of \$5.5 million, or 1.4%, over our revenue less repair payments of \$385.0 million in fiscal 2009. This increase in revenue less repair payments of \$5.5 million was primarily attributable to an increase in revenue less repair payments from new clients of \$13.0 million, partially offset by a decrease in revenue less repair payments from existing clients of \$7.5 million. The decrease in revenue less repair payments from existing clients was attributable to the adverse exchange rate movement of pound sterling to US dollar by an average of 7.2% in fiscal 2010 as compared to fiscal 2009, partially offset by higher revenue less repair payments on account of revenue contribution resulting from the AVIVA transaction for the full twelve month period in fiscal 2010 as opposed to the partial nine month period in fiscal 2009. Contract prices across the various types of processes

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remained substantially stable over this period. Revenue less repair payments from UK, Europe (excluding the UK) and North America (primarily the US) accounted for \$215.6 million, \$29.0 million and \$142.7 million, respectively, of our revenue less repair payments in fiscal 2010, representing a decrease of 3.8%, an increase of 0.3% and an increase of 9.4% respectively, from fiscal 2009. The increase in North America (primarily the US) is due primarily to an increase in business from new clients. The decrease in revenue less repair payments from UK was primarily on account of the adverse exchange rate movement of pound sterling to US dollar by an average of 7.2% in fiscal 2010 as compared to fiscal 2009. We realized an increase in revenue less repair payments most significantly in our industrial and infrastructure business unit, and to a lesser extent, in our emerging businesses unit. During the same period we experienced a decrease in revenue less repair payments in our travel and leisure business unit and in our BFSI unit.

Cost of Revenue. Cost of revenue in fiscal 2010 was 75.4% of revenue as compared to 75.2% of revenue in fiscal 2009. Cost of revenue in fiscal 2010 was \$439.2 million, an increase of \$47.4 million, or 12.1%, over our cost of revenue of \$391.8 million in fiscal 2009. Cost of revenue excluding payments made to repair centers for our fault repair services decreased by \$8.6 million for fiscal 2010 as compared to fiscal 2009. Payments made to repair centers increased by \$56.0 million to \$192.0 million in fiscal 2010 from \$135.9 million in fiscal 2009 mainly due to an increase in the repair costs associated with payments made to repair centers for the clients of our auto claims business. Infrastructure costs decreased by \$11.4 million mainly on account of lower sub-contracting cost. In addition, depreciation cost decreased by \$0.5 million and travel costs decreased by \$0.6 million. These decreases were partially offset by an increase in operating employee compensation by \$4.0 million due to an increase in headcount and wages. Share-based compensation cost included in operating employee compensation increased by \$0.1 million in fiscal 2010 as compared to fiscal 2009.

Gross Profit. Gross profit in fiscal 2010 was \$143.2 million, or 24.6% of revenue, as compared to \$129.1 million, or 24.8% of revenue, in fiscal 2009. Gross profit as a percentage of revenue less repair payments was 36.7% in fiscal 2010 compared to 33.5% in fiscal 2009. Gross profit as a percentage of revenue less repair payments increased by approximately 3.2% in fiscal 2010 as compared to fiscal 2009 primarily on account of a decrease in cost of revenue excluding payments made to repair centers by \$8.6 million as discussed above

SG&A Expenses. SG&A expenses in fiscal 2010 were \$86.2 million, an increase of 14.2% over our SG&A expenses of \$75.5 million in fiscal 2009. This increase was primarily on account of (i) an increase in non-operating employee compensation cost by \$11.0 million including an increase in share-based compensation costs by \$1.6 million, mainly due to an increase in wages and severance cost of \$2.1 million associated with the departure of a few members of our senior management team in fiscal 2010, (ii) an increase in facilities costs by \$1.1 million, (iii) an increase in other administration related expenses such as communication costs and marketing costs by \$0.6 million, (iv) an increase in other employee related costs such as recruitment and training costs by \$0.5 million and (v) an increase in the provision for bad debts by \$0.1 million. These increases were partially offset by (i) a decrease in other taxes by \$1.1 million on account of dividend tax on an upstream distribution of dividend from an Indian subsidiary to its holding company, (ii) a decrease in professional fees by \$1.0 million, (iii) a decrease in travel expenses by \$0.3 million and (iv) a decrease in fringe benefit tax payable by \$0.2 million. The decreases in respect of items (ii) and (iii) were primarily on account of cost control measures implemented by us in fiscal 2010. SG&A expenses as a percentage of revenue was 14.8% in fiscal 2010 as compared to 14.5% in fiscal 2009. SG&A expenses as a percentage of revenue less repair payments was 22.1% in fiscal 2010 as compared to 19.6% in fiscal 2009.

Amortization of Intangible Assets. Amortization of intangible assets was \$32.4 million in fiscal 2010, an increase of \$7.5 million over \$24.9 million in fiscal 2009. The increase was primarily on account of amortization of intangible assets acquired through our acquisition of Aviva Global (which we refer to as WNS Global Singapore following our acquisition in July 2008) as fiscal 2010 has the amortization cost for the full twelve month period as opposed to the partial nine month period in fiscal 2009.

Operating Income. Income from operations in fiscal 2010 was \$24.6 million compared to \$28.7 million in fiscal 2009, due to the reasons discussed above. Income from operations as a percentage of revenue was 4.2% in fiscal 2010 as compared to 5.5% in fiscal 2009. Income from operations as a percentage of revenue less repair payments was 6.3% in fiscal 2010 as compared to 7.4% in fiscal 2009.

Other Expenses (Income), Net. Other expenses, net in fiscal 2010 was \$7.0 million as compared to other expenses, net of \$5.6 million in fiscal 2009, representing an increase of \$1.4 million, primarily on account of (i) a decrease in other income by \$1.0 million to \$1.7 million in fiscal 2010 as compared to \$2.7 million in fiscal 2009 and (ii) an increase in foreign exchange loss of \$0.4 million to \$8.7 million in fiscal 2010 as compared to \$8.3 million in fiscal 2009.

Interest Expenses. Interest expenses in fiscal 2010 was \$13.8 million primarily due to interest for the full 12-month period paid on the Term Loan taken to fund the AVIVA transaction as compared to \$11.8 million interest for the partial nine-month period paid on the loan in fiscal 2009.

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Provision for Income Taxes. Provision for income taxes in fiscal 2010 was \$1.0 million, a decrease of 70.1% over our provision for income taxes of \$3.3 million in fiscal 2009. This decrease is primarily on account of lower taxable income in fiscal 2010 as compared to fiscal 2009. Tax as a percentage of net income before tax was 27.1% in fiscal 2010 as compared to 29.7% in fiscal 2009.

Net Income . Net income in fiscal 2010 was \$2.7 million as compared to \$7.9 million in fiscal 2009. Net income as a percentage of revenue was 0.5% in fiscal 2010 as compared to 1.5% in fiscal 2009. Net income as a percentage of revenue less repair payments was 0.7% in fiscal 2010 as compared to 2.1% in fiscal 2009.

Net loss attributable to redeemable noncontrolling interest. Net loss attributable to redeemable noncontrolling interest in fiscal 2010 was \$1.0 million as compared to \$0.3 million in fiscal 2009. This was primarily on account of losses in our joint venture in the Philippines.

Net Income attributable to WNS Shareholders. Net income attributable to WNS shareholders in fiscal 2010 was \$3.7 million as compared to \$8.2 million in fiscal 2009. Net income attributable to WNS shareholders as a percentage of revenue was 0.6% in fiscal 2010 as compared to 1.6% in fiscal 2009. Net income attributable to WNS shareholders as percentage of revenue less repair payments was 1.0% in fiscal 2010 as compared to 2.1% in fiscal 2009.

Fiscal 2009 (Restated) Compared to Fiscal 2008 (Restated)

Revenue. Revenue in fiscal 2009 was \$520.9 million, an increase of \$82.9 million, or 18.9%, over our revenue of \$438.0 million in fiscal 2008. This increase in revenue of \$82.9 million was primarily attributable to an increase in revenue from new clients of \$57.6 million and, to a lesser extent, an increase in revenue from existing clients of \$25.3 million. Of the \$82.9 million increase in revenue, Call 24-7 and BizAps, which we acquired in April 2008 and June 2008, respectively, contributed \$37.1 million and \$3.3 million, respectively. Some of the clients of Call 24-7 and BizAps that contributed to such revenue were existing clients of WNS prior to the respective acquisitions and some were new to WNS. The increase in revenue from existing clients was primarily attributable to the AVIVA transaction. The increase in revenue from existing clients was on account of an expansion of the number of processes that we executed for these clients and an increase in volumes for the existing processes. Revenue from the UK and North America (primarily the US) accounted for \$291.2 million and \$130.5 million, respectively, of our revenue for fiscal 2009, representing an increase of 34.3% and 14.7%, respectively, from fiscal 2008. The increase in revenue from UK was primarily attributable to the AVIVA transaction. Revenue from Europe (excluding the UK) accounted for \$97.7 million of our revenue for fiscal 2009, representing a decrease of 6.2% from fiscal 2008 primarily on account of a decrease in the volume of business from existing clients.

Revenue Less Repair Payments. Revenue less repair payments in fiscal 2009 was \$385.0 million, an increase of \$94.4 million, or 32.5%, over our revenue less repair payments of \$290.6 million in fiscal 2008. This increase in revenue less repair payments of \$94.4 million was primarily attributable to an increase in revenue less repair payments from new clients of \$54.0 million and an increase in revenue less repair payments from existing clients of \$40.4 million. Of the \$94.4 million increase in revenue less repair payments, Call 24-7 and BizAps, which we acquired in April 2008 and June 2008, respectively, contributed \$36.5 million and \$3.3 million, respectively. Some of the clients of Call 24-7 and BizAps that contributed to such revenue were existing clients of WNS prior to their respective acquisitions and some were new to WNS. The increase in revenue less repair payments from existing clients was primarily attributable to the AVIVA transaction. The increase in revenue less repair payments from existing clients was on account of expansion of the number of processes that we executed for these clients and an increase in volumes for the existing processes. Contract prices across the various types of processes remained substantially stable over this period. Revenue less repair payments from the UK, Europe (excluding the UK) and North America (primarily the US) accounted for \$224.2 million, \$28.9 million and \$130.5 million, respectively, of our revenue less repair payments in fiscal 2009, representing an increase of 53.4%, 5.2% and 14.7%, respectively, from fiscal 2008. We realized an increase in revenue less repair payments in our BFSI business unit, and to a lesser extent, in our emerging businesses unit. However, we experienced a decrease in revenue less repair payments in our industrial and infrastructure business unit and, to a lesser extent, in our travel and leisure business unit.

Cost of Revenue. Cost of revenue in fiscal 2009 was 75.2% of revenue as compared to 78.0% of revenue in fiscal 2008. Cost of revenue in fiscal 2009 was \$391.8 million, an increase of \$50.2 million, or 14.7%, over our cost of revenue of \$341.6 million in fiscal 2008. Cost of revenue excluding payments made to repair centers for our fault

repair services increased by \$61.7 million for fiscal 2009 as compared to fiscal 2008. Payments made to repair centers decreased by \$11.5 million to \$135.9 million in fiscal 2009 from \$147.4 million in fiscal 2008 mainly due to decreased business from existing clients of WNS Assistance, our auto claims business. Infrastructure costs increased by \$42.0 million mainly on account of payments made to the repair centers by Call 24-7 for its non-fault repair services. In addition, operating

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employee compensation increased by \$18.5 million due to an increase in headcount and wages. The increase in headcount was primarily attributable to our acquisition of WNS Global Singapore. Share-based compensation cost included in operating employee compensation increased by \$1.2 million in fiscal 2009 as compared to fiscal 2008 due to the grant of new RSUs in fiscal 2009. Depreciation cost increased by \$3.2 million mainly due to the opening of new delivery centers, one each in the Philippines and Romania, and the acquisition of delivery centers in Pune, Bangalore, Chennai and Sri Lanka in connection with our acquisition of WNS Global Singapore. The increase was partially offset by a decrease in travel costs by \$2.0 million

Gross Profit. Gross profit in fiscal 2009 was \$129.1 million, or 24.8% of revenue, as compared to \$96.5 million, or 22.0% of revenue, in fiscal 2008. Gross profit as a percentage of revenue less repair payments was 33.5% in fiscal 2009 compared to 33.2% in fiscal 2008. Gross profit as a percentage of revenue less repair payments increased by approximately 0.3% in fiscal 2009 as compared to fiscal 2008 primarily on account of an increase in revenue less repair payments of \$94.4 million as discussed above.

SG&A Expenses. SG&A expenses in fiscal 2009 were \$75.5 million, an increase of 3.9% over our SG&A expenses of \$72.7 million in fiscal 2008. This increase was primarily on account of (i) an increase in non-operating employee compensation cost by \$11.0 million due to an increase in headcount and wages, including an increase in share-based compensation costs by \$5.4 million, and (ii) an increase in facilities costs by \$1.7 million due primarily to the setting up of new delivery centers, one each in Romania and the Philippines, and the acquisition of delivery centers in Pune, Bangalore, Chennai and Sri Lanka in connection with our acquisition of WNS Global Singapore. The increase was partially offset by (i) a decrease in other administration related expenses such as communication costs and marketing costs by \$2.0 million, (ii) a decrease in fringe benefit tax payable by us on the allotment of shares pursuant to the exercise, on or after April 1, 2008, of options and RSUs granted to employees by \$1.8 million, (iii) a decrease in other employee related costs such as recruitment and training costs by \$1.8 million, (iv) a decrease in travel expenses by \$1.4 million, (v) a decrease in the provision for bad debts by \$1.2 million, (vi) a decrease in professional fees by \$0.9 million, and (vii) a decrease in other taxes by \$0.8 million. The decreases in respect of items (i), (iii), (iv) and (vi) were primarily on account of cost control measures implemented by us in fiscal 2009. SG&A expenses as a percentage of revenue was 14.5% in fiscal 2009 as compared to 16.6% in fiscal 2008. SG&A expenses as a percentage of revenue less repair payments was 19.6% in fiscal 2009 as compared to 25.0% in fiscal 2008.

Amortization of Intangible Assets. Amortization of intangible assets was \$24.9 million in fiscal 2009, an increase of \$22.0 million over \$2.9 million in fiscal 2008. The increase was on account of amortization of intangible assets acquired through our acquisitions of Marketics in May 2007 (for the full 12-month period ended March 31, 2009 as opposed to the partial period for fiscal 2008), Flovate in June 2007 (for the full 12-month period ended March 31, 2009 as opposed to the partial period for fiscal 2008), Call 24-7 in April 2008, BizAps in June 2008 and WNS Global Singapore in July 2008.

Impairment of Goodwill, Intangibles and Other Assets. We performed impairment reviews of goodwill and intangible assets when FMFC filed a voluntary petition for relief under Chapter 11 of the US Bankruptcy Code in August 2007. Based on the impairment review, all unamortized goodwill and intangible assets acquired in connection with the acquisition of Trinity Partners in November 2005 was impaired in August 2007. We had \$15.5 million of impairment of goodwill, intangibles and other assets in fiscal 2008 consisting of impairment of \$9.1 million of goodwill and an impairment of \$6.4 million of intangible and other assets acquired with the acquisition of Trinity Partners in November 2005. We had no impairment of goodwill, intangibles and other assets in fiscal 2009.

Operating Income. Income from operations in fiscal 2009 was \$28.7 million compared to \$5.4 million in fiscal 2008, due to the reasons discussed above. Income from operations as a percentage of revenue was 5.5% in fiscal 2009 as compared to 1.2% in fiscal 2008. Income from operations as a percentage of revenue less repair payments was 7.4% in fiscal 2009 as compared to 1.9% in fiscal 2008.

Other Expenses (Income), Net. Other expense, net in fiscal 2009 was \$5.6 million as compared to other income, net of \$9.2 million in fiscal 2008, primarily on account of (i) a decrease in interest income by \$3.6 million to \$2.7 million in fiscal 2009 as compared to \$6.3 million in fiscal 2008 as a result of lower cash balance in fiscal 2009 with the use of cash to fund our acquisitions in fiscal 2009, and (ii) a foreign exchange loss of \$8.3 million in fiscal 2009 as compared to a foreign exchange gain of \$2.9 million in fiscal 2008.

Interest Expenses. Interest expenses in fiscal 2009 were \$11.8 million primarily due to the Term Loan taken to fund the AVIVA transaction. We had no interest expense in fiscal 2008.

Provision for Income Taxes. Provision for income taxes in fiscal 2009 was \$3.3 million, a decrease of 35.4% over our provision for income taxes of \$5.2 million in fiscal 2008. This decrease is primarily on account of higher deferred tax credits, attributable to higher intangibles due to acquisitions made by us in fiscal 2009, resulting in lower tax expense. Tax as a percentage of net income before tax was 29.7% in fiscal 2009 as compared to 35.4% in fiscal 2008.

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Net Income . Net income in fiscal 2009 was \$7.9 million as compared to \$9.4 million in fiscal 2008. Net income as a percentage of revenue was 1.5% in fiscal 2009 as compared to 2.2% in fiscal 2008. Net income as a percentage of revenue less repair payments was 2.1% in fiscal 2009 as compared to 3.3% in fiscal 2008.

Net loss attributable to redeemable noncontrolling interest. Net loss attributable to redeemable noncontrolling interest in fiscal 2009 was \$0.3 million. This was primarily on account of losses in our joint venture in the Philippines. There was no net loss attributable to non-controlling interest in fiscal 2008.

Net Income attributable to WNS Shareholders. Net income attributable to WNS shareholders in fiscal 2009 was \$8.2 million as compared to \$9.4 million in fiscal 2008. Net income attributable to WNS shareholders as a percentage of revenue was 1.6% in fiscal 2009 as compared to 2.2% in fiscal 2008. Net income attributable to WNS shareholders as percentage of revenue less repair payments was 2.1% in fiscal 2009 as compared to 3.3% in fiscal 2008.

Results by Reportable Segment

For purposes of evaluating operating performance and allocating resources, we have organized our company by operating segments. See note 15 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 SFAS No. 131, *Disclosures about Segments of an Enterprise and Related Information*, or SFAS 131. We have separately reported our auto claims segment (or WNS Assistance), as it does not meet the aggregation criteria under SFAS 131. Accordingly, pursuant to SFAS 131, we have two reportable segments: WNS Global BPO and WNS Auto Claims BPO.

WNS Global BPO is primarily delivered out of our offshore delivery centers in India, Sri Lanka, the Philippines, Romania and Costa Rica. 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 BFSI business unit. See 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 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 accident management services, where we arrange for automobile repairs through a network of third party repair centers. In our accident management services, we act as the principal in our dealings with the third party repair centers and our clients. The amounts we invoice to our clients for payments made by us to third party repair centers is reported as revenue. Since we wholly subcontract the repairs to the repair centers, we evaluate our financial performance based on revenue less repair payments to third party repair centers which is a non-GAAP 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 non-fault repairs, revenue including repair payments is used as a primary measure to allocate resources and measure operating performance. As we provide a consolidated suite of accident management services including credit hire and credit repair for our non-fault repairs business, we believe that measurement of that line of business has to be on a basis that includes repair payments in revenue. Revenue less repair payments is a non-GAAP measure which is calculated as revenue less payments to repair centers. The presentation of this non-GAAP information is not meant to be considered in isolation or as a substitute for our financial results prepared in accordance with US 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.

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. Effective April 1, 2009, we have begun to allocate other expense (income), net, interest expense and income tax expense to WNS Global BPO and WNS Auto Claims BPO segments because in management's view such

presentation is more representative of the respective segment performance. Segment disclosures for the prior comparable periods have been changed to give effect to this new classification.

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	2010		Year Ended March 31, 2009(Restated)		2008(Restated)	
	WNS Global	WNS Auto Claims	WNS Global	WNS Auto Claims	WNS Global	WNS Auto Claims
	BPO	BPO	BPO	BPO	BPO	BPO
			(US dollars in millions)			
Segment revenue ⁽¹⁾	\$ 341.5	\$ 242.1	\$ 322.9	\$ 198.7	\$ 261.2	\$ 177.9
Less: Payments to repair centers		191.9		135.9		147.4
Revenue less repair payments ⁽¹⁾	341.5	50.1	322.9	62.9	261.2	30.5
Cost of revenue ⁽²⁾	210.4	34.3	213.1	39.9	181.7	11.1
Other costs ⁽³⁾	68.6	5.8	58.9	6.4	61.0	5.0
Segment operating income	62.5	10.0	50.9	16.5	18.5	14.4
Other expense (income) net	9.1	(2.1)	6.1	(0.5)	(7.9)	(1.3)
Interest expense	13.8	0.1	11.2	0.6		
Segment income before income taxes	39.7	12.0	33.6	16.4	26.4	15.7
(Provision) benefit for income taxes	1.9	(2.9)	0.3	(3.6)	(0.3)	(4.9)
Segment income	\$ 41.5	\$ 9.2	\$ 33.9	\$ 12.8	\$ 26.1	\$ 10.8

Notes:

(1) Segment revenue and revenue less repair payments include inter-segment revenue of \$1.1 million for fiscal 2010, \$0.7 million for fiscal 2009 and \$1.1 million for fiscal 2008.

(2)

Cost of revenue includes inter-segment expenses of \$1.1 million for fiscal 2010, \$0.7 million for fiscal 2009 and \$1.1 million for fiscal 2008, and excludes stock-based compensation expenses of \$3.7 million for fiscal 2010, \$3.6 million for fiscal 2009 and \$2.4 million for fiscal 2008, which are not allocable between our segments.

- (3) Excludes stock-based compensation expenses (including related fringe benefit tax) of \$11.9 million for fiscal 2010, \$10.2 million for fiscal 2009 and \$6.7 million for fiscal 2008, which are not allocable between our segments. SG&A expenses comprise other costs and stock-based compensation expenses.

In fiscal 2010, WNS Global BPO accounted for 58.6% of our revenue and 87.4% of our revenue less repair payments, as compared to 62.0% of our revenue and 83.9% of our revenue less repair payments in fiscal 2009.

WNS Global BPO

Segment Revenue. Revenue in the WNS Global BPO segment increased by 5.7% to \$341.5 million in fiscal 2010 from \$322.9 million in fiscal 2009. This increase was primarily driven by an increase in the volume of transactions executed for new clients, which contributed \$10.8 million of the increase, and an expansion of the number of processes executed for existing clients and on account of revenue contribution from WNS Global Singapore for the full twelve month period in fiscal 2010 as opposed to the partial nine month period in fiscal 2009, which contributed \$7.8 million of the increase.

Revenue in the WNS Global BPO segment increased by 23.6% to \$322.9 million in fiscal 2009 from \$261.2 million in fiscal 2008. This increase was primarily driven by an increase in the volume of transactions executed for existing clients, which contributed \$44.3 million of the increase, and an increase in revenue from new clients, which contributed \$17.4 million of the increase. BizAps, which we acquired in June 2008, contributed \$3.3 million of revenue.

Contract prices across the various types of processes remained substantially stable over these periods.

Segment Operating Income. Segment operating income in the WNS Global BPO segment increased by 22.8% to \$62.5 million in fiscal 2010 from \$50.9 million in fiscal 2009. The increase was primarily attributable to an increase in segment revenue.

The key components of our cost of revenue are employee costs (which comprise employee salaries and costs related to

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recruitment, training and retention), infrastructure-related costs (which comprise depreciation charges, lease rentals, facilities management costs and telecommunication network costs), and travel related costs. Employee related costs represent the largest component of our cost of revenue for the WNS Global BPO segment. Our cost of revenue decreased by \$2.7 million to \$210.4 million in fiscal 2010 from \$213.1 million in fiscal 2009, primarily on account of a decrease in infrastructure costs by \$7.3 million, a decrease in depreciation costs by \$0.8 million and a decrease in travel cost by \$0.6 million, partially offset by an increase in employee costs and wages by \$6.0 million due to an increase in headcount and wages.

The key components of our other costs are employee costs for sales and marketing, general and administrative and other support personnel, travel expenses, legal and professional fees, brand building expenses, and other general expenses not related to cost of revenue. Our other costs increased by \$9.7 million to \$68.6 million in fiscal 2010 from \$58.9 million in fiscal 2009. The increase in other costs was primarily on account of (i) an increase in non-operating employee compensation by \$10.0 million, (ii) an increase in facilities costs by \$1.2 million, (iii) an increase in other administration costs by \$0.7 million and (iv) an increase in other employee related costs such as recruitment and training cost by \$0.5 million. These increases were partially offset by (i) a decrease in professional fees by \$1.1 million, (ii) a decrease in the fringe benefit tax by \$1.0 million, (iii) a decrease in other tax expense by \$0.3 million and (iv) a decrease in travel expenses by \$0.3 million. Segment operating margin for fiscal 2010 increased by 2.5% to 18.3% of revenue as compared to fiscal 2009.

Segment operating income in the WNS Global BPO segment increased by 175.1% to \$50.9 million in fiscal 2009 from \$18.5 million in fiscal 2008. The increase was primarily attributable to an increase in segment revenue. Our cost of revenue increased by \$31.4 million to \$213.1 million in fiscal 2009 from \$181.7 million in fiscal 2008, primarily on account of an increase in infrastructure costs by \$18.0 million, an increase in depreciation costs by \$3.6 million due to the opening of new delivery centers, one each in Romania and the Philippines, and the acquisition of delivery centers in Pune, Bangalore, Chennai and Sri Lanka in connection with our acquisition of WNS Global Singapore, and an increase in employee costs and wages by \$11.9 million due to the increase in headcount primarily on account of our acquisition of Aviva Global. The increase in cost of revenue was partially offset by a decrease in travel cost by \$2.1 million.

Our other costs decreased by \$2.1 million to \$58.9 million in fiscal 2009 from \$61.0 million in fiscal 2008. The decrease in other costs was primarily on account of a decrease in our administration costs by \$3.7 million, a decrease in travel expenses by \$1.4 million and a decrease in professional fees by \$1.1 million, partially offset by an increase in non-operating employee compensation by \$4.1 million. The decrease in our administration costs by \$3.7 million was primarily due to (i) a decrease in other employee related costs such as recruitment and training cost by \$1.8 million, (ii) a decrease in other administrative expense by \$1.6 million, (iii) a decrease in bad debts provision of \$1.3 million, (iv) a decrease in fringe benefit tax on other expenses by \$0.5 million, and (v) a decrease in other tax expense by \$0.3 million, which was partially offset by an increase in infrastructure cost of \$1.6 million and an increase in depreciation cost of \$0.2 million due to the opening of new delivery centers, one each in Romania and the Philippines, and the acquisition of delivery centers in Pune, Bangalore, Chennai and Sri Lanka in connection with our acquisition of Aviva Global. Segment operating margin for fiscal 2009 increased by 8.7% to 15.8% of revenue as compared to fiscal 2008.

Segment Income. Segment net income in the WNS Global BPO segment increased by 22.4% to \$41.5 million in fiscal 2010 from \$33.9 million in fiscal 2009. The increase was primarily attributable to an increase in segment operating income.

The key components of our other income / (expense), net were interest income, other income and foreign exchange gains or losses. The other income / (expense), net in fiscal 2010 was an expense of \$9.1 million compared to an expense of \$6.1 million in fiscal 2009, an increase of \$3.0 million. This increase was mainly due to higher foreign exchange losses of \$0.7 million and higher other expenses of \$2.3 million in fiscal 2010 as compared to fiscal 2009. The other expense in fiscal 2010 was higher mainly on account of a \$1.0 million charge related to unwinding of interest rate swap contract resulting from the \$15 million partial pre-payment of the Term Loan and lower interest income of \$1.3 million.

The interest expense for fiscal 2010 was \$13.8 million as compared to \$11.2 million in fiscal 2009 as the interest expense was primarily due to interest for the full 12 month period on the Term Loan as compared to interest paid for the partial nine month period in fiscal 2009.

Income tax in fiscal 2010 was a benefit of \$1.9 million as compared to a benefit of \$0.3 million in fiscal 2009. The income tax benefit in fiscal 2009 was lower on account of a \$1.1 million dividend tax expense on an upstream distribution of dividend from an Indian subsidiary to its holding company.

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Segment net income in the WNS Global BPO segment increased by 29.9% to \$33.9 million in fiscal 2009 from \$26.1 million in fiscal 2008. The increase was primarily attributable to increase in segment operating income. The other income / (expense), net in fiscal 2009 was an expense of \$6.1 million compared to an income of \$7.9 million in fiscal 2008 representing, an increase of \$14.0 million. This increase was mainly due to higher foreign exchange losses of \$11.1 million and lower interest income of \$2.9 million in fiscal 2009 as compared to fiscal 2008. The interest income in fiscal 2009 was lower due to lower cash balance after acquisition of Aviva Global. The interest expense in fiscal 2009 was \$11.2 million. There was no interest expense in fiscal 2008. Income tax in fiscal 2009 was a benefit of \$0.3 million as compared to a charge of \$0.3 million in fiscal 2008. The income tax in fiscal 2009 was lower on account of deferred tax credits, attributable to higher intangibles due to acquisitions made by us in fiscal 2009, partially offset by a \$1.1 million dividend tax on an upstream distribution of dividend from an Indian subsidiary to its holding company.

WNS Auto Claims BPO

Segment Revenue. Revenue in the WNS Auto Claims BPO segment increased by 21.8% to \$242.1 million in fiscal 2010 from \$198.7 million in fiscal 2009. This increase of \$43.3 million was primarily on account of an increase in revenue from existing clients of \$31.3 million and an increase in revenue from new clients of \$12.0 million. Payments made to repair centers in fiscal 2010 were \$191.9 million, an increase of 41.3% from \$135.9 million in fiscal 2009. The increase in revenue from existing clients and the increase in payments made to repair centers are primarily due to an increase in the repair costs associated with payments made to repair centers for the clients of our auto claims business. Revenue less repair payments in this segment decreased by 20.3% to \$50.1 million in fiscal 2010 from \$62.9 million in fiscal 2009 primarily due to a change in mix between revenue less repair payments and revenue and, to a lesser extent, to an adverse foreign exchange rate movement of the pound sterling to US dollar by an average of 7.2% in fiscal 2010 as compared to fiscal 2009.

Revenue in the WNS Auto Claims BPO segment increased by 11.7% to \$198.7 million in fiscal 2009 from \$177.9 million in fiscal 2008, primarily due to our acquisition of Chang Limited in April 2008. This increase of \$20.8 million was primarily on account of an increase in revenue from new clients of \$40.2 million which was partially offset by a decrease in revenue from existing clients of \$19.4 million. Payments made to repair centers in fiscal 2009 were \$135.9 million, a decrease of 7.8% from \$147.4 million in fiscal 2008. The decrease in revenue from existing clients and the decrease in payments made to repair centers are primarily due to a decrease in the volume of transactions executed for the existing clients of WNS Assistance. Revenue less repair payments in this segment increased by 106.1% to \$62.9 million in fiscal 2009 from \$30.5 million in fiscal 2008, primarily due to our acquisition of Chang Limited.

Segment Operating Income. Segment operating income decreased by 39.3% to \$10.0 million in fiscal 2010 from \$16.5 million in fiscal 2009. The decrease of \$6.5 million was primarily on account of an increase in cost of revenue partially offset by a decrease in other costs. Our cost of revenue increased by \$50.4 million to \$226.2 million in fiscal 2010 from \$175.8 million in fiscal 2009. The increase in cost of revenue was primarily on account of an increase in payments to repair centers by \$56.0 million to \$191.9 million in fiscal 2010 from \$135.9 million in fiscal 2009, partially offset by a decrease in cost of revenue excluding payments made to repair centers by \$5.6 million to \$34.3 million in fiscal 2010 from \$39.9 million in fiscal 2009. The decrease in cost of revenue excluding payments made to repair centers was primarily on account of a decrease in infrastructure related costs by \$4.1 million, a decrease in our employee costs by \$1.8 million, partially offset by an increase in depreciation cost by \$0.2 million. Our other costs decreased by \$0.6 million to \$5.8 million in fiscal 2010 from \$6.4 million in fiscal 2009 due to a decrease in employee costs by \$0.7 million, which was partially offset by an increase in bad debt costs by \$0.1 million. Our travel costs remained stable during this period. Segment operating margin for fiscal 2010 decreased by 4.2% to 4.1% of revenue as compared to 8.3% in fiscal 2009. Segment operating income as a percentage of revenue less repair was 20.0% in fiscal 2010 as compared to 26.3% in fiscal 2009.

Segment operating income increased by 14.7% to \$16.5 million in fiscal 2009 from \$14.4 million in fiscal 2008. The increase of \$2.1 million was primarily on account of an increase in revenue from the addition of new clients due to our acquisition of Chang Limited which was partially offset by an increase in our cost of revenue and other costs. Our cost of revenue increased by \$17.3 million to \$175.8 million in fiscal 2009 from \$158.5 million in fiscal 2008. The

increase in cost of revenue was primarily on account of an increase in infrastructure related costs by \$24.1 million, an increase in our employee costs by \$5.1 million, and an increase in travel costs by \$0.1 million. This increase was partially offset by a decrease in payments to repair centers by \$11.5 million to \$135.9 million in fiscal 2009 from \$147.4 million in fiscal 2008 and a decrease in depreciation cost by \$0.5 million. Our other costs increased by \$1.4 million to \$6.4 million in fiscal 2009 from \$5.0 million in fiscal 2008 due to an increase in employee costs by \$1.4 million and an increase in professional expenses by \$0.2 million, which was partially offset by a decrease in the administration costs by

assets

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	March 2010	Fiscal 2010 Three Months Ended			March 2009 (Restated)	Fiscal 2009(Restated) Three Months Ended		
		December 2009 (Restated)	September 2009 (Restated)	June 2009 (Restated)		December 2008 (Restated)	September 2008 (Restated)	June 2008 (Restated)
(Unaudited, US dollars in millions)								
Operating income (loss)	3.2	6.4	6.7	8.2	7.6	10.5	5.7	4.9
Other expense (income), net	(0.8)	2.9	2.1	2.8	(0.3)	4.1	0.3	1.5
Interest expense	2.8	3.5	3.4	4.1	4.5	4.0	3.2	0.1
Provisions (benefits) for income taxes	0.4	0.0	0.2	0.3	1.0	0.7	1.9	(0.2)
Net income (loss)	0.8	(0.1)	1.0	0.9	2.4	1.8	0.3	3.4
Net loss attributable to redeemable noncontrolling interest	0.2	0.4	0.4	0.1	0.1	0.2		
Net income attributable to WNS shareholders	1.0	0.3	1.4	1.0	2.5	2.0	0.3	3.4

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

	March 2010	Fiscal 2010 Three Months Ended			March 2009 (Restated)	Fiscal 2009(Restated) Three Months Ended		
		December 2009 (Restated)	September 2009 (Restated)	June 2009 (Restated)		December 2008 (Restated)	September 2008 (Restated)	June 2008 (Restated)
(Unaudited)								
Gross profit as a percentage of revenue	21.6%	24.1%	25.3%	27.9%	25.9%	28.1%	24.2%	20.6%
Operating income (loss) as a percentage of revenue	2.1%	4.4%	4.6%	6.1%	6.0%	8.0%	3.9%	4.1%
Gross profit as a percentage of revenue less repair	35.2%	36.5%	37.0%	37.9%	34.5%	37.1%	32.2%	29.9%

payments
Operating
income
(loss) as a
percentage
of revenue
less repair
payments

3.3%

6.7%

6.7%

8.4%

8.0%

10.6%

5.2%

5.9%

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

		Fiscal 2010			Fiscal 2009(Restated)			
		Three Months Ended			Three Months Ended			
	March	December	September	June	March	December	September	June
	2010	2009	2009	2009	2009	2008	2008	2008
		(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)
		(Unaudited, US dollars in millions)						
Revenue	\$ 157.6	\$ 145.8	\$ 146.0	\$ 133.1	\$ 126.4	\$ 130.9	\$ 144.8	\$ 118.8
Less:								
Payments to repair centers	60.9	49.5	46.3	35.2	31.4	31.7	36.1	36.7
Revenue less repair payments	\$ 96.7	\$ 96.3	\$ 99.7	\$ 97.9	\$ 95.0	\$ 99.2	\$ 108.7	\$ 82.1

Note:

- (1) The financial information for the quarters from and including the quarter ended June 2008 reflects the acquisitions of BizAps in June 2008. The financial information for the quarters from and including the quarter ended September 2008 reflects our acquisition of Aviva Global in July 2008.

Contractual Obligations

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 of March 31, 2010 on a consolidated basis:

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pricing and tax deductibility of similar expenses and overturned the assessment. Although this ruling is not binding on the appellate authorities hearing our dispute on the aforesaid assessment on fiscal 2005 received in January 2009, we believe it will serve as persuasive authority in support of our position. In March 2009, we deposited Rs. 10.0 million (\$0.2 million based on the exchange rate on March 31, 2010) with the Indian tax authorities pending resolution of the dispute.

In March 2009, we received from the Indian service tax authority an assessment order demanding payment of Rs. 346.2 million (\$7.7 million based on the exchange rate on March 31, 2010) of service tax and related interest and 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. After consultation with our Indian tax advisors, we believe the chances that the assessment would be upheld against us are remote. We intend to continue to vigorously dispute the assessment.

On October 31, 2009, we received an order of assessment from the transfer pricing officer of the Indian tax authorities. The transfer pricing assessment order alleges that the transfer pricing we applied to international transactions between WNS Global and our other wholly-owned subsidiaries for fiscal 2006 was not appropriate. On November 30, 2009, we received a draft order of assessment from the Indian tax authorities incorporating the above transfer pricing order that assessed additional taxable income for fiscal 2006 on WNS Global that could give rise to an estimated Rs. 759.9 million (\$16.8 million based on the exchange rate on March 31, 2010) in additional taxes, including interest of Rs. 235.9 million (\$5.2 million based on the exchange rate on March 31, 2010). In addition to giving effect to the transfer pricing assessment order, the draft assessment order also disallows certain expenses claimed as tax deductible by WNS Global and disallows a tax holiday benefit claimed by us.

We have disputed the draft assessment order and have filed an appeal before the Dispute Resolution Panel, or DRP, a panel recently set by Government of India as an alternative to first appellate authority. The final order of assessment is expected to be passed in the month of September or October 2010 following the receipt of the order passed by DRP which is expected to occur in the second fiscal quarter of 2011. We do not agree with the transfer pricing officer's basis of making the assessment, transfer pricing methodologies and the amount of the assessment. After consultation with our Indian tax advisors, we believe that the chances of the order, upon challenge, being sustained at the higher appellate authorities are remote and we intend to vigorously dispute the assessment. We may be required to deposit with the tax authorities all or a portion of the disputed amount pending final resolution of the matter.

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, the establishment of operations facilities to support our growth and for acquisitions. Our sources of liquidity include cash flow from operations, supplemented by equity and short-term debt financing as required. In July 2008, we obtained the Term Loan to fund, together with existing cash and cash equivalents, the AVIVA transaction described above.

In fiscal 2010 and 2009, our net income attributable to WNS shareholders was \$3.7 million and \$8.2 million, respectively. By implementing our growth strategy (see Item 4. Information on the Company B. Business Overview Business Strategy), we intend to generate higher revenue in the future in an effort to maintain our profitable position. As of March 31, 2010, we had cash and cash equivalents of \$32.3 million. We typically seek to invest our available cash on hand in bank deposits or short-term money market accounts. As of March 31, 2010, we had an unused line of credit of Rs. 353.9 million (\$7.8 million based on the exchange rate on March 31, 2010) from The Hongkong and Shanghai Banking Corporation Limited.

As of March 31, 2010, the line of credit at Call 24-7, consisting of an overdraft and invoice discounting facility from the Yorkshire bank, plc was closed. As of March 31, 2009, \$4.3 million was outstanding from this facility.

In May 2007, we completed the acquisition of Marketics. The consideration for the acquisition is an initial payment of \$30.0 million in May 2007 and a contingent earn-out consideration of \$33.7 million calculated based on the performance and results of operations of Marketics for its fiscal year ended March 31, 2008 which was paid in July 2008. 75.1% of the share capital of Marketics was transferred to us in May 2007 and the remaining 24.9% of the

share capital of Marketics was transferred to us in July 2008 pursuant to the payment of the contingent earn-out consideration. We paid the initial \$30.0 million payment from our cash and cash equivalents (including the net proceeds to us from our initial public offering) in May 2007 and the \$33.3 million contingent earn-out consideration also from our cash and cash equivalents in July 2008. We have consolidated 100% of the results of operation of Marketics from May 1, 2007.

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In June 2007, we completed the acquisition of Flovate (which we subsequently renamed as WNS Workflow Technologies Limited). We paid £3.3 million in cash in June 2007 and deposited into an escrow account an additional retention amount of £0.7 million, which has since been paid to the selling shareholders.

In April 2008, we completed the acquisition of Chang Limited. The consideration for the acquisition was an initial payment of \$16.7 million and a contingent earn-out consideration of up to \$3.2 million to be calculated based on the performance and results of operations of Chang Limited for its fiscal year ended March 31, 2009 payable in April 2009. We paid the initial \$16.7 million payment from cash generated from operating activities and existing cash and cash equivalents. In October 2008, the sellers and we have agreed that no earn-out consideration is payable. In addition, the sellers refunded to us \$1.1 million from the initial payment of \$16.0 million as certain agreed performance parameters as set forth under the acquisition agreement were not met.

In June 2008, we completed the acquisition of BizAps. The consideration for the acquisition is an initial payment of \$9.7 million and a contingent earn-out consideration of up to \$9.0 million to be calculated based on the performance and results of operations of BizAps for its fiscal years ending June 30, 2009 and 2010 payable in July 2010. We paid the initial \$9.7 million payment from cash generated from operating activities and existing cash and cash equivalents. Consequent to the satisfaction of certain performance obligations for the 12-month period ended June 30, 2009, we have paid an earn-out consideration of \$1.1 million from our existing cash and cash equivalents. Such amount is recorded as an addition to goodwill. On June 6, 2010, we entered into an amendment to the acquisition agreement with the sellers, pursuant to which, except for the earn-out payable based on the sellers' introductions to us of parties interested in contracting with us for BPO business, we settled the earn-out consideration for all other performance obligations for the period ending on June 30, 2010 at \$0.4 million, which is payable subject to the fulfillment of certain conditions by July 2010.

In July 2008, we entered into the AVIVA transaction. For more information on the AVIVA transaction, see [Revenue Our Contracts](#) above. The purchase price paid to AVIVA for the AVIVA transaction was approximately \$240.8 million. Legal and professional fees pertaining to this transaction aggregating to approximately \$8.2 million is also considered as part of the acquisition cost. Accordingly, the total consideration for the AVIVA transaction was approximately \$249.0 million. On July 10, 2008, we obtained the Term Loan to fund, together with existing cash and cash equivalents, the AVIVA transaction. The facility agreement was amended on April 6, 2009. For more information, see [Outstanding Loans](#) below.

As part of the AVIVA transaction in July 2008, we became a party to three agreements pursuant to which we were granted options to purchase, in three phases, the property located at Magarpatta, Pune, which we previously leased from the Magarpatta Town Development. We completed the purchase of the property under the first phase in December 2008 at a total cost of approximately \$3.3 million and under the second and third phases in March 2009 at a total cost of approximately \$2.1 million. The acquisition of the property has not resulted in additional space being made available.

In August 2009, we agreed to pay AVIVA approximately £3.2 million (\$5.3 million) in full and final settlement towards certain liabilities of Aviva Global that existed as of the date of its acquisition and the net asset value settlement for Customer Operational Solutions (Chennai) Private Limited, Noida Customer Operation Private Limited and NTrance Global Services Private Limited arising out of the sale and purchase agreements relating to the acquisitions of these entities by WNS Global Singapore. The payment of this liability is being made in 18 equal monthly installments since December 2009.

Our business strategy requires us to continuously expand our delivery capabilities. We expect to incur capital expenditure on 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 expenditures needs in fiscal 2011 to be approximately \$16.0 million. As of March 31, 2010, we had commitments for capital expenditures of \$2.7 million relating to the purchase of property and equipment for our delivery centers. We believe that our anticipated cash generated from operating activities and, cash and cash equivalents in hand will be sufficient to meet our estimated capital expenditures for fiscal 2011. However, under the current extreme market conditions as discussed under [Global 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 is 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 pursue certain of our expansion plans. Further, we may in the future consider making acquisitions which we expect to be able to finance partly or fully from cash generated from operating activities. 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. 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.

Table of Contents***Outstanding Loans***

In July 2008, we entered into the Term Loan to finance our transaction with AVIVA described under Revenue Our Contracts above. We drew down the full amount of \$200.0 million under the facility in July 2008. The arrangers have since syndicated part of the loan to The Hongkong and Shanghai Banking Corporation and DBS Bank Limited. Interest on the Term Loan is payable on a quarterly basis. Interest on the Term Loan was initially agreed at a rate equivalent to the three-month US dollar LIBOR plus 3% per annum, subject to change by the arrangers for the Term Loan at any time prior to the completion of the syndication of the Term Loan if any such arranger determined that such change was necessary to ensure a successful syndication of the Term Loan. Effective from January 10, 2009, the interest rate has increased by 0.5% per annum. The loan is repayable in semi-annual installments with the final installment payable in January 2013.

Under the facility agreement, we are allowed to make voluntary prepayments of the whole or a part of the outstanding loan on any interest payment date, without incurring break costs, by giving a minimum of 10 days notice of prepayment. Pursuant to the prepayment option, we made prepayments of \$5.0 million each on April 14, 2009 and July 10, 2009 and a prepayment of \$15.0 million on January 11, 2010. We also made the scheduled installment repayments of the loan of \$20.0 million each on July 10, 2009 and January 10, 2010. As of March 31, 2010, \$135.0 million remains outstanding on the loan.

In connection with the Term Loan, we entered into interest rate swap of \$200.0 million with banks to swap the variable portion of the interest based on US dollar LIBOR to a fixed average rate of 3.81% per annum. After giving effect to the interest rate swap agreements, we are incurring an interest rate of 7.31% per annum on the Term Loan, excluding amortization of debt issuance costs incurred in connection with the Term Loan.

Under the facility agreement, we are required to maintain the following financial covenants: (i) the ratio of total borrowings to tangible net worth (as defined in the facility agreement) shall not exceed 2 to 1, (ii) the ratio of total borrowings to adjusted EBITDA (as defined in the facility agreement) shall not exceed 2.5 to 1, (iii) the ratio of adjusted EBITDA to debt service shall not be less than 1.3 to 1, and (iv) the ratio of the aggregate amount outstanding under the facility to the value of the AVIVA master services agreement shall not be more than 100% at any time. As of March 31, 2010, we believe we were in compliance with these covenants.

The facility is secured by, among other things, guarantees provided by us and certain of our subsidiaries, namely, WNS Capital Investment Limited, WNS Global Services (UK) Limited, or WNS UK, and WNS North America, Inc., a fixed and floating charge over the assets of WNS UK, pledges of our shares of WNS Capital Investment Limited, WNS UK, WNS North America, Inc. and WNS (Mauritius) Limited and charges over certain bank accounts.

Cash Flows from Operating Activities

Cash flows provided by operating activities were \$54.3 million for fiscal 2010 as compared to \$62.9 million for fiscal 2009. The decrease in cash flows provided by operating activities for fiscal 2010 as compared to the fiscal 2009 was attributable to a decrease from changes in working capital by \$11.2 million, partially offset by an increase in net income as adjusted by non-cash related items by \$2.6 million. Cash flows from working capital changes decreased by \$24.9 million due to changes in accounts receivable, accounts payable, deferred revenue and other current liabilities in fiscal 2010 resulting in net cash outflow aggregating to \$12.6 million as compared to net cash inflow of \$12.3 million in fiscal 2009. The aforesaid decrease in cash flow from working capital changes was offset by an increase in cash inflow by \$13.7 million from changes in other current assets in fiscal 2010 resulting in net cash inflow of \$5.6 million as compared to net cash outflow of \$8.1 million in fiscal 2009. The increase in net income as adjusted by non-cash related items of \$2.6 million was primarily on account of (i) an increase in depreciation and amortization by \$6.9 million primarily due to intangible assets acquired through our acquisition of Aviva Global in July 2008, (ii) an increase in share-based compensation cost by \$1.7 million due to a reduction in the exercise price of the options and RSUs that is considered to be a modification of the options and RSUs on account of the abolishment of fringe benefit tax in August 2009, (iii) an increase in allowance for doubtful debts by \$0.8 million, (iv) an increase in amortization of rent rationalization expense \$0.7 million, (v) an increase in excess tax benefit by \$0.4 million, and (vi) an increase in amortization of deferred financing cost by \$0.2 million, which was partially offset by (i) a decrease in net income by \$5.2 million, (ii) an increase in deferred tax credit by \$2.6 million, and (iii) a decrease in unrealized loss on derivative instruments by \$0.3 million.

Cash flows provided by operating activities were \$62.9 million for fiscal 2009 as compared to \$41.1 million for fiscal 2008. The increase in cash flows provided by operating activities for fiscal 2009 as compared to the fiscal 2008 was attributable to an increase from changes in working capital by \$12.2 million and an increase in net income as adjusted by non-cash related items by \$9.7 million. Cash flows from working capital changes increased by \$20.6 million due to changes in accounts receivable, accounts payable and deferred revenue in fiscal 2009 resulting in net cash inflow

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aggregating to \$6.6 million as compared to net outflow of \$14.0 million in fiscal 2008. The decrease in accounts receivable resulted from higher collections from customers in fiscal 2009 and the increase in deferred revenue was a result of new contracts in our WNS Auto Claims BPO segment. The aforesaid increase in cash flows from working capital changes was offset by an increase in net cash outflow by \$2.8 million from changes in other current assets and a decrease in net cash inflow by \$5.6 million from changes in other current liabilities. Other current liabilities increased in fiscal 2009 primarily due to accrued interest of \$3.0 million on the Term Loan and an increase in accrued expenses. The increase in net income as adjusted by non-cash related items of \$9.7 million was primarily on account of (i) an increase in depreciation and amortization by \$25.3 million primarily due to intangible assets acquired through our acquisition of Call 24-7, BizAps and Aviva Global in fiscal 2009 and (ii) an increase in share-based compensation cost by \$6.6 million due to an increase in RSUs granted in fiscal 2009, which was partially offset by (i) the impairment of intangibles and goodwill amounting to \$15.5 million relating to Trinity Partners, following the bankruptcy of its major client, FMFC, in fiscal 2008, (ii) a decrease in the provision for doubtful debts by \$1.1 million, (iii) a decrease in deferred income taxes by \$3.3 million, (iv) a decrease in net income by \$1.6 million and (v) a decrease in amortization of rent rationalization expense \$1.0 million.

Cash Flows from Investing Activities

Cash flows used in investing activities were \$4.5 million in fiscal 2010 as compared with \$315.6 million in fiscal 2009. The decrease in cash flows used in investing activities in fiscal 2010 from fiscal 2009 was primarily on account of a higher acquisition cost of \$290.9 million paid towards the transaction with AVIVA and the acquisitions of Chang Limited and BizAps in fiscal 2009 as compared to the payout of \$1.1 million towards earn-out consideration of BizAps in fiscal 2010. The capital expenditure incurred for leasehold improvements, purchase of computers, furniture, fixtures and other office equipment associated with expanding the capacity of our delivery centers in fiscal 2010 was \$13.3 million which was lower by \$9.4 million as compared to \$22.7 million in fiscal 2009. There was a net inflow from maturity of bank deposits and marketable securities of \$9.5 million as compared to a net outflow of \$2.3 million in fiscal 2009.

Cash flows used in investing activities were \$315.6 million in fiscal 2009 as compared with \$58.5 million in fiscal 2008. The increase in cash flows used in investing activities in fiscal 2009 from fiscal 2008 was primarily on account of a higher acquisition cost of \$290.9 million paid towards the transaction with AVIVA and the acquisitions of Chang Limited and BizAps in fiscal 2009 as compared to \$36.1 million paid towards the acquisitions of Marketics and Flovate fiscal 2008.

Cash Flows from Financing Activities

Cash outflows from financing activities were \$62.2 million in fiscal 2010 as compared to a cash inflow of \$199.2 million in fiscal 2009. Financing activities in fiscal 2010 consisted primarily of a prepayment of \$25.0 million and scheduled repayments of \$40 million on the Term Loan, the proceeds amounting to \$198.8 million of which was received in fiscal 2009.

Cash inflow from financing activities were \$199.2 million in fiscal 2009 as compared to \$5.6 million in fiscal 2008 primarily due to the receipt of proceeds from the Term Loan of \$198.8 million in fiscal 2009.

We believe that our cash flow from operating activities will be sufficient to meet our estimated capital expenditures, working capital and other cash needs until at least March 31, 2011, the end of fiscal 2011.

New Accounting Pronouncements

In October 2009, the Financial Accounting Standards Board, or FASB, issued Accounting Standard Update, or ASU, No. 2009-13, *Multiple-Deliverable Revenue Arrangements*. This ASU establishes the accounting and reporting guidance for arrangements including multiple revenue-generating activities. This ASU provides amendments to the criteria for separating deliverables, measuring and allocating arrangement consideration to one or more units of accounting. The amendments in this ASU also establish a selling price hierarchy for determining the selling price of a deliverable. Significantly enhanced disclosures are also required to provide information about a vendor's multiple-deliverable revenue arrangements, including information about the nature and terms, significant deliverables, and its performance within arrangements. The amendments also require providing information about the significant judgments made and changes to those judgments and about how the application of the relative selling-price method affects the timing or amount of revenue recognition. The amendments in this ASU are effective prospectively for

revenue arrangements entered into or materially modified in the fiscal years beginning on or after June 15, 2010. Early application is permitted. We are currently evaluating the impact of the adoption of this new ASU on our financial statements.

Table of Contents***Adoption of New Accounting Principles***

Effective January 1, 2010, the FASB issued ASU No. 2010-06, *Improving Disclosures about Fair Value Measurements*, to amend the disclosure requirements related to recurring and nonrecurring fair value measurements. The guidance requires new disclosures on the transfers of assets and liabilities between Level 1 (quoted prices in active market for identical assets or liabilities) and Level 2 (significant other observable inputs) of the fair value measurement hierarchy, including the reasons and the timing of the transfers. Additionally, the guidance requires a roll forward of activities on purchases, sales, issuance, and settlements of the assets and liabilities measured using significant unobservable inputs (Level 3 fair value measurements). The guidance is effective for interim and annual reporting period beginning after December 15, 2009, except for the disclosure about purchases, sales, issuance, and settlements in the roll forward of activity in level 3 fair value measurements which are effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. We adopted the disclosure provisions on the transfers of assets and liabilities between Level 1 and Level 2 in the fiscal quarter ended December 31, 2009.

Effective July 1, 2009, the FASB issued ASU No. 2009-01, *Generally Accepted Accounting Principles* (ASC Topic 105) which establishes the FASB ASC, or the Codification, as the official single source of authoritative U.S. generally accepted accounting principles. All existing accounting standards are superseded. The Codification also includes all relevant Securities and Exchange Commission guidance organized using the same topical structure in separate sections within the Codification. Following the Codification, the FASB will not issue new standards in the form of Statements, FASB Staff Positions or Emerging Issues Task Force Abstracts. Instead, it will issue ASU, which will serve to update the Codification, provide background information about the guidance and provide the basis for conclusions on the changes to the Codification. The Codification is not intended to change GAAP, but it will change the way GAAP is organized and presented. All other non grandfathered non-Commission accounting literature not included in the Codification will become non authoritative. We adopted the Codification from our second fiscal quarter of 2010 financial statements and the principal impact on the financial statements was limited to disclosures as all future references to authoritative accounting literature will be referenced in accordance with the Codification.

Effective April 1, 2009, we adopted ASC 810-10-65 in respect of the noncontrolling interest in the operations of WNS Philippines, Inc. and the profits or losses associated with the noncontrolling interest in these operations. The adoption of ASC 810-10-65 requires reclassification of amounts previously attributable to minority interest (now referred to as noncontrolling interest) to a separate component of equity on the balance sheets. However, pursuant to the application of ASC 480-10 *Distinguishing Liabilities from Equity*, the noncontrolling interest has been classified in temporary equity as redeemable noncontrolling interest (refer to note 21 to our consolidated financial statements included elsewhere in this annual report) and the balance at March 31, 2009 has been reclassified from minority interest to redeemable noncontrolling interest. Additionally, (i) net income includes net income or loss attributable to noncontrolling interest; (ii) the components of net income attributable to WNS shareholders and the net income attributable to noncontrolling interest are displayed in the statements of income and (iii) losses are allocated to the noncontrolling interest even if the losses exceed the equity attributable to noncontrolling interest. The adoption of ASC 810-10-65 did not have any impact on the net income attributable to WNS shareholders.

Effective April 1, 2009, we adopted FASB ASC 855-10, *Subsequent Events*. ASC 855-10 establishes general standards for accounting and disclosure of events that occur after the balance sheet date but before financial statements are issued (subsequent events). These standards are largely the same guidance on subsequent events which previously existed only in auditing literature and adoption of ASC 855-10 did not result in a material impact on our financial statement.

Effective April 1, 2009, we adopted the provisions of ASC 805-10, *Business Combinations (revised 2007)*. ASC 805-10 retains the underlying concepts of Statement of Financial Accounting Standards (SFAS) No. 141, *Business Combinations* in that all business combinations are still required to be accounted for at fair value under the acquisition method of accounting, but changes the method of applying the acquisition method in a number of significant aspects. Acquisition costs will generally be expensed as incurred; noncontrolling interests will be valued at fair value at the acquisition date; in-process research and development will be recorded at fair value as an indefinite-lived intangible asset at the acquisition date; restructuring costs associated with a business combination will

generally be expensed subsequent to the acquisition date; and changes in deferred tax asset valuation allowances and income tax uncertainties after the acquisition date generally will affect income tax expense.

ASC 805-10 is effective on a prospective basis for all of business combinations consummated on or after April 1, 2009, with the exception of the accounting for valuation allowances on deferred taxes and acquired tax contingencies. ASC 805-10 amends ASC 740, *Income Taxes* such that adjustments made to valuation allowances on deferred taxes and acquired tax contingencies associated with acquisitions that closed prior to the effective date of ASC 805-10 would also apply the provisions of ASC 805-10.

In April 2009, the FASB issued ASC 320-10-65-1, *Recognition and Presentation of Other-Than-Temporary Impairments*. ASC 320-10-65-1 was issued contemporaneously with ASC 820-10-65-4, *Determining Fair Value When the Volume and Level of Activity for the Asset or Liability has Significantly Decreased and Identifying Transactions that are Not Orderly* and ASC 825-10-65-1, *Interim Disclosures About Fair Value of Financial Instruments*. ASC 320-10-65-1 establishes a new model for measuring other than temporary impairments for debt securities, including establishing criteria for when to recognize a write-down through earnings versus other

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comprehensive income. ASC 820-10-65-4 clarifies the objective and method of fair value measurement even when there has been a significant decrease in market activity for the asset being measured. ASC 825-10-65-1 expands the fair value disclosures required for all financial instruments within the scope of ASC 825-10-50, *Disclosures about Fair Value of Financial Instruments* to interim periods. Our adoption of ASC 320-10-65-1 and ASC 820-10-65-1 did not have any impact on our results of operations, cash flows or financial position. Our adoption of ASC 825-10-65-1 resulted in increased disclosures in the interim periods.

In December 2008, the FASB issued FSP No. FAS 132 (R)-1, *Employers' Disclosures about Postretirement Benefit Plan Assets* (ASC paragraphs 715-20-50-1 and 50-5 and 715-20-55-16 and 55-17). ASC 715-20 provides guidance on an employer's disclosures about plan assets of a defined benefit pension or other postretirement plan. ASC 715-20 requires entities to disclose more information about how investment allocation decisions are made, more information about major categories of plan assets, including concentrations of risk and fair-value measurements, and the fair-value techniques and inputs used to measure plan assets.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES**A. Directors and Executive Officers**

Our board of directors consists of six directors.

The following table sets forth the name, age (as of May 31, 2010) and position of each of our directors and executive officers as of the date hereof.

Name	Age	Designation
Directors		
Eric B. Herr ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	62	Non-Executive Chairman
Keshav R. Murugesh ⁽⁵⁾	46	Director and Group Chief Executive Officer
Jeremy Young	44	Director
Deepak S. Parekh ⁽³⁾⁽⁷⁾	65	Director
Richard O. Bernays ⁽²⁾⁽⁴⁾⁽⁸⁾	67	Director
Anthony Armitage Greener ⁽²⁾⁽³⁾⁽⁶⁾	70	Director
Executive Officers		
Keshav Murugesh ⁽⁵⁾	46	Group Chief Executive Officer
Alok Misra	43	Group Chief Financial Officer
J.J. Selvadurai	51	Managing Director - Europe
Steve Reynolds	49	Managing Director - North America

Notes:

- (1) Appointed as Chairman of the Board with effect from December 17, 2009 in place of Ramesh Shah. Mr. Shah resigned from the services of our company and as a director of the Board with effect from March 29, 2010.

- (2) Member of our nominating and corporate governance committee.
- (3) Member of our compensation committee.
- (4) Member of our audit committee.
- (5) Keshav R. Murugesh was appointed as the Group Chief Executive Officer of our company with effect from February 19, 2010.
- (6) Appointed as Chairman of our audit committee with effect from December 17, 2009 in place of Eric B. Herr.
- (7) Chairman of our nominating and corporate governance committee. Mr. Parekh also served as a member of our audit committee from July 2006 to May 31, 2010.
- (8) Chairman of our compensation committee.

On June 1, 2010, Mr. Parekh entered into a consulting arrangement with another party, whereupon he ceased to qualify as independent under Rule 10A-3 of the Securities Exchange Act of 1934, as amended, or the Exchange Act. Accordingly, Mr. Parekh stepped down from our audit committee effective June 1, 2010. Further, our board of directors has decided that it will not consider Mr. Parekh as an independent director under the NYSE listing standards effective June 1, 2010. Accordingly, our board of directors has decided that effective June 1, 2010, it is no longer majority independent and our nominating and corporate governance committee and our compensation committee are no longer fully independent. Effective June 1, 2010, we elected to follow our home country (Jersey, Channel Islands) practice, which does not impose a board or committee independence requirement.

Our board of directors is in an advanced stage of finalizing the appointment of another independent director. Upon the appointment of an additional independent director, our board will once again be majority independent. The board also intends to appoint this additional independent director as a member of our audit committee, which will then consist of four independent directors.

Summarized below is relevant biographical information covering at least the past five years for each of our directors and executive officers.

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

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directors of Taleo Corporation (since 2002), Starcite Private Limited (since 2007) and Regulatory Data Corporation (since 2009). He was a director of Workscape from 2005 to 2008. From 1992 to 1997, Mr. Herr served as Chief Financial 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. He holds a Bachelor of Commerce degree and is a Fellow of The Institute of Chartered Accountants of India. He was a director of Syntel Ltd and Syntel Global Pvt Ltd. He is a frequent industry speaker and serves as 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. 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. He is head of Warburg Pincus German office as well as focuses on fund raising. Whilst at Warburg Pincus he has also been head of the firm's European investment activities in healthcare and business services. He held various positions at Baxter Healthcare International, Booz, Allen & Hamilton International and Cellular Transplant/Cytherapeutics before he joined Warburg Pincus in 1992. He received a Master of Arts degree in English from Cambridge University and a Master of Business Administration from Harvard Business School. He is currently also a director of Warburg Pincus Roaming II S.A as well as a trustee of The Hemophilia 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) and Chief Executive Officer 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 one of our clients, GlaxoSmithKline Pharmaceuticals Ltd. Mr. Parekh is also a director of several Indian public companies such as Lafarge India Pvt. Limited (since 2005) Singapore Telecommunications Ltd (since 2004), Siemens Ltd. (since 2003), HDFC Chubb General Insurance Co. Ltd. (since 2002), Exide Industries Limited (since 2001), HDFC Standard Life Insurance Co. Ltd. (since 2000), HDFC Asset Management Co. Ltd (since 2000), The Indian Hotels Co. Ltd. (since 2000), Castrol India Ltd. (since 1997), Infrastructure Development Finance Co. Ltd (since 1997), Hindustan Lever Ltd. (since 1997), Borax Morarji Limited (since 1997), Bharat Bijlee Limited (since 1995), GlaxoSmithKline Pharmaceuticals Ltd. (since 1994), Hindustan Oil Exploration Corporation Ltd. (since 1994), Zodiac Clothing Company Limited (since 1994), Mahindra & Mahindra Ltd. (since 1990), and Housing Development Finance Corporation Ltd (since 1985). He was a director of Satyam Computer Services Limited during 2009. 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 board of directors 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), Charter Pan European Trust plc (since 2004), Impax Environmental Markets Trust plc (since 2002), Gartmore Global Trust plc (since 2001), Taikoo Developments Limited (since 1997), The Throgmorton Trust (since 2002), MAF Trust (since 2005) and GFM Cossack Bond Company Limited (since 1997). 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 is also a

member of the Supervisory Board of the National Provident Life. 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

Sir Anthony Armitage Greener was appointed to our board of directors in June 2007. On December 17, 2009 he was appointed as Chairman of the Audit Committee. 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 director of Nautor AB (since 2009), Williams Sonoma (since 2007), United Learning Trust (since 2005),

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United Church Schools (since 2005) and SF Trust (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. Sir Anthony is a Fellow Member of the Chartered Institute of Management Accountants, and Vice-President of the Chartered Institute of Marketing. The business address of Sir Anthony is the Minton Trust, 26 Hamilton House, Vicarage Gate, London W8 4HL.

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 finance and accounting, legal and regulatory compliance and risk management. 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.

J.J. Selvadurai is Managing Director of European Operations. Prior to that, 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 20 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. 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 director in Business forms (Private) Limited, Sri Lanka (since 1984) and Data Cap (Private) Limited, India (since 2000) Mr. Selvadurai is certified in data management and is a member of the data processing institute. The business address for Mr. Selvadurai is The Lodge, Harmondsworth Lane, West Drayton, Middlesex, UB7 0AB UK.

Steve Reynolds is Managing Director of WNS North America, Inc. He is based in Dallas and has over 15 years of experience in the BPO industry. Prior to assuming this role, Mr. Reynolds was Executive Vice President, Business Development for our travel and leisure business unit. Prior to joining us, he was Regional Vice President for ACS, Inc. where he was responsible for the growth, operations and profitability of a division. This role included managing operations throughout Mexico, Manila, Fiji, Guatemala and the US. Prior to that, he held senior executive positions at TRX and Travel Technologies Group, which became part of TRX in 2000. Mr. Reynolds received a Master of Business Administration from Texas A&M University and a Bachelor of Science degree in computer science from Baylor University. The business address for Mr. Reynolds is 7318 Marquette, Dallas, TX 75225, USA.

B. Compensation**Compensation Discussion and Analysis*****Compensation Objectives***

Our compensation philosophy is to align employee compensation with our business objectives, so that compensation is a strategic tool, rather than just an expense. The key focus of our compensation philosophy is to align the incentives of our employees with our business objectives while minimizing the risks from external market dynamics. We also use compensation to reinforce a high performance work ethic and to attract, motivate and engage high performing

individuals and teams.

Compensation is determined by keeping in mind our philosophy, internal parity, external equity and market dynamics. Our compensation structures and policies differ by country or geography. These policies are designed to pay

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compensation that we would pay to our employees based out of that location and to comply with the local employment laws.

It is critical that we attract, motivate and retain highly talented individuals, at all levels of the organization, who are committed to our core values of commitment, equality, innovation, development and mutual respect. We believe that our compensation programs are integral to achieving these goals.

The following objectives guide us in establishing and maintaining all of our compensation programs:

Pay for Performance: We design compensation to pay for performance in order to provide for better compensation against higher performance levels; conversely, where individual performance and/or our company performance falls short of expectations, the programs should deliver lower compensation. In periods of temporary downturns in our performance, our programs continue to ensure that successful, high-performing employees remain motivated and committed.

External Market Dynamics; Linked with Shareholder Value: Our equity-based compensation is awarded to employees with higher levels of responsibility and greater influence on long-term results, thereby making a significant portion of their total compensation dependent on long-term share appreciation.

Pay Differentiation: Based on Individual Performance and our Performance. As employees progress in the hierarchy of our company, they will be able to more directly affect the company results. Therefore, an increasing proportion of their pay is linked to company performance and shareholder value.

Competitiveness Value of the Job in the Marketplace: In order to attract and retain a highly skilled work force, we remain competitive with the pay of other employers who compete with us for talent in the relevant markets.

Assessment Processes

We have established a number of processes to assist in ensuring that our compensation programs operate in line with their objectives. Among those are:

Assessment of Company Performance: Financial performance measures are used to determine a significant portion of the size of payouts under our cash incentive bonus program. The financial performance measures, adopted on improving both top-line revenues and bottom-line earnings, are pre-established by our compensation committee annually at the beginning of the fiscal year and are applied uniformly across the company. When the pre-determined financial measures are achieved as set forth in our annual plan, employees who are eligible for cash incentive bonuses receive amounts that are at target. The cash incentive bonus for each senior management who has responsibility for a business unit is also tied to the financial performance of the business unit headed by such senior managers. These measures reflect targets that are intended to be aggressive but attainable. The remainder of an individual's payout under our cash incentive bonus program is determined by individual performance. Our senior management refers to our business unit and enabling unit leaders.

Assessment of Individual Performance: The evaluation of an individual's performance determines a portion of the size of payouts under our cash incentive 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 and senior management. The performance objectives are initially proposed by our Group Chief Executive Officer and modified by our compensation committee based on the performance assessment conducted for the preceding fiscal year and also looking at targets 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 respective achievement of the pre-established objectives as well as the senior management's contribution to our company's performance and other leadership accomplishments. This evaluation is shared with our compensation committee and then with our executive officers and senior management. 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.

Benchmarking and Use of Compensation Consultant

In general, our compensation committee reviews our executive compensation programs relative to publicly available compensation data compiled directly for our compensation committee by our Chief People Officer for a group of companies that provide business and technology services. For fiscal 2010, our Chief People Officer prepared the

information for our compensation committee based on inputs from Kepler Associates, a leading independent adviser and consultant on executive remuneration. Our Chief People Officer, in discussion with our compensation committee

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and the independent advisor Kepler Associates, agreed on the specific set of comparator companies for the benchmark. The list of companies against which we benchmarked the compensation of our executive officers and senior management in fiscal year 2010 included the following companies:

Cognizant Technology Solutions;
EXL Service Holdings;
First Source solutions Limited;
Genpact Limited;
Infosys Technologies Limited;
Syntel Inc.;
Tata Consultancy Services Limited; and
Wipro Limited.

Our compensation committee will review and revise as appropriate from time to time the list of companies with publicly available compensation information against whom we will benchmark our compensation programs, to ensure that such list includes those companies that are most comparable to us with regard to services provided and relevant geographic areas.

Our compensation committee uses the data primarily to ensure that our executive compensation programs, including those for our executive officers and our senior management are competitive. There is enough flexibility in the existing compensation programs to respond and adjust for the evolving business environment. Accordingly, an individual's executive compensation elements could be changed by our committee based on changes in job responsibilities of the executive.

For fiscal 2010, our compensation committee concluded that there would be no increase in the base salaries (fixed compensation in the case of India-based officers) for the executive officers and senior management. Our committee however approved the grant of shares in the form of RSUs to the executive officers and senior management.

Although many compensation decisions are made 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.

Components of Executive Compensation for Fiscal 2010

For fiscal 2010, the compensation of our executive officers and senior management consisted of the following five primary components:

Base salary or, in the case of executive officers based in India, fixed compensation;
Cash bonus;
Equity incentives of RSUs;
Benefits and perquisites; and
Severance benefits.

The mix of compensation elements is designed to reward short-term results, motivate long-term performance and encourage our employees to remain with us for longer terms. Base salaries and cash incentive bonuses are designed to reward annual achievements and be commensurate with the responsibilities, demonstrated leadership abilities, management experience and expertise.

Other elements of compensation focus on motivating and challenging each executive officer to achieve sustained and longer-term results. Individuals are assessed on the achievement of objectives and pre-established financial performance measures, in determining a significant portion of the cash incentive bonuses for our executive officers and senior management.

The following is a discussion of our considerations in determining each of the compensation components for our executive officers and senior management.

Base Salary

Base salary is a fixed element of our employees' annual cash compensation, the payment of which is not tied to our performance. We provide the opportunity for each of our executive officers and senior management to earn a

competitive annual base

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salary. We provide this opportunity to attract and retain an appropriate caliber of talent for the position and to provide a base wage that is not subject to our performance risk.

Cash Bonus

Cash performance bonuses are awarded at the end of each fiscal year based upon the achievement of individual and company performance targets. The cash performance bonuses payable are accrued every month. Statutorily applicable taxes and contributions payable on these amounts are deducted before payment. Our executive officers and senior management have a diverse set of measurable goals that are designed to promote the interests of our five key constituencies: shareholders, customers, creditors, society and employees. Our cash bonuses are also designed to build our organizational capabilities and achieve other strategically important initiatives.

These goals reflect their key responsibilities during the year, which range from sales targets to operational goals, and are typically listed as each individual's key performance indicators. The key performance indicators are identified during the individual's annual performance review process.

The key performance indicators include (and are not limited to) the following key financial metrics:

Adjusted net income, or net income attributable to WNS shareholders excluding amortization of intangible assets, share-based compensation, gain/loss attributable to redeemable noncontrolling interest;

Operating margins;

Fiscal fourth quarter results;

Support cross sell and corporate initiatives; and

People attrition rate.

The aggregate amount of all cash bonuses paid for fiscal 2010 did not exceed the aggregate cash incentive bonus pool approved by our compensation committee for the fiscal year. Under the plan, bonus target amounts, expressed as a percentage of base salary, are established for participants at the beginning of each fiscal year, unless employment agreements contain different terms. Funding of possible bonus payouts for the fiscal year is determined by our financial results for the fiscal year relative to the achievement of pre-determined target for adjusted net income. This may be increased or decreased depending upon the executive's individual performance against his or her non-financial goals.

When our performance falls short of target, our aggregate funding of the annual cash bonus incentive pool declines, with no funding of the bonus pool if we do not achieve the floor of our target adjusted net income. At the end of the performance period, our compensation committee has discretion to adjust an award payout from the amount yielded by the pre-determined formula.

Our compensation committee considered the following when establishing the awards for fiscal 2010:

Bonus Targets: Bonus targets are based on job responsibilities and comparable market data. Consistent with our executive compensation policy, individuals with greater job responsibilities had a greater proportion of their total cash compensation tied to our performance through the bonus plan. Bonuses were normally paid to our employees in April/May every year. Some employees are on a half-yearly cycle and are paid in October/November and April/May.

Equity Incentives

We provide the opportunity for our executive officers and senior management to earn long-term equity incentive awards. Long-term incentive awards provide employees with the incentive to stay with the company for longer periods of time, which, in turn, provides us with greater stability during our period of growth.

We review long-term equity incentives for our executive officers and senior management and periodically make grants to them at one or more pre-scheduled meetings of our compensation committee in March or April.

Restricted Share Units (RSUs)

Awards of RSUs offer executive officers and senior management the opportunity to receive our ordinary shares on the date that the restriction lapses and serve both to reward and retain such executive officers and senior management.

In determining equity compensation, our compensation committee first determines the maximum equity dilution that may result from equity awards and the maximum amount of equity-based compensation expense that may be incurred for the fiscal year. Thereafter, based upon the recommendations of our Group Chief Executive Officer and our Chief People Officer, we determine the proportion of RSUs to be granted for each level of our executive officers and senior management. Finally, with the approval of our compensation committee, we determine the total number of RSUs to be

granted to each level of our executive officers and senior management based on the fair market value of the award on
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the grant date. The grant of these awards is based upon an individual's performance and typically occurs after the end of the fiscal year as a part of the annual performance appraisal process. For fiscal 2010, most of the grants were made in May 2009 in respect of services rendered in fiscal 2009.

Consistent with our equity grants to our executive officers and senior management, in the preceding fiscal year, we awarded 928,923 RSUs to each executive officer and senior management, The following table sets forth the vesting schedule of these grants.

Total RSUs Granted	Vesting Schedule
628,923	20% will vest at the end of first year, another 20% at the end of second year and the balance at the end of third year
260,000	20% will vest at the end of first year, another 35% at the end of second year and the balance at the end of third year
40,000	Vested immediately upon grant

928,923*Benefits and Perquisites*

The perquisites and benefits granted to our executive officers and senior management are designed to comply with the tax regulations of the applicable country and therefore vary from country to country in which we operate. To the extent consistent with the tax regulations of the applicable country, the benefits include:

Medical insurance;

Accident and life insurance;

Retirement benefits as mandated by law (such as provident fund in India, 401(k) in the US, pension in the UK);

Telephone expenses reimbursement;

Company provided car;

Fuel and maintenance for car;

Leased residential accommodation; and

Relocation benefits (as individually negotiated in their employment agreements).

We review and adjust our benefits based upon the competitive practices in the local industry, inflation rates, and tax regulations every fiscal year. Our underlying philosophy is to provide the benefits that are ordinarily required by our employees for their well-being in their daily lives and to negotiate group-level discounted rates so that all of our employees will be able to pay less than what they would otherwise pay as individuals for the same level of benefits, to maximize the overall value of their compensation package.

Severance Benefits

We are obligated to pay severance or other enhanced benefits to our executive officers upon termination of their employment under the terms of their respective employment agreements that were negotiated. A discussion of the severance and other enhanced benefits provided to our executive officers currently employed by us is set forth below. We have provided change in control severance protection for 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 immediately vest 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 receive severance and notice payments as reflected in their individual employment agreements.

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Benefit continuation. Eligible terminated executive officers receive basic employee benefits such as health and life insurance and other perquisites as reflected in their individual employment agreements.

Compensation of Directors and Executive Officers

The aggregate compensation (including contingent or deferred payment) paid to our directors and executive officers for services rendered in fiscal 2010 was \$5.13 million, which was comprised of \$2.44 million paid towards salary, \$2.30 million paid towards bonus and \$0.39 million paid towards social security, medical and other benefits. The total compensation paid to our most highly compensated executive officer in fiscal 2010 was \$3.35 million (which was comprised of \$1.47 million paid towards salary, \$1.62 million paid towards bonus payments and \$0.26 million paid towards social security, medical and other benefits).

The following table sets forth the total compensation paid to each of our executive directors and executive officers for services rendered in fiscal 2010. The individual compensation of Mr. Keshav R. Murugesh and Mr. Alok Misra 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	Salary	Bonus	Other Benefits
Keshav R. Murugesh ⁽¹⁾	\$ 68,100	\$421,674	\$ 3,480
Neeraj Bhargava ⁽²⁾	\$440,000	\$188,173	\$ 89,869
Ramesh Shah ⁽³⁾	\$700,000	\$563,314	\$154,960
Anup Gupta ⁽⁴⁾	\$330,137	\$868,022	\$ 16,968
Alok Misra	\$300,756	\$ 77,287	\$ 15,499
Eric Selvadurai	\$288,000	\$129,267	\$ 58,146
Steve Reynolds	\$310,000	\$ 49,243	\$ 54,921

Notes:

- (1) Keshav R. Murugesh joined our company as Group Chief Executive Officer effective from February 19, 2010. He was also appointed as a Director of our company. He was paid a joining bonus which is refundable to our company in case he resigns within the first year of joining us.

- (2) With effect from January 31, 2010, Neeraj Bhargava resigned as Group Chief Executive Officer and Director of our company. Mr. Bhargava had assumed the role of Strategic Advisor from February 1, 2010 until April 30, 2010.
- (3) With effect from December 17, 2010, Ramesh Shah stepped down as Chairman and served as vice-chairman of the Board until March 29, 2010 when he resigned from our company. Bonus includes payment of a severance bonus.
- (4) With effect from March 26, 2010, Anup Gupta resigned as an executive officer of our company. Bonus includes payment of a severance bonus.

Compensation paid to Non-executive Directors

The aggregate compensation paid to our non-executive directors in fiscal 2010 was \$327,932 which comprised sitting fees.

Grant of RSUs to Directors

Our directors and executive officers were granted 541,256 RSUs under our amended 2006 Incentive Award Plan in fiscal 2010.

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.

Table of Contents**Employment Agreements of our Executive Director**

We entered into an employment agreement with Mr. Keshav R. Murugesh 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. Murugesh elects not to renew the term. Under the agreement, Mr. Murugesh is entitled to receive compensation, health and other benefits and perquisites commensurate with his position. In addition, pursuant to the agreement, Mr. Murugesh was in February 2010 granted RSUs representing the right to receive an aggregate of 40,000 shares that vested immediately and 260,000 shares that will vest over a three-year period, subject to his continued employment with us through the vesting dates. If Mr. Murugesh's 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. Murugesh would also be entitled to vested benefits and other amounts due to him under our employee benefit plans.

If Mr. Murugesh's employment is terminated by us without cause or by Mr. Murugesh for good reason (each as defined in the employment agreement) and Mr. Murugesh executes a general release and waiver of claims against us, subject to his continued compliance with certain non-competition and confidentiality obligations, Mr. Murugesh would be entitled to receive severance payments and benefits from us as follows:

- 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);
- 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).

If we experience a change in control while Mr. Murugesh is employed under the employment agreement, all of the share options and RSUs granted to Mr. Murugesh under the employment agreement will vest and the stock options would become exercisable on a fully accelerated basis.

Options and Restricted Share Units Granted

The following table sets forth information concerning RSUs granted to our directors and executive officers in fiscal 2010. No options were granted in fiscal 2010.

Position	Employee Name	Date of Grant	RSUs	Expiration Date
Directors	Deepak Parekh	4-May-09	5,929	3-May-19
	Eric Herr	4-May-09	5,929	3-May-19
		20-Jan-10	35,000	19-Jan-20
	Keshav R. Murugesh ⁽¹⁾	19-Feb-10	300,000	18-Feb-20
	Ramesh Shah ⁽²⁾	4-May-09	46,667	3-May-19
	Richard Oliver Bernays	4-May-09	5,929	3-May-19
	Sir Anthony greener	4-May-09	5,929	3-May-19
Directors Total			405,383	
Executive Officers	Alok Misra	4-May-09	37,975	3-May-19
	Anup Gupta ⁽³⁾	4-May-09	42,247	3-May-19
	Eric Selvadurai	4-May-09	32,400	3-May-19

	Steve Reynolds	4-May-09	23,251	3-May-19
Executive Officers Total			135,873	
Grand Total			541,256	

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Note:

- (1) Keshav R. Murugesh joined our company as Group Chief Executive Officer effective from February 19, 2010. He was also appointed as a Director of our company.
- (2) With effect from December 17, 2010, Ramesh Shah stepped down as Chairman and served as vice-chairman of the Board until March 29, 2010 when he resigned from our company.
- (3) With effect from March 26, 2010, Anup Gupta resigned as an executive officer of our company.

Employee Benefit Plans

We maintain employee benefit plans in the form of certain statutory and incentive plans covering substantially all of our employees. For fiscal 2010, the total amount accrued by us to provide for pension, retirement or similar benefits was \$8.3 million.

Provident Fund

In accordance with Indian, Sri Lankan and the Philippines 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 \$5.7 million in fiscal 2010, \$5.7 million in fiscal 2009 and \$5.5 million in fiscal 2008 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 and Sri Lankan laws, we provide for gratuity liability pursuant to a defined benefit retirement plan covering all our employees in India 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 \$7,660 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 \$0.1 million, \$0.1 million and \$0.1 million in fiscal 2010, 2009 and 2008, 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.

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

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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.

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 stock options to our officers, directors and employees, and those of our subsidiaries, subject to the terms and conditions of the 2002 Stock Incentive Plan.

Stock Options. Stock options vest and become exercisable as determined by the Administrator and set forth in individual stock option agreements, but may not, in any event, be exercised later than ten years after their grant dates. In addition, stock options may be exercised prior to vesting in some cases. Upon exercise, an optionee must tender the full exercise price of the stock option in cash, check or other form acceptable to the Administrator, at which time the stock options are generally subject to applicable income, employment and other withholding taxes. Stock 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 optionee's termination of service. Shares issued in respect of exercised stock options may be subject to additional transfer restrictions. Any grants of stock options under the 2002 Stock Incentive Plan to US participants were in the form of non-qualified stock options. Optionees, other than optionees who are employees of our subsidiaries in India, are entitled to exercise their stock options for shares or ADSs in the 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 stock 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 stock 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 stock options without such holder's consent.

Transferability of Stock Options. Each stock option may be exercised during the optionee's lifetime only by the optionee. No stock option may be sold, pledged, assigned, hypothecated, transferred or disposed of by an optionee 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 3,224,152 ordinary shares have been exercised and options to purchase 371,512 ordinary shares remain outstanding as of May 31, 2010. In addition, as of May 31, 2010, options under the 2002 Stock Incentive Plan to purchase an aggregate of 27,500 ordinary shares were held by all our directors and executive officers as a group. The exercise price of these options was £3.5. These options expire on July 14, 2015. 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.

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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 Amended and Restated 2006 Incentive Award Plan from that available under our 2006 Incentive Award Plan by 1,000,000 shares/ADSs. Our shareholders have previously authorized the issuance under our 2006 Incentive Award Plan of up to a total of 3,000,000 ordinary shares/ADSs, subject to specified adjustments under our 2006 Incentive Award Plan. The increased number of ordinary shares/ADSs available for grant under the Amended and Restated 2006 Incentive Award Plan is expected to meet our anticipated needs over the next 12 to 18 months from April 1, 2009.

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) 4,000,000 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 the compensation committee of our board of directors 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 stock 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 stock 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 stock option become exercisable for the first time by any optionee 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 stock option grant whether such stock option shall be exercisable for shares or ADSs. The award agreement may, in the sole discretion of the plan administrator, permit the optionee to elect, at the time of exercise, whether to receive shares or ADSs in respect of the exercised stock 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 stock 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

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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.

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.

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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.

Outstanding Awards. As of May 31, 2010, options or RSUs to purchase an aggregate of 2,318,767 ordinary shares were outstanding, out of which options or restricted share units to purchase 1,099,246 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 \$30.31 and the expiration dates of these options range from July 24, 2016 to February 19, 2020. The weighted average grant date fair value of RSUs granted during fiscal 2010, 2009 and 2008 were \$10.28, \$13.39 and \$21.68 per ADS, respectively. There were no grants of RSUs during fiscal 2006 and 2005. There is no purchase price for the RSUs.

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 six directors. Messrs. Herr, Bernays and Sir Anthony satisfy the independence requirements of the NYSE rules.

On June 1, 2010, Mr. Parekh entered into a consulting arrangement with another party, whereupon he ceased to qualify as independent under Rule 10A-3 of the Exchange Act. Accordingly, Mr. Parekh stepped down from our audit committee effective June 1, 2010. Further, our board of directors has decided that it will not consider Mr. Parekh as an independent director under the NYSE listing standards effective June 1, 2010. Accordingly, our board of directors has decided that effective June 1, 2010, it is no longer majority independent and our nominating and corporate governance committee and our compensation committee are no longer fully independent. Effective June 1, 2010, we elected to follow our home country (Jersey, Channel Islands) practice, which does not impose a board or committee independence requirement.

Our board of directors is in an advanced stage of finalizing the appointment of another independent director. Upon the appointment of an additional independent director, the board will once again be majority independent. The board also intends to appoint this additional independent director as a member of our audit committee, which will then consist of four independent directors.

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 2011;

Class II, whose term will expire at the annual general meeting to be held in fiscal 2012; and

Class III, whose term will expire at the annual general meeting to be held in fiscal 2013.

Our directors for fiscal 2010 are classified as follows:

Class I: Sir Anthony Armitage Greener and Mr. Richard O. Bernays;

Class II *: Mr. Keshav R. Murugesh; and

Class III: Mr. Jeremy Young, Mr. Eric B. Herr and Mr. Deepak S. Parekh.

* Mr. Ramesh Shah and Mr. Neeraj Bhargava both were class II directors and they resigned as directors from our company with effect from March 29, 2010 and January 31, 2010, respectively.

The appointments of Sir Anthony Armitage Greener and Mr. Richard O. Bernays will expire at the next annual general meeting, which we expect to hold in July 2010. We intend to seek shareholders' approval for the re-election of Sir Anthony Armitage Greener and Mr. Richard O. Bernays 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.

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Jeremy has been appointed as a director as a nominee of Warburg Pincus, the principal shareholder 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 13 meetings in fiscal 2010.

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, for a number of reasons. 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. Further, until recently, Mr. Ramesh N. Shah served as an Executive Chairman of the Board. However, on December 17, 2009, Mr. Shah stepped down from the role of Chairman of the Board, and Mr. Eric B. Herr became the Non-Executive Chairman of the Board. Mr. Shah left our company and resigned as a director with effect from March 29, 2010.

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 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 board's 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.

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 three directors: Sir Anthony Armitage Greener (Chairman), and Messrs. Eric B. Herr, and Richard O. Bernays. Each of Sir Anthony Greener and Messrs. Herr, and Bernays satisfies the independence requirements of Rule 10A-3 of the Exchange Act and the NYSE listing standards. Effective June 1, 2010, Mr. Parekh entered into a consulting arrangement with another party, whereupon he ceased to qualify as independent under Rule 10A-3 of the Exchange Act. Accordingly, Mr. Parekh stepped down from our audit committee effective June 1, 2010. 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.

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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. Mr. Herr serves as our audit committee financial expert, 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 five meetings in fiscal 2010.

Compensation Committee

The compensation committee comprises four directors: Messrs. Richard O. Bernays (Chairman), Eric B. Herr, Deepak Parekh and Sir Anthony Armitage 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 has decided that it will not 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 six meetings in fiscal 2010.

Nominating and Corporate Governance Committee

The nominating and corporate governance committee comprises four directors: Messrs. Deepak Parekh (Chairman), Eric B. Herr, Richard O. Bernays and Sir Anthony Armitage 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 has decided that it will not 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;

- 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 two meetings in fiscal 2010.

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Table of Contents**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 four executive sessions in fiscal 2010.

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 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 of May 31, 2010 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 of May 31, 2010 are based on an aggregate of 44,039,723 ordinary shares outstanding as of that date.

Name	Number of Ordinary Shares Beneficially Owned	Percent
Directors		
Keshav Murugesh		
Jeremy Young ^{(1) (3)}	21,366,644	48.52%
Eric B. Herr	20,656	0.05%
Deepak S. Parekh	20,656	0.05%
Richard O. Bernays	20,656	0.05%
Anthony Armitage Greener	20,191	0.05%
Executive Officers		
Alok Misra	46,749	0.11%
J.J. Selvadurai ⁽²⁾	301,425	0.68%
Steve Reynolds	17,187	0.04%
All our directors and executive officers as a group (nine persons)⁽³⁾	21,814,164	49.53%

Notes:

- (1) 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 was a result of his affiliation with the Warburg Pincus entities. Mr. Young disclaims beneficial ownership of all shares held by the Warburg Pincus entities.

(2) Of the 301,425 shares beneficially owned by J.J. Selvadurai, 251,666 shares are indirectly held via a trust which is controlled by Mr. Selvadurai.

(3) 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.

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The following table sets forth information concerning options and RSUs held by our directors and executive officers as of May 31, 2010:

Name	Options Summary				RSU Summary			
	Number of shares underlying unexercised but vested options	Exercise price	Number of shares underlying unexercised options that will vest in next 60 days from May 31, 2010	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 in next 60 days from May 31, 2010	Number of shares underlying RSUs held that have not vested
Directors								
Keshav R. Murugesh								260,000
Jeremy Young								
Eric B. Herr	14,000	\$20.00						45,806
	1,333	\$22.98		667	\$22.98			
Deepak S. Parekh	14,000	\$20.00						10,806
	1,333	\$22.98		667	\$22.98			
Richard O. Bernays	14,000	\$28.87						10,806
	1,333	\$22.98		667	\$22.98			
Anthony Armitage Greener	9,333	\$28.48	4,667					11,271
	1,333	\$22.98		667	\$22.98			
Executive Officers								
Alok Misra	8,840	\$15.32		4,420	\$15.32	37,909		66,004
J.J. Selvadurai	20,000	\$20.00				16,532		36,019
	5,000	\$30.21						
	8,227	\$27.75						
Steve Reynolds	2,083	\$28.47	1,042			4,650	7,994	33,094

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The following table sets forth information regarding beneficial ownership of our ordinary shares as of May 31, 2010 held by each person who is known to us to have 5.0% or more beneficial share ownership based on an aggregate of 44,039,723 ordinary shares outstanding as of that date. 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.

Name of Beneficial Owner	Number of Shares Beneficially Owned	Percentage Beneficially Owned⁽¹⁾
Warburg Pincus ⁽²⁾	21,366,644	48.52%
FMR LLC ⁽³⁾	5,355,211	12.16%
Nalanda India Fund Limited ⁽⁴⁾	5,211,410	11.83%
Columbia Wanger Asset Management, L.P. ⁽⁵⁾	5,185,299	11.77%

Notes:

(1) Based on an aggregate of 44,039,723 ordinary shares outstanding as of May 31, 2010.

(2) Information is based on a report on Schedule 13G jointly filed with the Commission on August 22, 2006 by Warburg Pincus Private Equity VIII, L.P., or WP VIII, Warburg Pincus International Partners, L.P., or WPIP, Warburg Pincus Netherlands International Partners I, CV,

or WP Netherlands, Warburg, Pincus Partners, LLC, or WPP LLC, Warburg, Pincus & Co., or Warburg Pincus, and Warburg Pincus LLC, or WP LLC. The sole general partner of each of WP VIII, WPIP and WP Netherlands is WPP LLC. WPP LLC is managed by Warburg Pincus. WP LLC manages each of WP VIII, WPIP and WP Netherlands. Charles R. Kaye and Joseph P. Landy are each Managing General Partners of Warburg Pincus and Co-President and Managing Members of WP LLC. Each of Warburg Pincus, WPP LLC, WP LLC, Mr. Kaye and Mr. Landy disclaims beneficial ownership of the ordinary shares except to the extent of any indirect pecuniary interest therein.

- (3) Information is based on a report on Amendment No. 4 to Schedule 13G jointly filed with the Commission on February 16, 2010 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 Schedule 13G filed with the Commission on January 13, 2010 by Nalanda India Fund Limited.
- (5) Information is based on a report on Amendment

No. 2 to
Schedule 13G
jointly filed
with the
Commission on
February 10,
2010 by
Columbia
Wanger Asset
Management,
L.P. and
Columbia Acorn
Trust.

The following summarizes the significant changes in the percentage ownership held by our major shareholders during the past three years:

FMR LLC reported its percentage ownership of our ordinary shares to be 10.264% in a report on Schedule 13G jointly filed with the Commission on June 19, 2007, 14.999% in a report on Amendment No. 1 to Schedule 13G jointly filed with the Commission on February 14, 2008, 9.49% in a report on Amendment No. 3 to Schedule 13G jointly filed with the Commission on February 17, 2009 and 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.

Nalanda India Fund Limited reported its percentage ownership of our ordinary shares to be 5.25% in a report on Schedule 13G filed with the Commission on March 20, 2008, 9.86% in a report on Amendment No. 1 to Schedule 13G filed with the Commission on February 9, 2009 and 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.

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Columbia Wanger Asset Management, L.P. reported its percentage ownership of our ordinary shares to be Columbia 8.16% in a report on Schedule 13G filed with the Commission on February 5, 2009, 10.05% in a report on Amendment No. 1 to Schedule 13G filed with the Commission on March 9, 2009 and 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.

Tiger Global Management, LLC reported that it owned 6.6% of our ordinary shares in a report on Amendment No. 1 to Schedule 13G filed with the Commission on February 12, 2009 and thereafter divested its entire interest in a report on Amendment No. 2 to Schedule 13G filed with the Commission on February 12, 2010.

Lone Spruce, L.P., Lone Balsam, Lone Sequoia, Lone Pine Associates LLC, Lone Pine Capital LLC (which we refer to collectively herein as Lone Capital) and Stephen F. Mandel reported Lone Pine Associates' s ownership of 1.0%, Lone Pine Capital' s ownership of 4.4% and Mr. Mandel' s ownership of 5.4% of our ordinary shares in a report on Schedule 13G jointly filed with the Commission on August 17, 2007 by Lone Capital and Mr. Mandel. Lone Capital and Mr. Mandel thereafter in a report on Amendment No. 1 to Schedule 13G jointly filed with the Commission on February 14, 2008 reported that they ceased to own more than 5% of our ordinary shares. Lone Pine Associates, the general partner of Lone Spruce, Lone Sequoia and Lone Balsam, has the power to direct the affairs of Lone Spruce, Lone Sequoia and Lone Balsam. Mr. Mandel is the Managing Member of each of Lone Pine Associates and Lone Pine Capital and in such capacity directs their operations.

None of our major shareholders have different voting rights from our other shareholders.

As of May 31, 2010, 21,807,710 of our ordinary shares, representing 49.52% of our outstanding ordinary shares, were held by a total of 35 holders of record with addresses in the US. As of the same date, 21,408,081 of our ADSs (representing 21,408,081 ordinary shares), representing 48.61% 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.

Related Party Transactions

(Amounts in thousands, unless otherwise indicated)

Since fiscal 2003, we have entered into agreements with certain investee companies of another 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 2010, 2009 and 2008, these investee companies in the aggregate accounted for \$2.6 million, \$3.2 million and \$3.5 million, respectively, representing 0.5%, 0.6% and 0.8% of our revenue, respectively, and 0.7%, 0.8% and 1.2% of our revenue less repair payments, 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 2010, 2009 and 2008, these investee companies in the aggregate accounted for \$nil, \$109 and \$189 in expenses, respectively. We also purchase equipment from certain investee companies of Warburg Pincus. In fiscal 2010, 2009 and 2008, we paid these investee companies in the aggregate \$nil, \$2 and \$0.7 million, respectively, for these equipment. In fiscal 2010, 2009 and 2008, we received as other income from Warburg Pincus \$nil, \$nil and \$25 for sponsorship of corporate events. In fiscal 2004, we have entered into an agreement with Flovate, a company in which Edwin Donald Harrell, who was until April 2006 one of our executive officers, was a majority shareholder, under which we license certain software. Flovate is engaged in the development and maintenance of software products and solutions primarily used by WNS Assistance in providing services to its customers. In fiscal 2008 (until June 2007 when we acquired Flovate) and 2007, payments by us to Flovate pursuant to this agreement amounted to \$0.8 million and \$4.6 million in the aggregate, 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 ITES software program. J.J. Selvadurai, our Managing Director of European Operations, is a principal shareholder of Datacap. In fiscal 2010, 2009 and 2008, we paid \$5, \$30 and \$26, respectively, for the license under the agreement. In fiscal 2010, 2009 and 2008, we paid Datacap \$2, \$5 and \$nil, respectively, for purchase of computers and software.

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On June 6, 2007, we entered into an agreement with Edwin Donald Harrell, Theodore Agnew and Clare Margaret Agnew to purchase all the shares of Flovate for a consideration comprising £3.3 million in cash and have deposited an additional retention amount of £0.7 million into an escrow account which has been paid to the selling shareholders.

On September 18, 2007, we entered into an agreement with Mahindra & Mahindra Limited for the hire of transport services. Our director, Mr. Deepak Parekh, is an executive director of Mahindra & Mahindra Limited. In fiscal 2010, 2009 and 2008 we paid \$nil, \$4 and \$ nil respectively, for such transport services.

In March 2008, we entered into an agreement with Singapore Telecommunications Ltd for the provision of lease line services. Our director, Mr. Deepak Parekh, is an executive director of Singapore Telecommunications Ltd. In fiscal 2010, 2009 and 2008 we paid \$319, \$274 and \$ nil, respectively, for such services.

In fiscal 2009, we obtained a short-term loan of Rs. 440 million (\$10.04 million based on the spot rate of Rs. 43.84 per \$1.00 on the date of the loan) from HDFC Limited for working capital purposes. Our director, Mr. Deepak Parekh, is the Chairman of HDFC Limited. Interest was payable at the rate of 15.5% per annum. In fiscal 2009, an interest amount of \$269 was paid to HDFC Limited. The loan was repaid in September and November 2008.

In fiscal 2010, we paid \$4 to Indian Hotels Company Limited towards hiring of accommodation and related services. Our director, Mr. Deepak Parekh, is a director of Indian Hotels Limited.

C. Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION**A. Consolidated Statements and Other Financial Information**

Please see Item 18. Financial Statements for a list of the financial statements filed as part of this annual report.

Legal Proceedings

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 a few orders of assessment outstanding and are vigorously disputing those assessments. We have described below assessment orders that we believe could be material to our company given the magnitude of the claim. In case of disputes, the Indian tax authorities may require us to deposit with them all or a portion of the disputed amount pending resolution of the matter on appeal. Any amount paid by us as deposits will be refunded to us with interest if we succeed in our appeals.

In January 2009, we received an order of assessment from the Indian tax authorities that assessed additional taxable income for fiscal 2005 on WNS Global, our wholly-owned Indian subsidiary, that could give rise to an estimated Rs. 728.1 million (\$16.1 million based on the exchange rate on March 31, 2010) in additional taxes, including interest of Rs. 225.9 million (\$5.0 million based on the exchange rate on March 31, 2010). The assessment order alleges that the transfer price we applied to international transactions between WNS Global and our other wholly-owned subsidiaries was not appropriate, disallows certain expenses claimed as tax deductible by WNS Global and disallows a tax holiday benefit claimed by us. After consultation with our Indian tax advisors, we believe the chances that we would be able to overturn the assessment on appeal are strong and we intend to continue to vigorously dispute the assessment. Furthermore, first level Indian appellate authorities have recently ruled in our favor in our dispute against an assessment order assessing additional taxable income for fiscal 2004 on WNS Global based on similar allegations on transfer pricing and tax deductibility of similar expenses and overturned the assessment. Although this ruling is not binding on the appellate authorities hearing our dispute on the aforesaid assessment on fiscal 2005 received in January 2009, we believe it will serve as persuasive authority in support of our position. In March 2009, we deposited Rs. 10.0 million (\$0.2 million based on the exchange rate on March 31, 2010) with the Indian tax authorities pending resolution of the dispute. In March 2009, we received from the Indian service tax authority an assessment order demanding payment of Rs. 346.2 million (\$7.7 million based on the exchange rate on March 31, 2010) of service tax and related interest and 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. After consultation with our Indian tax advisors, we believe the chances that the assessment would be upheld against us are remote. We intend to continue to vigorously dispute the assessment.

On October 31, 2009, we received an order of assessment from the transfer pricing officer of the Indian tax authorities for fiscal 2006. The transfer pricing assessment order alleges that the transfer pricing we applied to international

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transactions between WNS Global and our other wholly owned subsidiaries was not appropriate. On November 30, 2009, we received a draft order of assessment from the Indian tax authorities incorporating the above mentioned transfer pricing order, that assessed additional taxable income for fiscal 2006 on WNS Global, that could give rise to an estimated Rs. 759.9 million (\$16.8 million based on the exchange rate on March 31, 2010) in additional taxes, including interest of Rs. 235.9 million (\$5.2 million based on the exchange rate on March 31, 2010). The draft assessment order alleges that the transfer price we applied to international transactions between WNS Global and our other wholly-owned subsidiaries was not appropriate, disallows certain expenses claimed as tax deductible by WNS Global and disallows a tax holiday benefit claimed by us.

We have disputed the draft assessment order and have filed an appeal before the Dispute Resolution Panel, or DRP, a panel recently set by Government of India as an alternative to first appellate authority. The final order of assessment is expected to be passed in the month of September or October 2010 following the receipt of the order passed by DRP which is expected to occur in the second fiscal quarter of 2011. We do not agree with the transfer pricing officer's basis of making the assessment, transfer pricing methodologies and the amount of the assessment. After consultation with our Indian tax advisors, we believe that the chances of the order, upon challenge, being sustained at the higher appellate authorities are remote and we intend to vigorously dispute the assessment. We may be required to deposit with the tax authorities all or a portion of the disputed amount pending final resolution of the matter.

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. Except for the above, as of the date of this annual report, we are not a party to any other legal proceedings that could reasonably be expected to materially harm our company.

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 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 has 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 at an initial offering price of \$20.00 per ADS. 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 underlying shares for ADSs) as of May 31, 2010 was 44,039,723. As of May 31, 2010, there were 21,408,081 ADSs outstanding (representing 21,408,081 ordinary shares).

The high and low last reported sale price per ADS since trading on July 26, 2006 are as shown below:

	Price per ADS on NYSE	
	High	Low
Fiscal Year:		
2007 ⁽¹⁾	\$35.83	\$20.79
2008	\$29.85	\$12.81
2009	\$20.00	\$ 3.10
2010	\$17.25	\$ 5.10
Fiscal Quarter:		
2009		
First quarter	\$20.00	\$15.60
Second quarter	\$18.30	\$ 9.34
Third quarter	\$11.54	\$ 5.16
Fourth quarter	\$ 7.95	\$ 3.10
2010		
First quarter	\$10.40	\$ 5.10
Second quarter	\$16.50	\$ 8.39
Third quarter	\$17.25	\$11.59
Fourth quarter	\$15.95	\$10.12
Month:		
October 2009	\$17.25	\$11.59
November 2009	\$16.49	\$13.29
December 2009	\$15.50	\$14.04
January 2010	\$15.95	\$13.06
February 2010	\$15.49	\$14.76
March 2010	\$15.61	\$10.12
April 2010	\$13.38	\$10.68
May 2010	\$12.30	\$ 9.78

Note:

(1) From July 26, 2006 following the completion of our initial public offering on the NYSE.

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.

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Not applicable.

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 Jersey Financial Services Commission, or JFSC, in accordance with Article 17(3) of the 1991 Law on January 12, 2006.

The address of our share registrar and secretary is Capita Secretaries Limited at 12 Castle Street, St. Helier, Jersey JE2 3RT, Channel Islands. Our registered office and our share register are maintained at the premises of Capita Secretaries Limited.

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 Item 19. Exhibits Exhibit 1.1 and 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

As of May 31, 2010, the authorized share capital is £5,100,000 divided into 50,000,000 ordinary shares of 10 pence each and 1,000,000 preferred shares of 10 pence each. We had 44,039,723 ordinary shares outstanding as of May 31, 2010. There are no preferred shares outstanding as of May 31, 2010. 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 its 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

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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.

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.

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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.

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.

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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.

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.

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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.

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, purchase any of our shares which are fully paid, pursuant to a contract approved in advance by the shareholders. No shareholder whose shares we propose to purchase is entitled to vote on the resolutions sanctioning the purchase or approving the purchase contract.

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
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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.

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 reflect 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 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;

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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.

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.

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Corporate Law Issue

Interested Director Transactions

Delaware Law

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.

Jersey Law

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 between two or more Jersey companies must be documented in a merger agreement which must be approved by special resolution of each of the companies merging.

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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, shares repurchases or shares barring redemptions, 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 register of shareholders and books containing the minutes of general meetings or of meetings of

the purpose thereof, to inspect or obtain copies of the corporation's shares ledger and its other books and records for any proper purpose.

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.

Share Sale and Purchase Agreement, dated July 11, 2008, relating to the sale and purchase of shares in Aviva Global Services Singapore Pte. Ltd. between Aviva International Holdings Limited and WNS Capital Investment Limited.

On July 11, 2008, our wholly-owned subsidiary, WNS Capital Investment Limited, entered into a share sale and purchase agreement with AVIVA, pursuant to which WNS Capital Investment Limited acquired all the shares of Aviva Global. This acquisition is part of a transaction with AVIVA that included the AVIVA master services agreement described below. We completed our acquisition of Aviva Global (which we refer to as WNS Global Singapore following our acquisition) concurrently with the execution of this share sale and purchase agreement. Pursuant to the agreement, WNS Global Singapore has exercised its option to require third party business process outsourcing, or BPO, providers to transfer to it two facilities in Chennai and Pune, India operated by these third party BPO providers under BOT contracts with WNS Global Singapore. The completion of the transfer of the Chennai facility occurred in July 2008. Completion of the Pune facility occurred in August 2008. The total consideration for the AVIVA transaction, including legal and profession fees, was approximately \$249.0 million. We obtained the \$200 million Term Loan to fund, together with existing cash and cash equivalents, the AVIVA transaction.

Master Services Agreement, dated July 11, 2008, between Aviva Global Services (Management Services) Private Limited and WNS Capital Investment Limited.

On July 11, 2008, WNS Capital Investment Limited entered into the AVIVA master services agreement with Aviva Global Services (Management Services) Private Limited, or 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 us the Minimum Revenue Commitment during the term of the contract. The Minimum Revenue 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 the event the mean average monthly volume of business in any rolling three month period does not reach the Minimum Revenue 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, 24 months from September 19, 2008 and in the case of the Pune facility which was transferred to WNS Global Singapore in August 2008, 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.

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Amended and Restated Facility Agreement, effective as of April 14, 2009, 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) ICICI Bank UK Plc, as Agent, (4) ICICI Bank UK Plc, ICICI Bank Canada, DBS Bank Ltd. and The Hong Kong and Shanghai Banking Corporation, as Arrangers, (5) the Lenders named therein, (6) Morgan Walker Solicitors LLP, as Security Trustee, and (7) ICICI Bank UK Plc and HSBC Bank (Mauritius) Ltd, as Account Banks.

On July 10, 2008, we entered into the \$200 million Term Loan to finance our transaction with AVIVA described under Item 5. Operating and Financial Review and Prospects Revenue Our Contracts above. We drew down the full amount of \$200 million under the facility in July 2008. The arrangers have since syndicated part of the loan to The Hongkong and Shanghai Banking Corporation and DBS Bank Limited. Interest on the Term Loan is payable on a quarterly basis. Interest on the Term Loan was initially agreed at a rate equivalent to the three-month US dollar LIBOR plus 3% per annum, subject to change by the arrangers for the Term Loan at any time prior to the completion of the syndication of the Term Loan if any such arranger determined that such change was necessary to ensure a successful syndication of the Term Loan. Effective from January 10, 2009, the interest rate has been increased by 0.5% per annum. In connection with the Term Loan, we have entered into interest rate swap agreements with banks to swap the variable portion of the interest based on US dollar LIBOR to an average rate of 3.81% per annum. After giving effect to the interest rate swap agreements, we are incurring an interest rate of 7.31% per annum on the Term Loan. The loan is repayable in semi-annual installments with the final installment payable in January 2013.

Under the facility agreement, we are allowed to make voluntary prepayments of the whole or a part of the outstanding loan on any interest payment date, without incurring break costs, by giving a minimum of 10 days notice of prepayment. Pursuant to the prepayment option, we made prepayments of \$5 million each on April 14, 2009 and July 10, 2009 and a pre payment of \$15 million on January 11, 2010. We also made the scheduled installment repayment of the loan of \$20 million each on July 10, 2009 and January 11, 2010. As on March 31, 2010, the outstanding balance under the Term Loan was \$135 million.

On March 10, 2009, we entered into an amended and restated agreement to amend certain terms of the facility agreement dated July 10, 2008, including to list the names of the additional lenders to the facility agreement and to clarify the definition of tangible net worth.

In April 2009, we entered into another amended and restated agreement, effective as of April 14, 2009, to amend certain terms of the facility agreement dated July 10, 2008, as amended and restated, including to record the lenders consent for our corporate restructuring described under Item 4. Information on the Company A. History and Development of Our Company above.

Under the facility agreement, we are required to maintain the following financial covenants: (i) the ratio of total borrowings to tangible net worth (as defined in the facility agreement) shall not exceed 2 to 1, (ii) the ratio of total borrowings to adjusted EBITDA (as defined in the facility agreement) shall not exceed 2.5 to 1, (iii) the ratio of adjusted EBITDA to debt service shall not be less than 1.3 to 1, and (iv) the ratio of the aggregate amount outstanding under the facility to the value of the AVIVA master services agreement shall not be more than 100% at any time. The facility is secured by, among other things, guarantees provided by us and certain of our subsidiaries, namely, WNS Capital Investment Limited, WNS Global Services (UK) Limited, or WNS UK, and WNS North America Inc., a fixed and floating charge over the assets of WNS UK, pledges of our shares of WNS Capital Investment Limited, WNS UK, WNS North America Inc. and WNS (Mauritius) Limited. and charges over certain bank accounts. The security initially included a pledge of our shares of WNS Customer Solutions (Private) Limited (Sri Lanka), which was released with the lender's consent effective March 29, 2010.

Share Purchase Agreement, dated April 20, 2007, by and among Marketics Technologies (India) Private Limited, WNS (Mauritius) Limited, Mr. Vinay Mishra, Mr. S. Ramakrishan, Mr. Shankar Maruwada and the other selling shareholders named therein.

On April 20, 2007, WNS (Mauritius) Limited entered into a share purchase agreement, or the Share Purchase Agreement, with all the shareholders of Marketics, including among others, the founders of Marketics, Mr. Vinay Mishra, Mr. S. Ramakrishan and Mr. Shankar Maruwada, to purchase all the shares of Marketics. The consideration for the acquisition is an initial payment of \$30 million in May 2007 and a contingent earn-out consideration of

\$33.3 million which was paid in July 2008 and calculated based on the performance and results of operations of Marketics for fiscal 2008 and determined in accordance with the Share Purchase Agreement. 75.1% of the share capital of Marketics was transferred to us in May 2007 and the remaining 24.9% of the share capital of Marketics was held in an escrow account and transferred to us upon payment of the contingent earn-out consideration in July 2008. Pursuant thereto, the Share Purchase Agreement has been terminated in July 2008.

Table of Contents***Leave and License Agreement dated December 29, 2006 between Sofotel Software Services Private Limited and WNS Global Services Private Ltd.***

On December 29, 2006, WNS Global entered into four agreements with Sofotel Software Services Private Limited, or Sofotel, pursuant to which Sofotel granted a license to WNS Global to occupy office premises located in the Commercial Office Building with an aggregate area of 142,800 square feet for a term of 60 months commencing on January 1, 2007. The monthly license fees payable under each of the four agreements are Rs. 1,661,415, Rs. 1,635,469, Rs. 1,632,738 and Rs. 1,570,378, for the first 36 months. Thereafter, the license fees will increase by an amount not exceeding 15% by mutual agreement. The agreements may be terminated by the non-defaulting party by giving 90 days prior written notice in the event of a breach of a material term of the agreement unless such breach is remedied within the 90 day period or in the event of insolvency. WNS Global may terminate each agreement by giving 12 months prior written notice. On March 31, 2010, we gave notice to the lessor informing him that we do not intend to extend the term of this lease beyond March 31, 2011.

Leave and License Agreement dated May 30, 2006 between Godrej & Boyce Manufacturing Company Ltd. and WNS Global Services Private Limited with respect to Plant 11.

On May 30, 2006, WNS Global entered into an agreement with Godrej & Boyce Manufacturing Company Ltd., or GBMC, pursuant to which GBMC granted a license to WNS Global to occupy office premises with an aggregate area of 69,611 square feet within the industrial building constructed by GBMC in Vikhroli, India, known as Plant 11, for a term of 33 months commencing on April 24, 2006 and renewable for a further term of 33 months at the option of WNS. The monthly license fee payable is Rs. 663,354. GBMC has agreed to pay for all existing taxes and outgoings in respect of the licensed premises including all municipal taxes, cess, duties, impositions and levies imposed by the Municipal Corporation of Greater Mumbai. Any future increases of such municipal taxes and outgoings subsequent to the first assessment will be borne by WNS Global and GBMC equally. WNS Global has agreed to be responsible for power, electricity and water charges and minor repair works. The agreement may be terminated by the non-defaulting party by giving 30 days prior written notice in the event of a breach of any term of the agreement unless such breach is remedied within the 30-day period or in the event of insolvency. The agreement expired on January 24, 2009. WNS Global and GBMC are in the process of renewing the agreement.

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 agreement with DLF Cyber City for the leases of two office spaces in Gurgaon, India, with an aggregate built up area of 51,244 square feet at a monthly rental of Rs. 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. If WNS Global renews the lease, the rental payable will be at fair market value. In addition, WNS Global has agreed to pay for all levies, duties, taxes on property, charges, rates, cesses and fees imposed by the Central or State Government or any other regulatory authority of India. WNS Global also has agreed to be responsible for power, electricity and water charges. WNS Global is not entitled to terminate the lease within the first 36 months of each of the leases. Thereafter, WNS Global may terminate the leases by giving DLF Cyber City six months prior notice in writing.

Leave and License Agreements dated November 10, 2005 between Godrej & Boyce Manufacturing Company Ltd. and WNS Global Services Private Limited with respect to Plant 10.

On November 10, 2005, WNS Global entered into three agreements with GBMC pursuant to which GBMC granted a license to WNS Global to occupy three office premises with an aggregate area of 84,429 square feet within the industrial building constructed by GBMC in Vikhroli, India, known as Plant 10. Each agreement is for a term of 33 months commencing on August 16, 2005 and ended on May 15, 2008. The agreement was subsequently extended to February 15, 2011. The monthly license fees payable under each of the three leases are Rs. 592,020, Rs. 8,670 and Rs. 203,600. GBMC has agreed to pay for all municipal taxes, cess, duties, impositions and levies imposed by the Municipal Corporation of Greater Mumbai. Any future increases of the municipal taxes and outgoings subsequent to the first assessment will be borne by WNS Global and GBMC equally. WNS Global has agreed to be responsible for power and water charges. The agreements may be terminated by the non-defaulting party giving 30 days prior written notice in the event of a breach of any term of the agreement unless the breach is remedied within the 30 day period or in the event of insolvency. WNS Global may terminate the agreement by giving 180 days prior written notice.

Lease Deed dated March 10, 2005 between DLF Cyber City and WNS Global Services Private Limited.

On March 10, 2005, WNS Global entered into a lease agreement with DLF Cyber City for the leases of two office spaces in Gurgaon, India, with an aggregate built up area of 90,995 square foot at a monthly rental of Rs. 30 per square

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feet. The leases commenced on May 1, 2005 and June 1, 2005, respectively, for a term of 54 months each from the respective commencement dates with an option to renew for a further term of 54 months. If WNS Global renews the lease, the rental payable will be at fair market value. In addition, WNS Global has agreed to pay for all levies, duties, taxes on property, charges, rates, cesses and fees imposed by the Central or State Government or any other regulatory authority of India. WNS Global also has agreed to be responsible for power, electricity and water charges. WNS Global is not entitled to terminate the lease within the first 36 months of each of the leases. Thereafter, WNS Global may terminate the leases by giving DLF Cyber City six months prior notice in writing.

Employment Agreement dated February 1, 2010 between Keshav R. Murugesh and WNS Global Services Pvt. Limited.

Please see 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	Average⁽²⁾	High	Low
	End⁽¹⁾			
		Rs.	Rs.	Rs.
2005	Rs. 43.62	44.87	46.45	43.27
2006	44.48	44.21	46.26	43.05
2007	43.10	45.06	46.83	42.78
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(till May 31, 2010)	46.31	45.07	47.49	44.10

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 spot rate on the last day of each month during the period.

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 Rs.	Low Rs.
September 2009	49.05	47.75
October 2009	47.72	46.00
November 2009	47.37	46.06
December 2009	46.85	46.00
January 2010	46.35	45.35

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Month:	High	Low
February 2010	46.79	45.97
March 2010	46.01	44.94
April 2010	44.79	44.10
May 2010	47.49	44.46

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
2005	£ 0.53	£0.54	£0.57	£0.51
2006	0.57	0.56	0.58	0.52
2007	0.51	0.52	0.58	0.50
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 (till May 31,2010)	0.69	0.67	0.70	0.65

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 spot rate on the last day of each month 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
September 2009	£0.63	£0.60
October 2009	0.63	0.60

November 2009	0.61	0.60
December 2009	0.63	0.60
January 2010	0.63	0.61
February 2010	0.66	0.63
March 2010	0.67	0.65
April 2010	0.66	0.65
May 2010	0.70	0.66

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.

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On May 6, 2008, Jersey introduced a 3% general sales tax on goods and services. 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 £100 is payable).

Currently, there is no double tax treaty or similar convention between the US and Jersey.

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, introduced with effect from July 1, 2005 a retention tax system 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. 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.

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.

The following discussion does not address the tax consequences to any particular investor or to persons in special tax situations, such as:

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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;
persons that actually or constructively own 10% or more of our voting stock; or
persons holding ADSs or ordinary shares through partnerships or other pass-through entities.

In particular, it is noted that we are a controlled foreign corporation, or CFC, for US federal income tax purposes, and therefore, if you are a US shareholder owning 10% or more of our voting stock directly, indirectly and/or under the applicable attribution rules, the US federal income tax consequences to you of owning our ADSs or ordinary shares may be significantly different than those described below in several respects. If you own 10% or more of our voting stock directly, indirectly and/or under the applicable attribution rules, you should consult your own tax advisors regarding the US federal income tax consequences of your investment in our ADSs or ordinary shares.

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.

Table of Contents***Distributions***

Subject to the passive foreign investment company rules 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. 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, 2011, 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. You should consult your own 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 pound sterling will be equal to the US dollar value of such pound sterling on the date such distribution is received by the depositary, 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 pound sterling will be US source ordinary income or loss, subject to certain exceptions and limitations. 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. 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. 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.

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. Subject to the passive foreign investment company 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.

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 current and anticipated operations and composition of our assets, we do not believe we were a PFIC for our taxable year ended on March 31, 2010. However, as noted in our annual report for our taxable year ended

March 31, 2007, our PFIC status in respect of our taxable year ended March 31, 2007 was uncertain. If we were treated as a PFIC

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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. 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 that 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 that 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 that 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 that 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.

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 that the ADSs are traded in sufficient quantities. US Holders of ADSs or ordinary shares should consult their own 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

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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 U.S. Federal 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 own 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 advisors regarding the effect, if any, of new US federal income tax legislation on their ownership and disposition of ADS or ordinary shares.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

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.

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 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.

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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 58.5% of our expenses (net of payments to repair centers made as part of our WNS Auto Claims BPO segment) in fiscal 2010 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 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 2010, a sensitivity analysis shows that a 10.0% appreciation in the pound sterling against the US dollar would have increased revenue in fiscal 2010 by approximately \$41.9 million. Similarly, a 10.0% appreciation in the Indian rupee against the US dollar would have increased our expenses incurred and paid in Indian rupee in fiscal 2010 by approximately \$20.6 million. Based upon our level of operations in fiscal 2010, a sensitivity analysis shows that a 10.0% appreciation in the pound sterling against the US dollar would have increased revenue less repair payments in fiscal 2010 by approximately \$22.7 million. Similarly, a 10.0% appreciation in the Indian rupee against the US dollar would have increased our expenses incurred and paid in Indian rupee in fiscal 2010 by approximately \$20.6 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 forecasted revenue/inter-company revenue denominated in foreign currencies with forward contracts and options.

Interest Rate Risk

Our exposure to interest rate risk arises principally from our borrowings under the \$200 million Term Loan which has a floating rate of interest linked to US dollar LIBOR. The costs of floating rate borrowings may be affected by the fluctuations in the interest rates. In connection with the Term Loan, we entered into interest rate swap agreements with banks in fiscal 2009. These swap agreements effectively convert the \$200 million Term Loan from a variable interest rate to a fixed rate thereby managing our exposure to changes in market interest rates under the Term Loan. Out of the total interest rate swaps of \$200 million entered into by us, swaps totaling \$10 million have been cancelled in fiscal 2010 and \$15 million in April 2010 against the voluntary loan prepayment of \$25 million in fiscal 2010. The outstanding swap agreements now aggregate \$135 million against the outstanding debt of \$135 million. Our use of derivative instruments is limited to effective fixed and floating interest rate swap agreements used to manage well-defined interest rate risk exposures. 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 will be 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.

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In accordance with the Deposit Agreement, the Depository 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 Depository in the conversion of foreign currency into US dollars;
- fees and expenses incurred by the Depository 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 Depository in connection with the delivery of deposited securities; and
- any additional fees, charges, costs or expenses that may be incurred by the Depository 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 Depository 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 Depository determines that any distribution in property is subject to any tax or other governmental charge which the Depository is obligated to withhold, the Depository 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 Depository deems necessary and appropriate to pay such taxes or charges and the Depository 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.

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During fiscal 2010, the Depository has made a payment of \$11,000 to IPREO (Hemscott Holdings Ltd.) on behalf of our company in consideration for our access to Bigdough investor relations tool.

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 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. As noted below, management concluded that our internal control over financial reporting was not effective as of March 31, 2010, as a result of the material weakness described below. Accordingly, our Group Chief Executive Officer and Group Chief Financial Officer have concluded that, as of March 31, 2010, the end of the period covered by this report, our disclosure controls and procedures were not effective at 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 of March 31, 2010 based on the criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on the above criteria, and as a result of this assessment, management concluded that, as of March 31, 2010, our internal control over financial

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reporting was 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 related fees in our Auto Claims BPO segment. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim consolidated financial statements will not be prevented or detected on a timely basis. WNS has restated its audited financial statements for the years ended March 31, 2009 and 2008 (as well as selected financial information for the years ended March 31, 2007 and 2006 and the quarterly information for fiscal 2010 and 2009). Further details on the restatement are set forth in Note 2 in the notes to our consolidated financial statements, included elsewhere in this annual report. The effectiveness of our internal control over financial reporting as of March 31, 2010 has been audited by Ernst & Young, an independent registered public accounting firm, as stated in their report set out below.

Remediation Plan

In order to remediate the material weakness described above, we intend to:

augment the US GAAP expertise of our accounting team in the area of revenue recognition for the Auto Claims BPO segment; and

strengthen the monitoring controls and documentation for the revenue recognition process in the Auto Claims BPO segment.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of
WNS (Holdings) Limited

We have audited WNS (Holdings) Limited's (the Company) internal control over financial reporting as of March 31, 2010, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). WNS (Holdings) Limited'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.

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A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. A material weakness has been identified and included in management's assessment. Management has identified a material weakness in the design and operating effectiveness of controls over the recognition and accrual of repair payments to garages and the related fees in its Auto Claims BPO segment. This material weakness resulted in a material misstatement of revenue and cost of revenue and the related disclosures in WNS (Holdings) Limited's consolidated financial statements for each of the three years in the period ended March 31, 2010 and the financial information for each of the quarters in 2010 and 2009.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets as of March 31, 2010 and 2009, and the related consolidated statements of income, equity and comprehensive income and cash flows for each of the three years in the period ended March 31, 2010 of WNS (Holdings) Limited and our report dated June 15, 2010 expressed an unqualified opinion thereon. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the 2010 financial statements, and this report does not affect our report dated June 15, 2010 on those financial statements.

In our opinion, because of the effect of the material weakness described above on the achievement of the objectives of the control criteria, WNS (Holdings) Limited has not maintained effective internal control over financial reporting as of March 31, 2010, based on the COSO criteria.

/s/ Ernst & Young
Mumbai, India
June 15, 2010

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 Sir Anthony Armitage Greener (Chairman) and Messrs. Eric Herr, and Richard O. Bernays. Each of Sir Anthony Armitage Greener and Messrs. Herr, and Bernays is an independent director pursuant to the applicable rules of the Commission and the NYSE. See 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 Mr. Herr 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**

Ernst & Young has served as our independent registered public accounting firm since fiscal 2003. The following table

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shows the fees we paid or accrued for the audit and other services provided by Ernst & Young for fiscal 2010 and 2009.

	Fiscal	
	2010	2009
Audit fees	\$822,000	\$868,000
Audit-related fees	48,200	20,000
Tax fees	27,000	60,000
All other fees	17,600	2,495

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.

All other fees. This category includes fees billed for advisory services in relation with STPI and SEZ set ups.

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 the independent auditors. All of the services provided by Ernst & Young during the last fiscal year have been approved by our Audit committee.

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 2010.

Item 16F. CHANGE IN REGISTRANT S CERTIFYING ACCOUNTANT

Not applicable.

ITEM 16G. CORPORATE GOVERNANCE

We have posted our Corporate Governance Guidelines on our website at www.wns.com.

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Messrs. Eric B. Herr, Richard O. Bernays, Deepak S. Parekh, and Sir Anthony Armitage Greener are members of our board of directors and they serve on each of our compensation committee and nominating and corporate governance committee. Messrs. Eric B. Herr, Richard O. Bernays and Sir Anthony Greener also serve on our audit committee. Each of Messrs. Herr, Bernays and Sir Anthony Armitage Greener satisfies the independence requirements of the NYSE listing standards and the independence requirements of Rule 10A-3 of the Exchange Act.

Mr. Parekh served as a member of our audit committee from July 2006 to May 31, 2010. On June 1, 2010, Mr. Parekh entered into a consulting arrangement with another party, whereupon he ceased to qualify as independent under Rule 10A-3 of the Exchange Act. Accordingly, Mr. Parekh stepped down from our audit committee effective June 1, 2010. Further, our board of directors has decided that it will not consider Mr. Parekh as an independent director under the NYSE listing standards effective from the date of such arrangement. Accordingly, our board of directors decided that effective June 1, 2010, it is no longer majority independent and our nominating and corporate governance committee and our compensation committee are no longer fully independent. Effective June 1, 2010, we elected to follow our home country (Jersey, Channel Islands) practice, which does not impose a board or committee independence requirement.

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, or US companies, under the NYSE listing standards. The NYSE listing standards provide that US companies must have a majority independent board of directors and a nominating/corporate governance committee and a compensation committee each composed entirely of independent directors. Effective June 1, 2010 when Mr. Parekh entered into a consulting arrangement with another party as described above, our corporate governance practices differ from those required to be followed by US companies in that our board of directors decided that it is no longer majority independent and our nominating and corporate governance committee and our compensation committee are no longer fully independent.

Our board of directors is in an advanced stage of finalizing the appointment of another independent director. Upon the appointment of an additional independent director, the board will once again be majority independent. The board also intends to appoint this additional independent director as a member of our audit committee, which will then consist of four independent directors.

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PART III

ITEM 17. FINANCIAL STATEMENTS

See Item 18 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 Balance Sheets as of March 31, 2010 and 2009

Consolidated Statements of Income for the years ended March 31, 2010, 2009 and 2008

Consolidated Statements of Equity and Comprehensive Income for the years ended March 31, 2010, 2009 and 2008

Consolidated Statements of Cash Flows for the years ended March 31, 2010, 2009 and 2008

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 Share Purchase Agreement dated April 20, 2007 among, WNS (Mauritius) Limited, Marketics Technologies (India) Private Limited and the selling shareholders named therein incorporated by reference to Exhibit 4.1 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.
- 4.2 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.
- 4.3 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.
- 4.4 Leave and License Agreement dated November 10, 2005 between Godrej & Boyce Manufacturing Company Ltd. and WNS Global Services Private Limited with respect to the lease of office premises with an aggregate

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area of 59,202 square feet at Plant 10 incorporated by reference to Exhibit 10.5 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.

- 4.5 Leave and License Agreement dated November 10, 2005 between Godrej & Boyce Manufacturing Company Ltd. and WNS Global Services Private Limited with respect to the lease of office premises with an area of 4,867 square feet at Plant 10 incorporated by reference to Exhibit 4.5 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.
- 4.6 Leave and License Agreement dated November 10, 2005 between Godrej & Boyce Manufacturing Company Ltd. and WNS Global Services Private Limited with respect to the lease of office premises with an aggregate area of 20,360 square feet at Plant 10 incorporated by reference to Exhibit 4.6 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.
- 4.7 Leave and License Agreement dated May 31, 2006 between Godrej & Boyce Manufacturing Company Ltd. and WNS Global Services Private Limited with respect to Plant 11 incorporated by reference to Exhibit 10.12 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.
- 4.8 Leave and License Agreement dated December 29, 2006 between Sofotel Software Services Private Limited and WNS Global Services Private Limited with respect to the lease of office premises with an aggregate area of 36,500 square feet in the Commercial Office Building incorporated by reference to Exhibit 4.8 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.
- 4.9 Leave and License Agreement dated December 29, 2006 between Sofotel Software Services Private Limited and WNS Global Services Private Limited with respect to the lease of office premises with an aggregate area of 35,930 square feet in the Commercial Office Building incorporated by reference to Exhibit 4.9 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.
- 4.10 Leave and License Agreement dated December 29, 2006 between Sofotel Software Services Private Limited and WNS Global Services Private Limited with respect to the lease of office premises with an aggregate area of 35,870 square feet in the Commercial Office Building incorporated by reference to Exhibit 4.10 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.
- 4.11 Leave and License Agreement dated December 29, 2006 between Sofotel Software Services Private Limited and WNS Global Services Private Limited with respect to the lease of office premises with an aggregate area of 34,500 square feet in the Commercial Office Building incorporated by reference to Exhibit 4.11 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.
- 4.12 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.
- 4.13 Form of the 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 January 12, 2009.
- 4.14 Share Sale and Purchase Agreement, dated July 11, 2008, relating to the sale and purchase of shares in Aviva Global Services Singapore Private Limited between Aviva International Holdings Limited and WNS Capital Investment Limited incorporated by reference to Exhibit 4.15 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. #
- 4.15 Master Services Agreement, dated July 11, 2008, between Aviva Global Services (Management Services) Private Limited and WNS Capital Investment Limited incorporated by reference to Exhibit 4.16

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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. #

- 4.16 Form of Amended and Restated Facility Agreement by and among WNS (Mauritius) Limited, as borrower, WNS (Holdings) Limited, WNS Capital Investment Limited, WNS Global Services (UK) Limited, WNS North America Inc. and WNS Global Singapore, as guarantors, ICICI Bank UK Plc, as agent, ICICI Bank UK Plc, ICICI Bank Canada, DBS Bank Ltd. and The Hong Kong and Shanghai Banking Corporation, as arrangers, the lenders named therein, Morgan Walker Solicitors LLP, as security trustee, and ICICI Bank UK Plc and HSBC Bank (Mauritius) Ltd, as account banks 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 April 14, 2009.
- 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. **
- 15.1 Consent of Ernst & Young 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: June 15, 2010

WNS (HOLDINGS) LIMITED

By/s/ Keshav R. Murugesh

~~Keshav R. Murugesh~~

Group Chief Executive Officer

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders of
WNS (Holdings) Limited

We have audited the accompanying consolidated balance sheets of WNS (Holdings) Limited (the Company) as of March 31, 2010 and 2009 and the related consolidated statements of income, equity and comprehensive income and cash flows for each of the three years in the period ended March 31, 2010. These financial statements are the responsibility of the Company s management. Our responsibility is to express an opinion on these 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 financial statements referred to above present fairly, in all material respects, the consolidated financial position of WNS (Holdings) Limited at March 31, 2010 and 2009, and the consolidated results of its operations and its cash flows for each of the three years in the period ended March 31, 2010, in conformity with U.S. generally accepted accounting principles.

As discussed in Note 2, the accompanying 2009 and 2008 financial statements have been restated.

As discussed in Note 3 to the consolidated financial statements, effective April 1, 2009 the Company adopted Financial Accounting Standards Board Statement (FASB) No. 160 *Non-controlling interests in consolidated financial statements, as an amendment to ARB No. 51* (codified in FASB Accounting Standard Codification Topic 810 *Consolidation*) in respect of the redeemable noncontrolling interests of a subsidiary.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), WNS (Holdings) Limited s internal control over financial reporting as of March 31, 2010, based on criteria established in Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated June 15, 2010 expressed an adverse opinion thereon.

/s/ Ernst & Young

Mumbai, India

June 15, 2010

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WNS (HOLDINGS) LIMITED
CONSOLIDATED BALANCE SHEETS
(Amounts in thousands, except share and per share data)

	As at March 31,	
	2010	2009
		(As restated See Note 2)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 32,311	\$ 38,931
Bank deposits and marketable securities	45	8,925
Accounts receivable, net of allowance of \$3,152 and \$1,935, respectively	44,082	38,577
Accounts receivable related parties	739	64
Unbilled revenue	40,892	32,606
Funds held for clients	11,372	5,379
Employee receivables	1,526	745
Prepaid expenses	2,101	2,082
Prepaid income taxes	5,602	5,768
Deferred tax assets	1,959	1,718
Other current assets	36,308	38,647
Total current assets	176,937	173,442
Goodwill	90,662	81,679
Intangible assets, net	188,079	217,372
Property and equipment, net	51,700	55,992
Other assets	10,242	11,449
Deposits	7,086	6,309
Deferred tax assets	25,184	15,584
TOTAL ASSETS	\$549,890	\$561,827
LIABILITIES, REDEEMABLE NONCONTROLLING INTEREST AND EQUITY		
Current liabilities:		
Accounts payable	\$ 27,900	\$ 30,879
Accounts payable related parties		42
Current portion of long term debt	40,000	45,000
Short term line of credit		4,331
Accrued employee cost	30,977	23,754
Deferred revenue	4,891	5,583
Deferred tax liabilities		27
Income taxes payable	2,550	3,995
Other current liabilities	67,585	63,870
Total current liabilities	173,903	177,481
Long term debt	95,000	155,000

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Deferred revenue	3,515	3,561
Other liabilities	3,727	1,967
Accrued pension liability	3,921	2,570
Deferred tax liabilities	8,343	9,946
Derivative contracts	7,600	23,163
TOTAL LIABILITIES	296,009	373,688
Commitments and contingencies		
Redeemable noncontrolling interest	278	13
WNS (Holdings) Limited shareholders' equity:		
Ordinary shares, \$0.16 (10 pence) par value, authorized: 50,000,000 shares; Issued and outstanding: 43,743,953 and 42,607,403 shares, respectively	6,848	6,667
Additional paid-in-capital	203,531	184,122
Retained earnings	50,797	47,087
Accumulated other comprehensive loss	(7,573)	(49,750)
Total WNS (Holdings) Limited shareholders' equity	253,603	188,126
TOTAL LIABILITIES, REDEEMABLE NONCONTROLLING INTEREST AND EQUITY	\$549,890	\$561,827

See accompanying notes.

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WNS (HOLDINGS) LIMITED
CONSOLIDATED STATEMENTS OF INCOME
(Amounts in thousands, except per share data)

	Year ended March 31,		
	2010	2009 (As restated See Note 2)	2008 (As restated See Note 2)
Revenue (a)	\$ 582,461	\$ 520,901	\$ 438,030
Cost of revenue (a)	439,248	391,808	341,560
Gross profit	143,213	129,093	96,470
Operating expenses:			
Selling, general and administrative expenses (a)	86,231	75,522	72,699
Amortization of intangible assets	32,422	24,912	2,869
Impairment of goodwill, intangibles and other assets			15,464
Operating income	24,560	28,659	5,438
Other expenses (income), net (a)	7,052	5,639	(9,184)
Interest expense (a)	13,823	11,782	3
Income before income taxes	3,685	11,238	14,619
Provision for income taxes	998	3,343	5,172
Net income	2,687	7,895	9,447
Less: Net loss attributable to redeemable noncontrolling interest	(1,023)	(287)	
Net income attributable to WNS (Holdings) Limited shareholders	\$ 3,710	\$ 8,182	\$ 9,447
Earnings per share of ordinary share			
Basic	\$ 0.09	\$ 0.19	\$ 0.22
Diluted	\$ 0.08	\$ 0.19	\$ 0.22
(a) Includes the following related party amounts:			
Revenue	\$ 2,625	\$ 3,242	\$ 3,466
Cost of revenue	319	280	236
Selling, general and administrative expenses	9	137	345
Other expenses (income), net			(61)
Interest expense		269	
<i>See accompanying notes.</i>			

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WNS (HOLDINGS) LIMITED
CONSOLIDATED STATEMENTS OF EQUITY AND COMPREHENSIVE INCOME
YEARS ENDED MARCH 31, 2010, 2009 AND 2008

(Amounts in thousands, except share data)

	Ordinary shares	Par	Additional	Ordinary	Retained	Accumulated	Total	Redeemable	Comprehensive
	Number	value	paid-in	shares	earnings	other	(Holding)	noncontrolling	income
			capital	subscribed		comprehensive	shareholders	interest	
						income	equity		
Balance at March 31, 2007 (As restated See Note 2)	41,842,879	\$ 6,519	\$ 154,952	\$ 137	\$ 30,804	\$ 13,235	\$ 205,647	\$	
Shares issued for exercised options and restricted share units	520,221	103	4,228	(137)			4,194		
Stock options exercised				10			10		
Share-based compensation charge			6,816				6,816		
Excess tax benefits from exercise of share-based options			1,613				1,613		
IPO cost			(150)				(150)		
Adjustment to retained earnings upon adoption of FIN 48					(1,346)		(1,346)		
Comprehensive income:									
Net income (As restated See Note 2)					9,447		9,447		\$ 9,447
Pension adjustment						(486)	(486)		(486)
Change in fair value of cash						(98)	(98)		(98)

flow hedges Foreign currency translation (As restated See Note 2)						5,530		5,530		5,530
Total comprehensive income (As restated See Note 2)								14,393		\$ 14,393
Reclassification Translation loss transferred to income statement on sale of subsidiary						43		43		
Cash flow hedges gain transferred to net income						(4,002)		(4,002)		
Balance at March 31, 2008 (As restated See Note 2)	42,363,100	\$ 6,622	\$ 167,459	\$ 10	\$ 38,905	\$ 14,222	\$ 227,218	\$		

See accompanying notes.

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WNS (HOLDINGS) LIMITED
CONSOLIDATED STATEMENTS OF EQUITY AND COMPREHENSIVE INCOME (cont d)
YEARS ENDED MARCH 31, 2010, 2009 AND 2008
(Amounts in thousands, except share data)

	Ordinary shares	Additional	Ordinary	Accumulated other	Total WNS (Holdings)	Redeemable	Comprehensive	
	Number	Par value	paid-in capital	shares subscribed	Retained earnings	Comprehensive income(loss)	Limited noncontrolling interest	Comprehensive income
Shares issued for exercised options and restricted share units	244,303	45	953	(10)			988	
Share-based compensation charge			13,484				13,484	
Excess tax benefits from exercise of share-based options			2,226				2,226	
Issue of shares by subsidiary to redeemable noncontrolling interest							300	
Comprehensive loss:								
Net income (loss) (As restated See Note 2)					8,182		8,182	(287) \$ 7,895
Pension adjustment						(50)	(50)	(50)
Change in fair value of cash flow hedges*						(12,667)	(12,667)	(12,667)
Foreign currency translation (As restated See Note 2)						(51,255)	(51,255)	(51,255)
Total comprehensive loss (As restated See Note 2)							(55,790)	(287) \$ (56,077)
Balance at March 31, 2009 (As restated See Note 2)	42,607,403	\$ 6,667	\$ 184,122	\$ 47,087	\$ (49,750)	\$ 188,126	\$ 13	
	1,136,550	181	3,752			3,933		

Shares issued for exercised options and restricted share units								
Share-based compensation charge	15,119			15,119				
Excess tax benefits from exercise of share-based options, net	538			538				
Issue of shares by subsidiary to redeemable noncontrolling interest							1,332	
Comprehensive income:								
Net income (loss)		3,710		3,710	(1,023)	\$	2,687	
Pension adjustment			221	221	(30)		191	
Change in fair value of cash flow hedges, net of tax of \$92*			20,845	20,845			20,845	
Foreign currency translations			21,111	21,111	(14)		21,097	
Total comprehensive income (loss)				45,887	(1,067)	\$	44,820	
Balance at March 31, 2010	43,743,953	\$ 6,848	\$ 203,531	\$ 50,797	\$ (7,573)	\$ 253,603	\$ 278	

* net of reclassification adjustment of \$3,584 and \$2,680 for the years ended March 31, 2010 and 2009, respectively.

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WNS (HOLDINGS) LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands)

	2010	Year ended March 31,	
		2009	2008
		(As	(As
		restated	restated
		See Note 2)	See Note 2)
Cash flows from operating activities			
Net income	\$ 2,687	\$ 7,895	\$ 9,447
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	53,574	46,701	21,321
Share-based compensation	15,127	13,422	6,816
Amortization of debt issue cost	671	450	
Allowance for doubtful accounts	1,238	458	1,542
Loss on sale of property and equipment	19	18	39
Deferred rent	1,016	312	1,339
Impairment of goodwill, intangibles and other assets			15,464
Unrealized gain on marketable securities		(58)	(8)
Unrealized (gain) loss on derivative instruments	(33)	313	
Deferred income taxes	(11,251)	(8,690)	(5,410)
Excess tax benefits from share-based compensation	(1,825)	(2,226)	(1,613)
Other, net	20		
Changes in operating assets and liabilities			
Accounts receivable and unbilled revenue	(13,196)	1,914	(4,532)
Other current assets	5,613	8,046	(5,334)
Accounts payable	(3,830)	3,628	(4,685)
Deferred revenue	(1,051)	1,010	(4,817)
Other liabilities	5,496	5,778	11,483
Net cash provided by operating activities	54,275	62,879	41,052
Cash flows from investing activities			
Acquisitions, net of cash received (See Note 4)	(1,461)	(290,994)	(36,121)
Facility and property cost	(13,257)	(22,693)	(28,134)
Proceeds from sale of assets, net	660	342	178
Transfer of delivery centre to AVIVA			1,570
Marketable securities and deposits sold (purchased), net	9,548	(2,273)	3,969
Net cash used in investing activities	(4,510)	(315,618)	(58,538)
Cash flows from financing activities			
Proceeds from exercise of stock options	3,933	988	4,204
IPO expenses paid			(150)
Excess tax benefits from share-based compensation	1,825	2,226	1,613
	1,348	300	

Proceeds from issue of shares by subsidiary to redeemable noncontrolling interest			
Repayment of long term debt	(65,000)		
Payment of debt issuance cost	(87)	(1,197)	
Proceeds from long term debt		200,000	
Repayments of short term borrowings, net	(4,128)	(2,894)	
Principal payments under capital leases	(57)	(183)	
Net cash (used in) provided by financing activities	(62,166)	199,240	5,667
Effect of exchange rate changes on cash and cash equivalents	5,781	(10,268)	2,177
Net change in cash and cash equivalents	(6,620)	(63,767)	(9,642)
Cash and cash equivalents at beginning of year	38,931	102,698	112,340
Cash and cash equivalents at end of year	\$ 32,311	\$ 38,931	\$ 102,698
Supplemental disclosure of cash flow information:			
Cash paid for interest	\$ 10,447	\$ 7,856	\$
Cash paid for income taxes	9,864	8,932	6,323
Assets acquired under capital lease		52	
Cash flows from related parties	2,106	(267)	
<i>See accompanying notes</i>			

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**WNS (HOLDINGS) LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2010**

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

1. ORGANIZATION AND DESCRIPTION OF BUSINESS

WNS (Holdings) Limited (WNS Holdings), along with its subsidiaries, is a global business process outsourcing (BPO) company with client service offices in New York (US), London (UK), Singapore, Australia and delivery centers in Costa Rica, India, the Philippines, Romania, Sri Lanka, and the UK. The Company s clients are primarily in the travel, banking, financial services and insurance industries. WNS Holdings is incorporated in Jersey, Channel Islands.

2. RESTATEMENT AND RECLASSIFICATION OF PREVIOUSLY ISSUED CONSOLIDATED FINANCIAL STATEMENTS

The Company has concluded (a) to restate its previously issued consolidated financial statements for the years ended March 31, 2009 and 2008 and (b) to restate its previously issued condensed consolidated financial statements for the first, second and third quarters of fiscal year ended March 31, 2010 and each of the quarters in fiscal year ended March 31, 2009. The restatement resulted from a correction in the income statement characterization of referral fees and the timing of recognition of revenue and cost for completed but unbilled repair costs.

The Company provides its customers accident management services which relate to the repair of a damaged car. The Company pays the vendor (garage) for all services and recharges it to its customer (that is, the insurance company for which it is administering claims). The Company receives a referral fee from the vendor that is performing the repairs. The referral fee is based on a negotiated percentage of the repair cost with the respective vendor and in a majority of cases the referral fee from the vendor is passed on to the customer (insurance company). As part of the process to finalize the financial results for the year ended March 31, 2010, a review was undertaken of the Company s revenue recognition policies in the WNS Auto Claims BPO segment. As a result, the Company has concluded that in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 605-50-45-12 to 605-50-25-15, *Customer s Characterization of Certain Consideration Received from a Vendor*, that the cash consideration (referral fee) received from the vendor represents a reduction of the prices of the vendor s products and services and therefore should be recorded as a reduction of the repair cost (cost of sales) because (a) the repairer referral fee is not separable from the Company s purchase of the vendor s product (repair) and (b) the referral fee is (i) only paid to the vendor if the repair is performed and (ii) the amount of referral fee is a percentage of the repair cost. Accordingly, the referral fee received from vendors should be recorded as a reduction of cost of sales. Additionally, the referral fee passed along to the customer should be recorded as a reduction of revenue. Previously, the receipt and pass along of the referral fee were not recorded in the income statement.

Previously, the Company recorded repair costs and related revenue only upon receipt of an invoice from the vendor. The Company has concluded that it should accrue the costs and the related revenue for repairs completed but not yet billed by the vendor at the end of the respective period because the earnings process for such repair is completed simultaneously with the completion of the repair.

The restatement adjustments result in a cumulative net increase to previously reported WNS Holdings shareholders equity of approximately \$130 and \$68 as of March 31, 2009 and 2008, respectively, and change in previously reported net income by \$104 increase and \$53 decrease for the years ended March 31, 2009 and 2008, respectively. The restatement also had the effect of reducing revenue by \$18,363 and \$21,837 and cost of revenue by \$18,508 and \$21,762 for the years ended March 31, 2009 and 2008, respectively. The Company has also restated the April 1, 2007 opening retained earnings balance to recognize the impact of the restatement adjustments that relate to periods prior to April 1, 2007. The Company has also reclassified unbilled revenue of \$32,606 as of March 31, 2009, which was formerly included in accounts receivable, net and is now shown separately. Except as otherwise specified, all information presented in the consolidated financial statements and the related notes include all such restatement adjustments.

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WNS (HOLDINGS) LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (cont d)
MARCH 31, 2010

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

The following tables summarize the effects of the restatement on the Company's previously issued consolidated financial statements:

	As at March 31, 2009		
	As previously reported	Adjustments	As restated
Consolidated Balance Sheet impact			
Unbilled revenue	\$ 22,680	\$ 9,926	\$ 32,606
Deferred tax assets	1,743	(25)	1,718
Total current assets	163,541	9,901	173,442
Total assets	551,926	9,901	561,827
Deferred tax liabilities		27	27
Other current liabilities	54,126	9,744	63,870
Total current liabilities	167,710	9,771	177,481
Total liabilities	363,917	9,771	373,688
Retained earnings	46,917	170	47,087
Accumulated other comprehensive loss	(49,710)	(40)	(49,750)
Total WNS (Holdings) Limited shareholders' equity	187,996	130	188,126
Total liabilities, redeemable noncontrolling interest and equity	\$ 551,926	\$ 9,901	\$ 561,827

	Year ended March 31, 2009			Year ended March 31, 2008		
	As previously reported	Adjustments	As restated	As previously reported	Adjustments	As restated
Consolidated Statement of Income impact						
Revenue	\$ 539,264	\$(18,363)	\$ 520,901	\$ 459,867	\$(21,837)	\$ 438,030
Cost of revenue	410,316	(18,508)	391,808	363,322	(21,762)	341,560
Gross profit	128,948	145	129,093	96,545	(75)	96,470
Operating income	28,514	145	28,659	5,513	(75)	5,438
Income before income taxes	11,093	145	11,238	14,694	(75)	14,619
Provision for income taxes	3,302	41	3,343	5,194	(22)	5,172
Net income	7,791	104	7,895	9,500	(53)	9,447
Net income attributable to WNS (Holdings) Limited shareholders	\$ 8,078	\$ 104	\$ 8,182	\$ 9,500	\$ (53)	\$ 9,447
Earnings per share of ordinary share impact						
Basic	\$ 0.19	\$ 0.00	\$ 0.19	\$ 0.23	\$ (0.01)	\$ 0.22

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Diluted	\$	0.19	\$	0.00	\$	0.19	\$	0.22	\$	0.00	\$	0.22
Number of shares												
Basic		42,520,404			42,520,404		42,070,206					42,070,206
Diluted		43,108,599			43,108,599		42,945,028					42,945,028

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WNS (HOLDINGS) LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (cont d)
MARCH 31, 2010

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

	As previously reported	Adjustments	As restated
Consolidated statements of equity impact			
Retained earnings			
As at March 31, 2007	\$ 30,685	\$ 119	\$ 30,804
As at March 31, 2008	\$ 38,839	\$ 66	\$ 38,905
As at March 31, 2009	\$ 46,917	\$ 170	\$ 47,087
Accumulated other comprehensive income (loss)			
Balance as at March 31, 2007	\$ 13,235	\$ (0)	\$ 13,235
Foreign currency translation	\$ 5,528	\$ 2	\$ 5,530
Balance as at March 31, 2008	\$ 14,220	\$ 2	\$ 14,222
Foreign currency translation	\$(51,213)	\$ (42)	\$(51,255)
Balance as at March 31, 2009	\$(49,710)	\$ (40)	\$(49,750)

Consolidated Statement of Cash Flows Impact

The following table includes selected information from our consolidated statements of cash flows presenting previously reported and restated cash flows, for the years ended March 31, 2009 and 2008:

	Year ended March 31, 2009			Year ended March 31, 2008		
	As previously reported	Adjustments	As restated	As previously reported	Adjustments	As restated
Net income	\$ 7,791	\$ 104	\$ 7,895	\$ 9,500	\$ (53)	\$ 9,447
Adjustments to reconcile net income to net cash provided by operating activities						
Deferred income taxes (1)	(8,722)	32	(8,690)	(5,387)	(23)	(5,410)
Changes in operating assets and liabilities						
Accounts receivable and unbilled revenue (2)	4,611	(2,697)	1,914	(5,880)	1,348	(4,532)
Other liabilities (3)	3,235	2,543	5,778	12,754	(1,271)	11,483
Net cash provided by operating activities	62,897	(18)	62,879	41,051	1	41,052
Effects of exchange rate changes on cash and cash equivalents	(9,986)	18	(9,968)	2,178	(1)	2,177

(1)

Related tax effect due to the correction of Referral fee retained on completed repairs.

- (2) Effect of recording of revenue related to completed repairs.
- (3) Effect of recording of costs related to completed repairs

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WNS (HOLDINGS) LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (cont d)
MARCH 31, 2010

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (AS RESTATED See Note 2)

Basis of preparation

The accompanying consolidated financial statements include the accounts of WNS Holdings and its subsidiaries (collectively, the Company or WNS) and are prepared in accordance with United States generally accepted accounting principles (US GAAP). All significant inter-company balances and transactions have been eliminated upon consolidation. An acquired business is included in the Company s consolidated statement of income with effect from the date of the acquisition.

Previous period amounts have been reclassified for the adoption of ASC 810-10-65 *Non-controlling interests in consolidated financial statements, an amendment to ARB No. 51* (Refer to Note 3 below).

The Company uses the United States Dollar (\$ or USD) as its reporting currency.

Consolidation

The Company consolidates all the subsidiaries where it holds, directly or indirectly, more than 50% of the total voting power or where it exercises control.

Use of estimates

The preparation of financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The Company bases its estimates and judgments on historical experience and on various other assumptions that it believes are reasonable under the circumstances. The amount of assets and liabilities reported on the Company s balance sheets and the amounts of revenue and expenses reported for each of its periods presented are affected by estimates and assumptions, which are used for, but not limited to, the accounting for revenue recognition, allowance for doubtful accounts, income taxes, determining impairment on long-lived assets, intangibles and goodwill, valuation of currency and interest rate hedges, share-based compensation and accounting for defined benefit plans. Actual results could differ from those estimates.

Foreign currency translation

The Company s foreign subsidiaries use their respective local currency as their functional currency, except for subsidiaries in Mauritius and Singapore, which use \$ as their functional currency. Accordingly, assets and liabilities of subsidiaries using their local currency as their functional currency are translated into \$ at exchange rates in effect at the balance sheet date, while revenue and expenses are translated at average exchange rates prevailing during the year. Translation adjustments are reported as a component of accumulated other comprehensive income (loss) in equity. Foreign currency denominated assets and liabilities are re-measured into the functional currency at exchange rates in effect at the balance sheet date. Foreign currency transaction gains and losses are recorded in the consolidated statement of income within other expenses (income), net.

Revenue recognition

BPO services comprise back office administration, data management, contact center management and auto claims handling services. Depending on the terms of the arrangement, revenue from back office administration, data management and contact center management is recognized on a per employee, per transaction or cost-plus basis. Revenue is only recognized when persuasive evidence of an arrangement exists, services have been rendered, the fee is determinable and collectability is reasonably assured.

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WNS (HOLDINGS) LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (cont d)
MARCH 31, 2010

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

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 (see discussion below) are recognized in the period the services are rendered. An upfront payment received towards future services is recognized ratably over the period when such services are provided.

The Company has certain 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, the Company recognizes deferred revenue for the shortfall which has been invoiced and received. To the extent the Company has 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 the Company has sufficient experience, the Company considers 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 and the Company, (ii) the length of time for which the Company has such historical experience, (iii) future volume expected based on projections received from the client, and (iv) the Company's internal expectations of ongoing volume with the client. Otherwise, the deferred revenue will remain until such time, when the Company can conclude that it will not receive revenue in excess of the minimum commitment.

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

For certain BPO customers, the Company performs transition activities at the outset of entering into a new contract. The Company has determined these transition activities do not meet the criteria in ASC 605-25, *Multiple Element Arrangements*, to be accounted for as a separate unit of accounting with stand-alone value separate from the ongoing 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 incurred.

Auto claims handling services include claims handling and administration (*Claims Handling*), car hire and arranging for repairs with repair centers across the United Kingdom and the related payment processing for such repairs (*Accident Management*). With respect to Claims Handling, the Company receives either a per-claim fee or a fixed fee. Revenue for per claim fee is recognized over the estimated processing period of the claim, which currently ranges from one to two months and for fixed fee it is recognized on a straight line basis over the period of the contract. In certain cases, the fee is contingent upon the successful recovery of a claim on behalf of the customer. In these circumstances, the revenue is deferred until the contingency is resolved. Revenue in respect of car hire is recognized over the car hire term.

In order to provide Accident Management services, the Company arranges for the repair 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, the Company considers the criteria established by ASC 605-45, *Principal Agent Consideration*. When the Company determines that it is the principal in providing Accident 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 the Company is the principal in the transaction include whether (i) the Company is the primary obligor, (ii) the Company negotiates labour rates with repair centers, (iii) the Company determines which repair center should be used, (iv) the Company is responsible for timely and satisfactory completion of repairs, and (v) the Company bears the risk that the customer may not pay for the services provided (credit risk). If there are circumstances where the above criteria are not met and therefore the Company is not the principal in providing

Accident Management services, amounts received from customers are recognized and presented net of payments to repair centers in the consolidated statement of income. Revenue from Accident Management services is recorded net of the repairer referral fees passed onto customers.

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WNS (HOLDINGS) LIMITED
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Cost of revenue

Cost of revenue includes payments to repair centers, salaries and related expenses, facilities costs including depreciation and amortization on leasehold improvements, communication expenses and out-of-pocket expenses. Cost of revenue during a transfer period, which includes process set up, training, systems transfer and other personnel costs, are recognized as incurred except in respect of transition activities.

Payments to repair centers represent the cost of repair in the Accident Management services and are net of the referral fee earned from the repair centers.

Cash and cash equivalents

The Company considers all highly liquid investments with an initial maturity of up to three months to be cash equivalents. The components of cash and cash equivalents are as follows:

	As at March 31,	
	2010	2009
Fixed deposits with banks	\$ 6,991	\$ 2,150
Other cash and bank balances	25,320	36,781
Cash and cash equivalents	\$ 32,311	\$ 38,931

Bank deposits and marketable securities

Bank deposits consist of term deposits with an original maturity of more than three months. The Company's marketable securities represent highly liquid investments and are acquired principally for the purpose of generating a profit from short-term fluctuation in prices. All purchases and sales of such investments are recognized on the trade date. Investments are initially measured at cost, which is the fair value of the consideration paid, including transaction costs. All marketable securities are classified and accounted as trading investments and accordingly, reported at fair value, with changes in fair value recognized in the consolidated statement of income. Interest and dividend income is recognized when earned.

Funds held for clients

Some of the Company's agreements in the Auto Claims handling services allow the Company to temporarily hold funds on behalf of the client. The funds are segregated from the Company's funds and there is usually a short period of time between when the Company receives these funds from the client and when the payments are made on their behalf.

Accounts receivable

Accounts receivable represent trade receivables, net of an allowance for doubtful accounts. The allowance for doubtful accounts represents the Company's best estimate of receivables that are doubtful of recovery based on a specific identification basis.

The changes in the allowance for doubtful accounts for the years ended March 31, 2010, 2009 and 2008 were as follows:

	Year ended March 31,		
	2010	2009	2008
Balance at the beginning of the year	\$ 1,935	\$ 1,784	\$ 364
Charged to operations	1,666	535	1,602
Write-off, net of collections	(20)	(218)	(126)
Reversal	(428)	(77)	(61)
Translation adjustment	(1)	(89)	5

Balance at the end of the year	\$ 3,152	\$ 1,935	\$ 1,784
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WNS (HOLDINGS) LIMITED
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Property and equipment

Property and equipment are stated at historical cost and depreciation and amortization is computed using the straight-line method over the estimated useful lives of the assets, which are as follows:

Asset description	Asset life (in years)
Buildings	20
Computers and software	3-4
Furniture, fixtures and office equipment	4-5
Vehicles	3
Leasehold improvements	Lesser of estimated useful life or lease term

Assets acquired under capital leases are capitalized as assets by the Company at the lower of the fair value of the leased property or the present value of the related lease payments or where applicable, the estimated fair value of such assets. Assets under capital leases and leasehold improvements are depreciated over the shorter of the lease term or the estimated useful life of the assets.

Advances paid towards the acquisition of property and equipment and the cost of property and equipment not put to use before the balance sheet date are disclosed under the caption capital work-in-progress (See Note 5).

Property and equipment are reviewed for impairment, if indicators of impairment arise. The evaluation of impairment is based upon a comparison of the carrying amount of the property and equipment to the estimated future undiscounted net cash flows expected to be generated by the property and equipment. If estimated future undiscounted cash flows are less than the carrying amount of the property and equipment, the asset is considered impaired. The impairment expense is determined by comparing the estimated fair value of the property and equipment to its carrying value, with any shortfall from fair value recognized as an expense in the current period. The fair value is determined based on valuation techniques such as discounted cash flows or comparison to fair values of similar assets. There were no impairment charges related to property and equipment recognized during the years ended March 31, 2010, 2009 and 2008.

Software capitalization

Software that has been purchased is included in property and equipment and is amortized using the straight-line method over three years. The cost of internally developed software and product enhancements is capitalized in accordance with ASC 350-40 *Internal-Use Software*. The estimated useful lives of such assets vary between three and four years.

Accounting for leases

The Company leases most of its delivery centers and office facilities under operating lease agreements that are renewable on a periodic basis at the option of the lessor and the lessee. The lease agreements contain rent free periods and rent escalation clauses. Rental expenses for operating leases with step rents are recognized on a straight-line basis over the minimum lease term.

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Goodwill and intangible assets

Goodwill is not amortized but is reviewed for impairment annually or more frequently if indicators arise. In accordance with ASC topic 350, *Intangibles - Goodwill and Other* (ASC No. 350), all assets and liabilities of the acquired businesses including goodwill are assigned to reporting units. The evaluation is based upon a comparison of the estimated fair value of the reporting unit to which the goodwill has been assigned to the sum of the carrying value of the assets and liabilities for that reporting unit. The fair value used in this evaluation is estimated based upon discounted future cash flow projections for the reporting unit. These cash flow projections are based upon a number of estimates and assumptions.

Intangible assets are initially valued at fair market value using generally accepted valuation methods appropriate for the type of intangible asset. Intangible assets with definite lives are amortized over the estimated useful lives and are reviewed for impairment, if indicators of impairment arise. The evaluation of impairment is based upon a comparison of the carrying amount of the intangible asset to the estimated future undiscounted net cash flows expected to be generated by the asset.

If estimated future undiscounted cash flows are less than the carrying amount of the asset, the asset is considered impaired. The impairment expense is determined by comparing the estimated fair value of the intangible asset to its carrying value, with any shortfall from fair value recognized as an expense in the current period. The Company's definite lived intangible assets are amortized over the estimated useful life of the assets:

Asset description	Weighted average amortization period (in months)
Customer contracts	100
Customer relationship	90
Intellectual property rights	36
Leasehold benefits	48
Covenant not-to-compete	48

Income taxes

The Company applies the asset and liability method of accounting for income taxes as described in ASC 740,

Income Taxes. Under this method, deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Valuation allowances are recognized to reduce the deferred tax assets to an amount that is more likely than not to be realized. In assessing the likelihood of realization, management considers estimates of future taxable income and the effect of temporary differences.

Employee benefits***Defined contribution plans***

Eligible employees of the Company in the United States participate in a savings plan (the Plan) under Section 401(k) of the United States Internal Revenue Code (the Code). The Plan allows for employees to defer a portion of their annual earnings on a pre-tax basis through voluntary contributions to the Plan. The Plan provides that the Company can make optional contributions up to the maximum allowable limit under the Code.

Eligible employees of the Company in India, Philippines, Sri Lanka and United Kingdom participate in a defined contribution fund in accordance with the regulatory requirements in the respective jurisdictions. Both the employee

and the Company contribute on equal amount to the fund.

The Company has no further obligation under defined contribution plans beyond the contributions made under these plans. Contributions are charged to income in the year in which they accrue and are included in the consolidated statement of income (See Note 10).

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Defined benefit plan

Employees in India, the Philippines and Sri Lanka are entitled to benefits under the Gratuity Act, a defined benefit retirement plan covering eligible employees of the Company. The plan provides for a lump-sum payment to eligible employees at retirement, death, incapacitation or on termination of employment, of an amount based on the respective employee's salary and tenure of employment (subject to a maximum of approximately \$8 per employee in India). In India contributions are made to funds administered and managed by the Life Insurance Corporation of India (LIC) and AVIVA Life Insurance Company Private Limited (ALICPL) (together fund administrators) to fund the gratuity liability of an Indian subsidiary. Under this scheme, the obligation to pay gratuity remains with the Company, although the Fund Administrators administer the scheme. The Company's Sri Lanka subsidiary, Philippines subsidiary and one Indian subsidiary have unfunded gratuity obligations.

Advertising costs

Advertising costs are expensed as incurred and are included in selling, general and administrative expenses. Advertising costs for the years ended March 31, 2010, 2009 and 2008 were \$2,006, \$1,760 and \$1,561, respectively.

Derivative financial instruments

In accordance with ASC 815-10 *Derivatives and Hedging* , the Company recognizes all of its 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 the Company to risk; and it is

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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. For derivative instruments where hedge accounting is applied, the Company records the effective portion of derivative instruments that are designated as cash flow hedges in accumulated other comprehensive income (loss) in the statement of equity and comprehensive income, which is reclassified into earnings in the same line item associated with the hedged item and 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 ineffectiveness 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 in other expenses (income) in the statement of income. Cash flows from the derivative instruments are classified within cash flows from operating activities in the statement of cash flows.

The Company provides additional disclosure in accordance with ASC 815-10-15-2, *Disclosures about Derivative Instruments and Hedging Activities* (ASC 815-10-15-2). ASC 815-10-15-2 requires additional disclosures about the Company's objectives in using derivative instruments and hedging activities, the method of accounting for such instruments under ASC 815-10-15-2 and its related interpretations, and tabular disclosures of the effects of such instruments and related hedged items on the Company's financial position, financial performance, and cash flows.

Earnings per share

Basic income per share is computed using the weighted-average number of ordinary shares outstanding during the year. Diluted income per share is computed by considering the impact of the potential issuance of ordinary shares, using the treasury stock method, on the weighted average number of shares outstanding.

The following table sets forth the computation of basic and diluted earnings per share:

	2010	Year ended March 31,	
		2009	2008
		(As restated See Note 2)	(As restated See Note 2)
Numerator:			
Net income attributable to WNS (Holdings) Limited shareholders	\$ 3,710	\$ 8,182	\$ 9,447
Denominator:			
Basic weighted average ordinary shares outstanding	43,093,316	42,520,404	42,070,206
Dilutive impact of stock options and Restricted Share Units (RSUs)	1,080,812	588,195	874,822
Diluted weighted average ordinary shares outstanding	44,174,128	43,108,599	42,945,028

The Company excludes options with exercise price that are greater than the average market price from the calculation of diluted EPS because their effect would be anti-dilutive. In the years ended March 31, 2010, 2009 and 2008, the Company excluded from the calculation of diluted EPS options to purchase 1,135,332 shares, 2,559,367 shares and 1,189,532 shares, respectively, whose combined exercise price, unamortized fair value and excess tax benefits were greater in each of those periods than the average market price for the Company's ADSs because their effect would be anti-dilutive.

Share-based compensation

The Company accounts for share based compensation in accordance with ASC 718, *Stock Compensation* (ASC 718). ASC 718 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.

In accordance with the provisions of ASC 718, share based compensation for all awards granted, modified or settled on or after April 1, 2006, that the Company expects to vest, is recognized on a straight line basis over the requisite service period, which is generally the vesting period of the award.

ASC 718 requires the use of a valuation model to calculate the fair value of share-based awards. The Company 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. The Company has elected to use the with and without approach as described in ASC 740-20 *Intraperiod tax allocation* in determining the order in which tax attributes are utilized. As a result, the Company only recognizes tax benefit from share-based awards in additional paid-in capital if an incremental tax benefit is realized after all other tax attributes currently available to the Company have been utilized.

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Concentration of risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents, bank deposits, marketable securities, funds held for clients and accounts receivable. By their nature, all such instruments involve risks including credit risks of non-performance by counterparties. A substantial portion of the Company's cash and cash equivalents are invested with financial institutions and banks located in the United States and the United Kingdom. A portion of surplus funds are also invested in marketable securities and deposits with banks in India and abroad.

Accounts receivable are unsecured and are derived from revenue earned from customers in the travel, banking, financial services and insurance industries based primarily in the United States and Europe (including the United Kingdom). The Company monitors the credit worthiness of its customers to whom it grants credit terms in the normal course of its business. Management believes there is no significant risk of loss in the event of non-performance of the counter parties to these financial instruments, other than the amounts already provided for in the consolidated financial statements.

Adoption of new accounting principles

Effective January 1, 2010, FASB issued Accounting Standards Update (ASU) No. 2010-06, *Improving Disclosures about Fair Value Measurements*, to amend the disclosure requirements related to recurring and nonrecurring fair value measurements. The guidance requires new disclosures on the transfers of assets and liabilities between Level 1 (quoted prices in active market for identical assets or liabilities) and Level 2 (significant other observable inputs) of the fair value measurement hierarchy, including the reasons and the timing of the transfers. Additionally, the guidance requires a roll forward of activities on purchases, sales, issuance, and settlements of the assets and liabilities measured using significant unobservable inputs (Level 3 fair value measurements). The guidance is effective for interim and annual reporting period beginning after December 15, 2009, except for the disclosure about purchases, sales, issuance, and settlements in the roll forward of activity in level 3 fair value measurements which are effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. The Company adopted the disclosure provisions on the transfers of assets and liabilities between Level 1 and Level 2 in the quarter ended December 31, 2009

Effective July 1, 2009, the FASB issued ASU No. 2009-01, *Generally Accepted Accounting Principles* (ASC Topic 105) which establishes the FASB Accounting Standards Codification (the Codification or ASC) as the official single source of authoritative U.S. generally accepted accounting principles. All existing accounting standards are superseded. The Codification also includes all relevant Securities and Exchange Commission guidance organized using the same topical structure in separate sections within the Codification. Following the Codification, the FASB will not issue new standards in the form of Statements, FASB Staff Positions or Emerging Issues Task Force Abstracts. Instead, it will issue Accounting Standards Updates (ASU) which will serve to update the Codification, provide background information about the guidance and provide the basis for conclusions on the changes to the Codification. The Codification is not intended to change GAAP, but it will change the way GAAP is organized and presented. All other non grandfathered non-SEC accounting literature not included in the Codification will become non authoritative. The Codification has been adopted from the Company's second fiscal quarter of 2010 financial statements and the principal impact on the financial statements was limited to disclosures as all future references to authoritative accounting literature will be referenced in accordance with the Codification.

Effective April 1, 2009, the Company adopted ASC 810-10-65 in respect of the noncontrolling interest in the operations of WNS Philippines, Inc. and the profits or losses associated with the noncontrolling interest in these operations. The adoption of ASC 810-10-65 requires reclassification of amounts previously attributable to minority interest (now referred to as noncontrolling interest) to a separate component of equity on the balance sheets. However, pursuant to the application of ASC 480-10 *Distinguishing Liabilities from Equity*, the noncontrolling interest has been classified in temporary equity as redeemable noncontrolling interest (Refer to note 21) and the balance at March

31, 2009 has been reclassified from minority interest to redeemable noncontrolling interest. Additionally, (i) net income includes net income or loss attributable to noncontrolling interest; (ii) the components of net income attributable to the shareholders of the Company and the net income attributable to noncontrolling interest are displayed in the statements of income and (iii) losses are allocated to the noncontrolling interest even if the losses exceed the equity attributable to noncontrolling interest. The adoption of ASC 810-10-65 did not have any impact on the net income attributable to WNS (Holdings) Limited shareholders.

Effective April 1, 2009, the Company adopted FASB ASC 855-10, *Subsequent Events*. ASC 855-10 establishes general standards for accounting and disclosure of events that occur after the balance sheet date but before financial statements are issued (subsequent events). These standards are largely the same guidance on subsequent events which previously existed only in auditing literature and adoption of ASC 855-10 did not impact the Company's financial statement.

Effective April 1, 2009, the Company adopted the provisions of ASC 805-10, *Business Combinations (revised 2007)*. ASC 805-10 retains the underlying concepts of Statement of Financial Accounting Standards (SFAS) No. 141, *Business Combinations* in that all business combinations are still required to be accounted for at fair value under the acquisition method of accounting, but changes the method of applying the acquisition method in a number of significant aspects. Acquisition costs will generally be expensed as incurred; noncontrolling interests will be valued at fair value at the acquisition date; in-process research and development will be recorded at fair value as an indefinite-lived intangible asset at the acquisition date; restructuring costs associated with a business combination will generally be expensed subsequent to the acquisition date; and changes in deferred tax asset valuation allowances and income tax uncertainties after the acquisition date generally will affect income tax expense.

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ASC 805-10 is effective on a prospective basis for all of business combinations consummated on or after April 1, 2009, with the exception of the accounting for valuation allowances on deferred taxes and acquired tax contingencies. ASC 805-10 amends ASC 740, *Income Taxes* such that adjustments made to valuation allowances on deferred taxes and acquired tax contingencies associated with acquisitions that closed prior to the effective date of ASC 805-10 would also apply the provisions of ASC 805-10.

In April 2009, the FASB issued ASC 320-10-65-1, *Recognition and Presentation of Other-Than-Temporary Impairments*. ASC 320-10-65-1 was issued contemporaneously with ASC 820-10-65-4, *Determining Fair Value When the Volume and Level of Activity for the Asset or Liability has Significantly Decreased and Identifying Transactions that are Not Orderly* and ASC 825-10-65-1, *Interim Disclosures About Fair Value of Financial Instruments*. ASC 320-10-65-1 establishes a new model for measuring other than temporary impairments for debt securities, including establishing criteria for when to recognize a write-down through earnings versus other comprehensive income. ASC 820-10-65-4 clarifies the objective and method of fair value measurement even when there has been a significant decrease in market activity for the asset being measured. ASC 825-10-65-1 expands the fair value disclosures required for all financial instruments within the scope of ASC 825-10-50, *Disclosures about Fair Value of Financial Instruments* to interim periods. The Company's adoption of ASC 320-10-65-1 and ASC 820-10-65-1 did not have any impact on the Company's results of operations, cash flows or financial position. Adoption of ASC 825-10-65-1 resulted in increased disclosures in the interim periods.

In December 2008, the FASB issued FSP No. FAS 132 (R)-1, *Employers' Disclosures about Postretirement Benefit Plan Assets* (ASC paragraphs 715-20-50-1 and 50-5 and 715-20-55-16 and 55-17). ASC 715-20 provides guidance on an employer's disclosures about plan assets of a defined benefit pension or other postretirement plan. ASC 715-20 requires entities to disclose more information about how investment allocation decisions are made, more information about major categories of plan assets, including concentrations of risk and fair-value measurements, and the fair-value techniques and inputs used to measure plan assets. Refer note 10 for information and related disclosure.

New accounting pronouncements

In October 2009, the FASB issued ASU No. 2009-13, *Multiple-Deliverable Revenue Arrangements*. This ASU establishes the accounting and reporting guidance for arrangements including multiple revenue-generating activities. This ASU provides amendments to the criteria for separating deliverables and measuring and allocating arrangement consideration to one or more units of accounting. The amendments in this ASU also establish a selling price hierarchy for determining the selling price of a deliverable. Significantly enhanced disclosures are also required to provide information about a vendor's multiple-deliverable revenue arrangements, including information about the nature and terms, significant deliverables, and its performance within arrangements. The amendments also require providing information about the significant judgments made and changes to those judgments and about how the application of the relative selling-price method affects the timing or amount of revenue recognition. The amendments in this ASU are effective prospectively for revenue arrangements entered into or materially modified in the fiscal years beginning on or after June 15, 2010. Early application is permitted. The Company is currently evaluating the impact of the adoption of this new ASU on its financial statements.

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4. ACQUISITIONS**AVIVA Global Services Singapore Private Limited (Aviva Global)**

On July 11, 2008, the Company entered into a transaction with Aviva International Holdings Limited (AVIVA), comprising a share sale and purchase agreement (SSPA) and a master services agreement with Aviva Global Services (Management Services) Private Limited (AVIVA MSA). Pursuant to the SSPA with AVIVA, the Company acquired all the shares of Aviva Global Services Singapore Private Limited (Aviva Global) in July 2008. This acquisition expands the Company's market share in target industries, extends the Company's scale and bolsters the Company's service offerings in the insurance industry.

Aviva Global was the business process offshoring subsidiary of AVIVA with facilities in Bangalore, India, and Colombo, Sri Lanka. The Company had previously provided BPO services to AVIVA from the Sri Lankan facility pursuant to a Build-Operate-Transfer (BOT) contract. Aviva Global had exercised its option and acquired the Sri Lanka business on July 2, 2007. With the acquisition of Aviva Global, the Company acquired the Bangalore operations and resumed control of the Sri Lanka operations. The Company also provided BPO services to AVIVA pursuant to BOT contract through its wholly owned subsidiary, NTrance Customer Services Private Limited (Ntrance), from its facility in Pune, India, which has remained with the Company as a result of this transaction. In addition, third party BPO providers provided BPO services to Aviva Global under similar BOT contracts from a facility in Chennai, India through Customer Operational Services (Chennai) Private Limited (COSC) and a facility in Pune, India through Noida Customer Operations Private Limited (NCOP). Aviva Global exercised its option to require the third party BPO providers to transfer COSC and NCOP to Aviva Global. The transfers of COSC and NCOP to Aviva Global were completed on July 21, 2008 and August 10, 2008, respectively. Consequent to the above transfers, Aviva Global has five subsidiaries, namely Aviva Global Shared Services Private Limited, Aviva Global Services (Bangalore) Private Limited (together with Aviva Global Shared Services Private Limited, Aviva Bangalore), Aviva Global Services Lanka (Private) Limited (Aviva Sri Lanka), COSC and NCOP (Aviva Global and its subsidiaries). The results of operations of Aviva Bangalore and Aviva Sri Lanka have been included in the Company's consolidated statement of income from July 11, 2008. The results of operations of COSC and NCOP have been included in the Company's consolidated statement of income from July 21, 2008 and August 10, 2008, respectively.

The initial purchase price paid to AVIVA for the acquisition of Aviva Global and its subsidiaries was \$223,462. In addition, the Company paid for the acquisitions of COSC and NCOP at the net purchase price of \$13,904 and \$3,527, respectively. The purchase price for the acquisition was \$249,093, including direct transaction costs of \$8,200.

On August 3, 2009, the Company completed the final settlement and agreed to pay AVIVA approximately £3,177 (\$5,282) for certain liabilities of Aviva Global that existed as of the date of its acquisition and the net asset value settlement for COSC, NCOP and Ntrance arising out of the sale and purchase agreements relating to the acquisitions of these entities by Aviva Global. The payment of this liability is being made in 18 equal monthly installments commencing December 2009.

Pursuant to the final settlement, the allocation of the total cost of acquisition to the assets acquired and liabilities assumed has been finalized based on a determination of their fair values. The liability assumed on final settlement has been recorded at present value, discounted using appropriate interest rates. The purchase price allocation resulted in negative goodwill amounting to \$1,004 which was adjusted on a pro-rata basis to intangible assets and property and equipment.

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The following table summarizes the allocation:

	Amount
Cash	\$ 17,118
Accounts receivable	16,172
Other assets	12,076
Property and equipment	15,912
Intangible assets	
Customer relationships	46,301
Customer contracts	177,247
Leasehold benefits	1,835
Current liabilities	(25,472)
Other liabilities	(3,128)
Deferred tax liability	(8,968)
 Total purchase consideration	 \$ 249,093

Pursuant to the AVIVA MSA, the Company has agreed to provide BPO services to AVIVA's UK and Canadian businesses for a term of eight years and four months. Under the terms of this agreement, the Company has 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, the Company has 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. The Company has valued intangible assets for customer contracts and customer relationships using the income approach by discounting future cash flows and tax amortization benefit. The customer relationships and customer contracts are being amortized over the duration of the AVIVA MSA, being a period of eight years and four months. Leasehold benefits represent beneficial property lease arrangements of other Aviva Global subsidiaries, which have been valued based on Comparative Income Differential Method (CIDM) and are being amortized over the remaining period of the respective property lease agreements.

NCOP and Ntrance had certain leasehold property agreements containing a purchase option clause in favor of Aviva Global at an agreed price of \$3,300 and \$2,100, respectively, which was less than the actual market price of the properties on the date of acquisition. Subsequent to the acquisition, the Company has exercised the option to purchase both of the premises and completed the purchase. Accordingly, the beneficial purchase options have been valued at \$5,704 by the Company, based on the CIDM, which estimates the income differential an asset is expected to generate relative to its absence. The purchase option plus the beneficial purchase option values totaling approximately \$11,100 have been recorded as Building under property and equipment and is being amortized over the estimated life of the building of 20 years.

As part of acquisition of Aviva Global, the Company formalized a plan to restructure the operations of COSC, pursuant to which a significant portion of the leased premises of Chennai were surrendered to the landlord by March 2009. Consequently, the Company valued leasehold improvement pertaining to those surrendered portions at zero value and also recorded minimum lease rentals totaling \$914 calculated from the date of acquisition until March 2009, as a liability. The above plan did not entail any employee terminations or relocations.

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Chang Limited (together with its subsidiary Call 24-7 Limited, Call 24-7)

On April 7, 2008, the Company completed the acquisition of the entire share capital of Chang Limited, UK along with its subsidiary, Call 24-7 Limited, the key operating entity (collectively referred to as Call 24-7). Call 24-7 provides a consolidated suite of services towards accident management, including credit hire and credit repair for Non-fault repairs business. Non-fault services are mainly credit hire and credit repair services provided when an individual that has an accident is not at fault but has a damaged car which needs repairing. The car is repaired at no cost to the customer, with the bill being paid for by the insurance company of the at-fault parties. This acquisition strengthened the Company's position in accident claims management in the UK, enabling the Company to leverage its cost-efficient claims processing, technology and engineering and collision-repair expertise to deliver quality service throughout the accident-management process. While the existing WNS Assistance auto claims BPO business focuses on the Fault repairs market, this acquisition leverages the Non-fault repairs business. The results of operations of Call 24-7 have been included in the Company's consolidated statement of income from April 1, 2008.

The purchase price for the acquisition was a cash payment of British Pound (£) 7,325 (\$14,577), plus direct transaction costs of \$494.

The total cost of the acquisition has been allocated to the assets acquired and liabilities assumed based on their fair values. The following table summarizes the allocation:

	Amount
Cash	\$ 3
Accounts receivable	12,475
Other assets	6,495
Property and equipment	526
Intangible asset - customer relationships	7,519
Goodwill	13,683
Current liabilities	(23,523)
Deferred tax liability	(2,107)
 Total purchase consideration	 \$ 15,071

The Company has valued the intangible for customer relationships using the income approach by discounting future cash flows and tax amortization benefit and is being amortized over a period of five years.

Business Applications Associates Limited (BizAps)

On June 12, 2008, the Company acquired all outstanding shares of Business Applications Associates Limited (BizAps), a provider of systems applications and products (SAP) solutions to optimize enterprise resource planning (ERP) functionality for finance and accounting processes. The acquisition of BizAps enabled the Company to further assist global customers in transforming shared services finance and accounting functions, such as purchase-to-pay and order-to-cash. Based in the UK and the US, with development capability in China, BizAps offers SAP optimization services and SAP certified solutions designed to simplify SAP roll-out and enhance

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functionality for internal and outsourced shared services centers. The results of operations of BizAps have been included in the Company's consolidated statement of income from June 1, 2008.

The purchase price for the acquisition was a cash payment of £5,000 (\$9,749) plus direct transaction costs of \$469. The consideration also includes a contingent earn-out consideration of up to of £4,500 (\$9,000) based on satisfaction of certain performance obligation over a two-year period as set out in the share purchase agreement.

In July 2008, the Company also issued RSUs to certain employees of BizAps with the market value of such RSUs as of the date of grant aggregating £500 (\$1,000). Such issuance of RSUs was accounted for as share-based compensation charge on the date of grant.

The initial purchase consideration of \$10,218 was allocated to intangible assets of \$5,927 and net tangible assets of \$624 based on a determination of their fair value, with the residual \$3,667 allocated to goodwill. Consequent to the satisfaction of certain performance obligations for the 12 month period ended June 30, 2009, the Company has paid an earn-out consideration of \$1,111. Such amount is recorded as an addition to goodwill. On June 6, 2010, the Company entered into an amendment to the acquisition agreement with the sellers, pursuant to which, except for the earn-out payable based on the sellers' introductions to the Company of parties interested in contracting with the Company for BPO business, the Company settled the earn-out consideration for all other performance obligations for the period ending on June 30, 2010 at \$395 which is payable subject to the fulfillment of certain conditions by July 2010.

The total estimated cost of the acquisition has been allocated to the assets acquired and liabilities assumed based on a determination of their fair value. The following table summarizes the allocation:

	Amount
Cash	\$ 182
Accounts receivable	2,168
Other assets	239
Property and equipment	93
Intangible assets	
Customer relationships	2,425
Intellectual property rights	2,888
Other	614
Goodwill	4,778
Current liabilities	(1,184)
Deferred tax liability	(874)
 Total purchase consideration	 \$ 11,329

The Company has valued the customer relationship using the income approach and intellectual property rights are valued using the replacement cost approach.

Customer relationships, intellectual property rights and other intangible assets are being amortized over five years, three years and two years, respectively.

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5. PROPERTY AND EQUIPMENT

The major classes of property and equipment are as follows:

	As at March 31,	
	2010	2009
Building	\$ 12,424	\$ 11,048
Computers and software	59,828	49,010
Furniture, fixtures and office equipment	51,269	43,556
Vehicles	2,299	2,582
Leasehold improvements	40,193	31,764
Capital work-in-progress	5,492	8,181
	171,505	146,141
Accumulated depreciation and amortization	(119,805)	(90,149)
Property and equipment, net	\$ 51,700	\$ 55,992

Depreciation expense, including amortization of assets recorded under capital leases, amounted to \$21,152, \$21,789 and \$18,452 for the years ended March 31, 2010, 2009 and 2008, respectively. Capital work-in-progress includes advances for property and equipment of \$650 and \$1,054 as at March 31, 2010 and 2009, respectively. Computers on capital leases at March 31, 2010 and 2009 were nil and \$142, respectively. The related accumulated amortization at March 31, 2010 and 2009 was nil and \$85, respectively.

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6. GOODWILL AND INTANGIBLES

The components of intangible assets are as follows:

	March 31, 2010		
	Gross	Accumulated amortization	Net
Customer contracts	\$ 189,961	\$ 49,300	\$ 140,661
Customer relationships	64,891	19,962	44,929
Intellectual property rights	4,660	3,344	1,316
Leasehold benefits	1,835	789	1,046
Covenant not-to-compete	337	210	127
	\$ 261,684	\$ 73,605	\$ 188,079

	March 31, 2009		
	Gross	Accumulated amortization	Net
Customer contracts	\$ 187,979	\$ 27,468	\$ 160,511
Customer relationships	63,151	10,701	52,450
Intellectual property rights	4,431	1,703	2,728
Leasehold benefits	1,835	330	1,505
Covenant not-to-compete	327	149	178
	\$ 257,723	\$ 40,351	\$ 217,372

The amortization expenses amounted to \$32,422, \$24,912 and \$2,869 for the years ended March 31, 2010, 2009 and 2008, respectively.

The estimated annual amortization expense based on current intangible balances is as follows:

Year ending March 31,	Amount
2011	\$ 31,739
2012	30,727
2013	28,625
2014	26,887
2015	26,826
Thereafter	43,275
	\$ 188,079

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The changes in the carrying value of goodwill by segment (refer to note 16) were as follows:

	WNS Global	WNS Auto Claims	Total
Balance at March 31, 2008	\$ 60,245	\$ 27,225	\$ 87,470
Goodwill arising on acquisition			
Call 24-7		13,683	13,683
BizAps	3,667		3,667
Foreign currency translation	(11,849)	(11,292)	(23,141)
Balance at March 31, 2009	\$ 52,063	\$ 29,616	\$ 81,679
Goodwill arising on earnout BizAps	1,111		1,111
Foreign currency translation	6,341	1,531	7,872
Balance at March 31, 2010	\$ 59,515	\$ 31,147	\$ 90,662

7. LOSS OF CLIENT

In September 2007, pursuant to the bankruptcy of First Magnus Financial Corporation (FMFC), a US mortgage service company which was a client acquired in connection with the acquisition of Trinity Partners Inc (Trinity) and the continuing weakness and uncertainty in the US mortgage market, the Company tested the goodwill and intangible assets related to the acquisition of Trinity. The Company concluded that the entire goodwill and intangibles acquired in the purchase of Trinity were impaired. Accordingly, the Company recorded an impairment charge of \$8,889 for the goodwill, \$6,359 for the intangibles and \$216 for other assets in the WNS Global BPO segment during the year ended March 31, 2008. The amount of the claims filed by the Company in FMFC 's Chapter 11 case total \$15,575. In a judgment passed by the bankruptcy court in 2009, the claim filed by WNS amounting to \$11,679 on account of loss of profit from the remainder of the minimum revenue commitment has been denied. The Company has appealed against this order which is pending before the Bankruptcy Appellate Court, Tucson, Arizona. The realizability of these claims cannot be determined at this time. In the same matter, the liquidating trustee, appointed by the bankruptcy court, has filed a petition against the Company claiming a refund of payments made by FMFC to the Company during the 90 days period immediately prior to its filing of the bankruptcy petition. FMFC paid a sum of \$4,000 during the period from May 22, 2007 through August 21, 2007. All these payments were made in the ordinary course of business and were against the undisputed invoices of the services provided by the Company to FMFC during the relevant period. After consultation with counsel, the Company believes that it has a meritorious defense against any such claim by the liquidating trustee and it intends to dispute such claim.

8. INCOME TAXES

The domestic and foreign source component of income (loss) before income taxes is as follows:

	2010	Year ended March 31, 2009	2008 (As restated See Note 2)
Domestic	\$ (2,515)	\$ (5,729)	\$ (1,612)

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Foreign	6,200	16,967	16,231
Income before income taxes	\$ 3,685	\$ 11,238	\$ 14,619

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WNS (HOLDINGS) LIMITED
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The Company's provision (benefit) for income taxes consists of the following:

	2010	Year ended March 31, 2009 (As restated See Note 2)	2008 (As restated See Note 2)
Current taxes			
Domestic taxes	\$	\$	\$
Foreign taxes	12,249	12,033	10,582
	12,249	12,033	10,582
Deferred taxes			
Domestic taxes			
Foreign taxes	(11,251)	(8,690)	(5,410)
	\$ 998	\$ 3,343	\$ 5,172

Domestic taxes are nil as there are no statutory taxes applicable in Jersey, Channel Islands. Foreign taxes are based on enacted tax rates in each subsidiary's jurisdiction.

A majority of the Company's Indian operations are 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 (STPI). The benefit is available for a period of 10 years from the date of commencement of operations, but not beyond March 31, 2011. The Company had 13 delivery centers for the year ended March 31, 2010 eligible for the income tax exemption, which expires on April 1, 2011 for all the units. The Company also has a delivery center located in Gurgaon, India registered under the Special Economic Zone (SEZ) scheme and eligible for 100% income tax exemption until fiscal 2012, and 50% income tax exemption from fiscal 2013 till fiscal 2022. The Company's operations in Costa Rica, Philippines and Sri Lanka are also eligible for tax exemptions which expire in fiscal 2017, fiscal 2013 and fiscal 2011, respectively.

If the income tax exemption was not available, the additional income tax expense at the statutory rate of the respective jurisdiction in India and Sri Lanka would have been approximately \$15,569, \$16,077 and \$11,511 for the years ended March 31, 2010, 2009 and 2008, respectively. Such additional tax would have decreased the basic and diluted income per share for the year ended March 31, 2010 by \$0.36 and \$0.35, respectively (\$0.38 and \$0.37, respectively, for the year ended March 31, 2009 and \$0.27 and \$0.27, respectively, for the year ended March 31, 2008).

The following is a reconciliation of the Jersey statutory income tax rate with the effective tax rate:

	2010	Year ended March 31, 2009 (As restated See Note 2)	2008 (As restated See Note 2)
Net income before taxes	\$ 3,685	\$ 11,238	\$ 14,619
Enacted tax rates in Jersey	0%	0%	0%

Statutory income tax			
Provision due to:			
Foreign minimum alternative taxes and state taxes	107	213	75
Differential foreign tax rates	853	3,086	4,975
Other (permanent differences)	38	44	122
Provision for income taxes	\$ 998	\$ 3,343	\$ 5,172

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The components of deferred tax assets and liabilities are as follows:

	Year ended March 31, 2010	2009 (As restated See Note 2)
Deferred tax assets:		
Property and equipment	\$ 9,552	\$ 6,952
Net operating loss carry forward	6,290	5,661
Accruals deductible on actual payment	1,260	1,396
Share-based compensation	3,418	3,565
Minimum alternate tax	12,904	5,313
Others	250	48
Total deferred tax assets	33,674	22,935
Less: Valuation allowances (a)	(5,073)	(3,821)
Deferred tax assets, net of valuation allowances	28,601	19,114
Deferred tax liabilities:		
Property and equipment	(26)	(23)
Intangibles	(9,718)	(11,734)
Others	(57)	(28)
Total deferred tax liabilities	(9,801)	(11,785)
Net deferred tax assets	\$ 18,800	\$ 7,329

(a) The change in valuation allowance of \$1,252 is primarily the result of valuation allowance recognized on deferred tax assets on net operating losses of a foreign jurisdiction for the year ended

March 31, 2010,
where the
Company
believes that it
is more likely
than not, based
on available
evidence that
the asset will
not be realized.

Effective April 1, 2007, the Company adopted the provisions ASC 740 *Income Taxes* related to accounting for uncertain tax positions (Pre-Codification FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109, Accounting for Income Taxes* (FIN 48)). As a result of the implementation of this provision, the Company recognized a \$1,346 increase in the liability for unrecognized tax obligations related to tax positions taken in prior periods. This increase included an interest cost of \$271. This increase was accounted for as an adjustment to retained earnings in accordance with the provisions of above ASC 740. The Company records penalties and interest on tax obligations as income tax expense.

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The following table summarizes the activities related to the Company's unrecognized tax benefits for uncertain tax positions:

	Year ended March 31,		
	2010	2009	2008
Opening balance	\$ 16,953	\$ 17,038	\$ 15,856
Increase related to prior year tax positions	147	81	63
Increase on account of business combinations		106	
Increase related to current year tax positions	2,296	4,519	
Effect of exchange rate changes	574	(4,791)	1,119
Closing balance	\$ 19,970	\$ 16,953	\$ 17,038

The total unrecognized tax benefits that, if recognized, would affect the Company's effective tax rate, were \$19,864, \$16,847 and \$17,038 as at March 31, 2010, 2009 and 2008, respectively. During the years ended March 31, 2010, 2009 and 2008, the Company recognized \$147, \$81 and \$63, respectively, as interest on tax obligations. As at March 31, 2010, 2009 and 2008, the Company has accrued \$586, \$439 and \$358, respectively as interest on tax obligations. As at March 31, 2010, corporate tax returns for years ended March 31, 2006 and onwards remain subject to examination by tax authorities in India.

At March 31, 2010, the Company had net operating loss carry forward aggregating to \$21,089 in India which expires between 2012 and 2014 and unabsorbed depreciation carry forward aggregating to \$20,310 which does not have any expiration. The Company has not recorded deferred tax assets on losses and unabsorbed depreciation aggregating to \$25,644 as there is uncertainty regarding the availability of such amounts to offset taxable income in subsequent years. The Company expects to make that determination after the tax holiday period ends. At March 31, 2010, the Company had \$3,472 of tax benefits carried forward in the US pertaining to exercise of options which expires in 2027. At March 31, 2010, the Company had net operating loss carry forward aggregating to \$436, which expires in 2030. At March 31, 2010, the Company had net operating loss carry forward aggregating to \$3,772 in UK, which does not have any expiration.

Deferred income taxes on undistributed earnings of foreign subsidiaries have not been provided as such earnings are deemed to be permanently reinvested.

In August 2009, the Government of India passed the Indian Finance (No. 2) Act, 2009, which extended the tax holiday period by an additional year through fiscal 2011. Further, the Act also abolished the levy of fringe benefit tax (FBT) and increased the minimum alternate tax (MAT) rate from 11.33% to 16.995%. Consequent to such amendments, the Company recorded a net deferred tax benefit of \$442 in the year ended March 31, 2010 towards deferred tax assets and liabilities expected to reverse during the extended tax holiday period. The increase in MAT rate has increased the cash outflow as payment of income taxes.

Under a restructuring plan, the Company's seven Indian subsidiaries, Ntrance, Marketics Technologies India Private Limited, WNS Workflow Technologies (India) Private Limited, WNS Customer Solutions Private Limited, WNS Customer Solutions Shared Services Private Limited, COSC and NCOP, amalgamated with its Indian subsidiary WNS Global Services Private Limited (WNS Global). The amalgamation order has been approved by the High Court of Bombay vide an order dated August 27, 2009 and the amalgamation is effective April 1, 2007. Further under another restructuring plan, the Company's three Indian subsidiaries, First Offshoring Technologies Private Limited, Servicesource Offshore Technologies Private Limited and Hitech Offshoring Services Private Limited, amalgamated

with its Indian subsidiary WNS Global. The amalgamation order has been approved by the High Court of Bombay vide an order dated March 25, 2010 and the amalgamation is effective April 1, 2008. The Company believes that these amalgamations would streamline its administrative operations, help achieve operational and financial synergies, and reduce its costs and expenses relating to regulatory compliance. The amalgamation did not have a significant impact on the consolidated financial statements of the Company, except for income taxes. As a result of the amalgamation, the amalgamated entities, which prior to the amalgamation were individually assessable for income taxes, effective April 1, 2007, are assessable as one amalgamated entity, resulting in a reduction of income taxes by \$261.

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In January 2009, the Company received an order of assessment from the Indian tax authorities that it believes could be material to the Company given the magnitude of the claim. The order assessed additional taxable income for fiscal 2005 on WNS Global, that could give rise to an estimated \$16,141 in additional taxes, including interest of \$5,008. The assessment order alleges that the transfer price the Company applied to international transactions between WNS Global and its other wholly-owned subsidiaries was not appropriate, disallows certain expenses claimed as tax deductible by WNS Global and disallows a tax holiday benefit claimed by the Company. After consultation with Indian tax advisors, the Company believes the chances that it would be able to overturn the assessment on appeal are strong and it intends to continue to vigorously dispute the assessment. Furthermore, first level Indian appellate authorities have recently ruled in the Company's favor in its dispute against an assessment order assessing additional taxable income for fiscal 2004 on WNS Global based on similar allegations on transfer pricing and tax deductibility of similar expenses and overturned the assessment. Although this ruling is not binding on the appellate authorities hearing the Company's dispute on the aforesaid assessment on fiscal 2005 received in January 2009, the Company believes it will serve as persuasive authority in support of its position. In March 2009, the Company deposited \$222 with the Indian tax authorities pending resolution of the dispute. In March 2009, the Company received from the Indian service tax authority an assessment order demanding payment of \$7,674 of service tax and related interest and 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. After consultation with Indian tax advisors, the Company believes the chances that the assessment would be upheld are remote. The Company intends to continue to vigorously dispute the assessment.

On October 31, 2009, the Company received an order of assessment from the transfer pricing officer of the Indian tax authorities. The transfer pricing assessment order alleges that the transfer pricing applied to international transactions between WNS Global and its other wholly-owned subsidiaries for fiscal 2006 was not appropriate. On November 30, 2009, the Company received a draft order of assessment from the Indian tax authorities incorporating the above transfer pricing order, that assessed additional taxable income for fiscal 2006 on WNS Global, that could give rise to an estimated \$16,845 in additional taxes, including interest of \$5,229. Besides giving effect of the transfer pricing assessment order, the draft assessment order also disallows certain expenses claimed as tax deductible by WNS Global and disallows a tax holiday benefit claimed by the Company. The Company has disputed the draft assessment order and have filed an appeal before Dispute Resolution Panel (DRP), a panel recently set by Government of India as an alternative to first appellate authority. After consultation with Indian tax advisors, the Company believes the chances that the assessment would be upheld are remote. The Company intends to continue to vigorously dispute the assessment.

9. DEFERRED REVENUE

Deferred revenue comprises of:

	Year ended March 31,	
	2010	2009
Payments in advance of services	\$ 5,234	\$ 8,260
Advance billings	1,615	312
Claims handling	862	329
Other	695	243
	\$ 8,406	\$ 9,144

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10. RETIREMENT BENEFITS*Defined contribution plans*

During the years ended March 31, 2010, 2009 and 2008, the Company contributed the following amounts to defined contribution plans:

	Year ended March 31,		
	2010	2009	2008
India	\$ 5,326	\$ 5,361	\$ 5,107
Philippines	25		
Sri Lanka	350	339	363
United Kingdom	515	609	569
United States	492	519	601
	\$ 6,708	\$ 6,828	\$ 6,640

Defined benefit plan gratuity

The reconciliation of the beginning and ending balances of the projected benefit obligation and the fair value of plans assets for the years ended March 31, 2010 and 2009, and the accumulated benefit obligation at March 31, 2010 and 2009, as follows:

	Year ended March 31,	
	2010	2009
Change in projected benefit obligations		
Obligation at beginning of the year	\$ 3505	\$ 2,254
Foreign currency translation	473	(702)
Service cost	1,128	838
Interest cost	349	277
Benefits paid	(278)	(304)
Business combinations		765
Actuarial (gain) loss	(189)	377
Benefit obligation at end of the year	\$ 4,988	\$ 3,505
Change in plan assets		
Plan assets at beginning of the year	\$ 355	\$ 550
Foreign currency translation	37	(105)
Actual return	9	(26)
Actual contributions	108	240
Benefits paid	(278)	(304)
Plan assets at end of the year	\$ 231	\$ 355
Accrued pension liability	\$ (4,757)	\$ (3,150)
Current	(836)	(580)
Non-current	(3,921)	(2,570)

Net amount recognized	(4,757)	(3,150)
Accumulated benefit obligation at end of the year	\$ 3,317	\$ 2,326

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WNS (HOLDINGS) LIMITED
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The net periodic gratuity costs for the years ended March 31, 2010, 2009 and 2008 were as follows:

	Year ended March 31,		
	2010	2009	2008
Service cost	\$ 1,128	\$ 838	\$ 437
Interest cost	349	277	114
Expected return on plan assets	(77)	(51)	(38)
Actuarial loss	205	238	8
Net periodic gratuity cost for the year	\$ 1,605	\$ 1,302	\$ 521

Changes in net actuarial loss recognized in accumulated other comprehensive loss during the year ended March 31, 2010 and 2009 were as follows:

	Year ended March 31,		
	2010	2009	2008
Net actuarial gain (loss)	\$ 109	\$ (435)	\$ (476)
Amortization of net actuarial loss	205	235	11
Foreign currency translation	(93)	150	(21)
Total	\$ 221	\$ (50)	\$ (486)

The assumptions used in accounting for the gratuity plan are set out as below:

	Year ended March 31,		
	2010	2009	2008
Discount rate	7%-10.57%	7%-9.95%	7.6-10.25%
Rate of increase in compensation levels	7%-15% for 5 years and 7%-10% thereafter	10%-15% for 5 years and 9% thereafter	11%-15% for 5 years and 7% thereafter
Rate of return on plan assets	7.5%	7.5%	7.5%

The Company evaluates these assumptions annually based on its long-term plans of growth and industry standards. The discount rates are based on current market yields on government securities adjusted for a suitable risk premium to reflect the additional risk for high quality corporate bonds.

At March 31, 2010, \$187 and \$45 of the fund assets are invested with LIC and ALICPL, respectively. Of the funds invested with LIC, approximately 40% and 60% of the funds are invested in government securities and money market instruments, respectively. Of the funds invested with ALICPL, approximately 28%, 7%, 34% and 31% are invested in cash and money market instruments, equity, government securities and corporate bonds, respectively. Since the Company's plan assets are managed by third party fund administrators, the contributions made by the Company are pooled with the corpus of the funds managed by such fund administrators and invested in accordance with the regulatory guidelines. Accordingly, data related to the fair value of the assets for the various categories of plan asset held and the classification of level of fair value under ASC 820-10 *Fair Value Measurements and Disclosure* specific

to the funds contributed by the Company is not available.

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The Company expects to contribute \$1,068 for the year ended March 31, 2011. The expected benefit payments from the fund as of March 31, 2010 are as follows:

Year ending March 31,	Amount
2011	\$ 1,068
2012	1,273
2013	1,427
2014	1,478
2015	1,467
2016-2020	5,082
	\$ 11,795

The amount included in accumulated other comprehensive loss and expected to be recognized in net periodic pension cost during the year ended March 31, 2011 is \$84. No plan assets are expected to be returned to the Company during the year ended March 31, 2011.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (cont d)
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11. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The classification of accumulated other comprehensive income (loss) for the years ended March 31, 2010 and 2009 is as follows:

	Year ended March 31,	2009
	2010	(As restated See Note 2)
Cumulative translation adjustments	\$ (11,534)	\$ (32,645)
Unrealized gain (loss) on cash flow hedges, net of tax	4,415	(16,430)
Net actuarial loss on pension plans	(454)	(675)
Total	\$ (7,573)	\$ (49,750)

12. EQUITY

WNS Holdings has one class of ordinary shares and the holder of each share is entitled to one vote per share.

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13. SHARE BASED COMPENSATION

Share-based compensation expense recognized during the years ended March 31, 2010, 2009 and 2008 were as follows:

	Year ended March 31,		
	2010	2009	2008
Share-based compensation recorded in			
Cost of revenue	\$ 3,730	\$ 3,647	\$ 2,436
Selling, general and administrative expenses	11,397	9,775	4,380
Total share-based compensation	\$ 15,127	\$ 13,422	\$ 6,816
Recognized income tax benefit	\$ (2,563)	\$ (3,002)	\$ (1,574)

In May 2007, the Indian Government extended FBT to include stock options and RSUs issued to employees in India. Under this legislation, on exercise of an option or RSU, employers were responsible for a tax equal to the intrinsic value at its vesting date multiplied by the applicable tax rate. The employer could seek reimbursement of the tax from the optionee, but could not transfer the obligation to the optionee. The Company recovered the FBT from the optionees in India. The options and RSUs issued subsequent to the introduction of the FBT were fair valued after considering the FBT recovered from the optionees as an additional component of the exercise price at the grant date. The FBT on options and RSUs payable to the Government of India is recorded as an operating expense and the recovery from the employees is treated as additional exercise price and recorded in equity. For the years ended March 31, 2010, 2009 and 2008, the Company recorded \$459, \$446 and \$2,322, respectively, as FBT charge to operating expenses.

In August 2009, the Government of India passed the Indian Finance (No.2) Act, 2009 which withdrew the levy of FBT with effect from April 1, 2009. Consequent to this change in legislation, no FBT will be recovered for options and RSUs issued to Indian optionees, resulting in a reduction in the exercise price of the options and RSUs. The Company considered the change in exercise price as a modification. As a result of that modification, the Company recognized additional compensation expense of \$2,473 for the year ended March 31, 2010. As of March 31, 2010, \$1,746 of unrecognized compensation cost arising from such modification, net of estimated forfeitures is expected to be recognized over a weighted average period of 0.9 year. The breakup of unrecognized compensation cost arising from modification charge of \$1,746 included in unamortized cost for unvested outstanding share options and RSUs were \$2 and \$1,744, respectively.

Share-based options

The Company has two share-based incentive plans, the 2002 Stock Incentive Plan adopted on July 1, 2002 and the 2006 Incentive Award Plan adopted on June 1, 2006, as amended and restated in February 2009 (collectively referred to as the Plans). Under the Plans, share based options may be granted to eligible participants. Options are generally granted for a term of ten years and have a graded vesting period of up to three years. The Company settles employee share-based option exercises with newly issued ordinary shares. As of March 31, 2010, the Company had 929,703 ordinary shares available for future grants. A summary of option activity under the Plans as of March 31, 2010, and changes during the year then ended is presented below:

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	Shares	Weighted average exercise price	Weighted average remaining contract term (in years)	Aggregate intrinsic value
Outstanding at April 1, 2009	1,877,505	\$ 13.74	6.77	\$ 748
Granted				
Exercised	(658,353)	6.48		
Forfeited	(8,433)	22.93		
Lapsed	(12,448)	9.20		
Outstanding at March 31, 2010	1,198,271	\$ 17.71	6.02	\$ 1,785
Options vested and expected to vest	1,192,837	\$ 17.71	6.02	\$ 1,785
Options exercisable	1,150,645	\$ 17.39	5.97	\$ 1,785

The aggregate intrinsic value of options exercised during the years ended March 31, 2010, 2009 and 2008 was \$5,914, \$652 and \$4,005 respectively. The total grant date fair value of options vested during the years ended March 31, 2010, 2009 and 2008 was \$2,677, \$3,840 and \$4,365, respectively. Total cash received as a result of option exercises during the year ended March 31, 2010 was approximately \$3,536.

As of March 31, 2010, there was \$60 of unrecognized compensation cost, including modification charge related to unvested outstanding share options, net of forfeitures. This amount is expected to be recognized over a weighted average period of 1.0 years. To the extent the actual forfeiture rate is different than what the Company has anticipated, compensation expense related to these options will be different from the Company's expectations.

The fair value of options granted is estimated on the date of grant using the Black-Scholes-Merton option-pricing model. The following table presents the weighted average assumptions used to estimate the fair value of options granted during the years ended March 31, 2008. No options were granted during the years ended March 31, 2010 and 2009:

	Year ended March 31, 2008
Expected life	3.5 years
Risk free interest rates	4.5%
Volatility	29.9%
Dividend yield	0%

The expected term of options is based on the historic exercise pattern of the Company's employees. The volatility was calculated based on the historic volatility of similar public companies. The risk free rate is based on the United States Federal Reserve rates. Forfeitures are estimated based on the Company's historical analysis of actual stock option forfeitures. The Company does not currently pay cash dividends on its ordinary shares and does not anticipate doing so in the foreseeable future. Accordingly, the expected dividend yield is zero. The weighted average grant date fair value of options granted during the year ended March 31, 2008 was \$7.11.

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Restricted Share Units

The 2006 Incentive Award Plan also allows for grant of RSUs. Each RSU represents the right to receive one ordinary share and vests over a period of up to three years.

A summary of RSU activity under the 2006 Incentive Award Plan as of March 31, 2010, and changes during the year then ended is presented below:

	Shares	Weighted average fair value	Weighted average remaining contract term (in years)	Aggregate intrinsic value
Outstanding at April 1, 2009	1,616,512	\$ 15.41	8.88	\$ 2,055
Granted	928,923	10.28		
Vested/exercised	(520,308)	17.41		
Forfeited	(171,530)	9.68		
Outstanding at March 31, 2010	1,853,597	\$ 12.81	7.50	\$ 19,889
RSUs expected to vest	1,696,661	\$ 12.81	7.50	\$ 18,205
RSUs exercisable	313,494	\$ 14.62	8.03	\$ 3,364

The fair value of RSUs is generally the market price of the Company's shares on the date of grant. For grants to employees based in India, the recovery of FBT, was considered as the exercise price of the grants. Accordingly, the fair value of such RSUs was estimated on the date of grant using the Black-Scholes -Merton option pricing model. The following table presents the weighted average assumptions for estimating the fair value of RSUs granted to employees. The basis of these assumptions is similar to the basis of assumptions used for estimating the fair value of options, except that effective April 1, 2008, volatility has been calculated based on the volatility of the Company's share.

	Year ended March 31,		
	2010	2009	2008
Expected life	2.3 years	2.4 years	2.0 years
Risk free interest rates	1.3%	2.2%	4.4%
Volatility	57.4%	33.7%	29.1%
Dividend yield	0.0%	0.0%	0.0%

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As of March 31, 2010, there was \$12,216 of unrecognized compensation cost related to unvested RSU, net of forfeitures, including modification charge. This amount is expected to be recognized over a weighted average period of 2.3 years. To the extent the actual forfeiture rate is different than what the Company has anticipated, share based compensation related to these RSUs will be different from the Company's expectations.

The weighted average grant date fair value of RSUs granted during the year ended March 31, 2010, 2009 and 2008 was \$10.28, \$13.39 and \$21.68 per ADS respectively. The aggregate intrinsic value of RSUs exercised during the year ended March 31, 2010 and 2009 was \$5,621 and \$2,041, respectively. The total grant date fair value of RSUs vested during the year ended March 31, 2010, 2009 and 2008 was \$12,234, \$4,811 and 2,142, respectively. Total cash received as a result of RSU exercises by employees in India during the year ended March 31, 2010 was approximately \$397.

In connection with the exercises of options and vesting of RSUs, the Company receives tax benefits in the US and the UK tax jurisdiction, which is equal to the difference between the exercise price and the market price on the date of exercise. Such tax benefit realized by the Company for the years ended March 31, 2010, 2009 and 2008 were \$1,264, \$2,378 and \$2,750, respectively. Of the net tax benefits realized, the excess tax benefits from share-based compensation of \$1,825, \$2,226 and \$1,613 were reclassified in the consolidated statements of cash flows from cash flows from operating activities to cash flows from financing activities, for the years ended March 31, 2010, 2009 and 2008, respectively.

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14. RELATED PARTY TRANSACTIONS

Name of the related party	Relationship
Warburg Pincus and its affiliates	Principal shareholder
The Indian Hotels Co Ltd (Indian Hotels)	A company having a director in common with WNS Holdings
Flovate Technologies Limited (Flovate) (up to June 10, 2007)	A company of which a member of management is a principal shareholder
Datacap Software Private Limited (Datacap)	A company of which a member of management is a principal shareholder
HDFC Limited	A company having a director in common with WNS Holdings
Mahindra & Mahindra Limited	A company having a director in common with WNS Holdings
Singapore Telecommunications Limited (Singtel)	A company having a director in common with WNS Holdings

The transactions and the balance outstanding with these parties are described below:

Nature of transaction/related party	Year ended March 31,			Amount receivable (payable) at March 31,	
	2010	2009	2008	2010	2009
Revenue					
Warburg Pincus and its affiliates	2,625	3,242	3,466	739	64
Cost of revenue					
Flovate			236		
Warburg Pincus and its affiliates		1			
Datacap		1			
Singtel	319	274			(37)
Mahindra & Mahindra Limited		4			
Selling, general and administrative expense					
Warburg Pincus and its affiliates		108	189		(5)
Flovate			130		
Indian Hotels	4				
Datacap	5	29	26		
Property and equipment additions					
Warburg Pincus and its affiliates		2	702		
Flovate			394		
Datacap	2	5			
Other income					
Warburg Pincus and its affiliates			25		
Flovate			36		
Interest expenses					
HDFC Limited		269			

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15. OTHER EXPENSE (INCOME), NET

The following are the details of other expense (income), net:

	Year ended March 31,		
	2010	2009	2008
Foreign exchange (gain) loss, net	\$ 8,750	\$ 8,310	\$ (2,943)
Interest income	(308)	(1,869)	(5,254)
Gain on sale of property and equipment, net	(98)	(58)	(62)
Income from securities	(144)	(179)	(100)
Other	(1,148)	(565)	(825)
Total	\$ 7,052	\$ 5,639	\$ (9,184)

16. SEGMENTS

The Company has several operating segments based on a mix of industry, geography, customers and the types of services. The composition and organization of these operating segments is fluid and the structure changes regularly in response to the growth of the overall business acquisitions and changes in reporting structure, customers, services, industries served and delivery centers. These operating segments include travel, insurance, Philippines, research and analytics, legal, financial services, AVIVA, auto claims (WNS Assistance and Call 24-7) and others. The Company believes that the business process outsourcing services that it provides to customers in industries other than auto-claims such as travel, insurance, Philippines, research and analytics, legal, financial services, AVIVA and others are similar in terms of services, service delivery methods, use of technology, and long-term gross profit and hence meet the aggregation criteria under ASC 280, *Segmental Reporting* (ASC 280). WNS Assistance and Call 24-7 (WNS Auto Claims BPO), which provide automobile claims handling services, do not meet the aggregation criteria under ASC 280. Accordingly, the Company has determined that it has two reportable segments WNS Global BPO and WNS Auto Claims BPO.

In order to provide accident management services, the Company arranges for the repair through a network of repair centers. Repair costs paid to automobile repair centers are invoiced to customers and recognized as revenue. The Company uses revenue less repair payments for Fault repairs as a primary measure to allocate resources and measure segment performance. Revenue less repair payments is a non-GAAP measure which is calculated as revenue less payments to repair centers. For Non-fault repairs, revenue including repair payments is used as a primary measure. As the Company provides a consolidated suite of accident management services including credit hire and credit repair for its Non-fault repairs business, the Company believes that measurement of that line of business has to be on a basis that includes repair payments in revenue. The Company believes that the presentation of this non-GAAP measure in the segmental information provides useful information for investors regarding the segment's financial performance. The presentation of this non-GAAP information is not meant to be considered in isolation or as a substitute for the Company's financial results prepared in accordance with US GAAP.

Effective April 1, 2009, the Company has begun to allocate other (income) expense, interest expense and income tax expense to the WNS Global BPO and WNS Auto Claims BPO segments because in management's view such presentation is more representative of the respective segments performance. Segment disclosures for the prior comparable period have been changed to give effect to this new classification.

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	Year ended March 31, 2010			Total
	WNS Global BPO	WNS Auto Claims BPO	Inter segments (a)	
Revenue from external customers	\$ 340,411	\$ 242,050	\$	\$ 582,461
Segment revenue	\$ 341,477	\$ 242,050	\$ (1,066)	\$ 582,461
Payments to repair centers		191,923		191,923
Revenue less repair payments	341,477	50,127	(1,066)	390,538
Depreciation	20,094	1,058		21,152
Other costs	258,850	39,034	(1,066)	296,818
Segment operating income	62,533	10,035		72,568
Other expense (income),net	9,106	(2,054)		7,052
Interest expense	13,759	64		13,823
Segment income before income taxes	39,668	12,025		51,693
Provision (benefit) for income taxes	(1,857)	2,855		998
Segment income	41,525	9,170		50,695
Unallocated share-based compensation expense (Including related fringe benefit taxes \$459)				15,586
Amortization of intangible assets				32,422
Net income				2,687
Less: Net loss attributable to redeemable noncontrolling interest				(1,023)
Net income attributable to WNS (Holdings) Limited shareholders				\$ 3,710
Capital expenditures	\$ 11,974	\$ 1,283	\$	\$ 13,257
Segment assets, net of eliminations	\$ 443,575	\$ 106,315	\$	\$ 549,890

Two customers in the WNS Auto Claims BPO segment and one customer in WNS Global BPO accounted for 13.4%, 12.6% and 15.5%, respectively, of the Company's total revenue for the year ended March 31, 2010. The receivables from these three customers comprised 10.4%, 7.8% and 9.2% of the Company's total accounts receivables, respectively, as of March 31, 2010.

- (a) This represents invoices raised by WNS Global BPO on WNS Auto Claims BPO on an arms length basis for business process outsourcing services rendered by the former to the latter.

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	Year ended March 31, 2009 (As restated See Note 2)			
	WNS Global	WNS Auto Claims BPO	Inter segments (a)	Total
Revenue from external customers	\$ 322,176	\$ 198,725	\$	\$ 520,901
Segment revenue	\$ 322,917	\$ 198,725	\$ (741)	\$ 520,901
Payments to repair centers		135,874		135,874
Revenue less repair payments	322,917	62,851	(741)	385,027
Depreciation	20,930	859		21,789
Other costs	251,044	45,496	(741)	295,799
Segment operating income	50,943	16,496		67,439
Other expense, net	6,099	(460)		5,639
Interest expense	11,192	590		11,782
Segment income before income taxes	33,652	16,366		50,018
Provision (benefit) for income taxes	(305)	3,648		3,343
Segment income	33,957	12,718		46,675
Unallocated share-based compensation expense (Including related fringe benefit taxes \$446)				13,868
Amortization of intangible assets				24,912
Net income				7,895
Less: Net loss attributable to redeemable noncontrolling interest				(287)
Net income attributable to WNS (Holdings) Limited shareholders				\$ 8,182
Capital expenditures	\$ 21,227	\$ 1,466	\$	\$ 22,693
Segment assets, net of eliminations	\$ 471,258	\$ 90,569	\$	\$ 561,827

Two customers in the WNS Auto Claims BPO segment and one customer in WNS Global BPO accounted for 15.3%, 11.0% and 15.5%, respectively, of the Company's total revenue for the year ended March 31, 2009. The receivables from these three customers comprised 8.7%, 4.9% and 12.1% of the Company's total accounts receivables, respectively, as of March 31, 2009.

- (a) This represents invoices raised by WNS Global BPO on WNS Auto Claims BPO on a arms length basis for business process outsourcing services rendered by the former to the latter.

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	Year ended March 31, 2008 (As restated See Note 2)			Total
	WNS Global BPO	WNS Auto Claims BPO	Inter segments (a)	
Revenue from external customers	\$ 260,146	\$ 177,884	\$	\$ 438,030
Segment revenue	\$ 261,210	177,884	(1,064)	438,030
Payments to repair centers		147,389		147,389
Revenue less repair payments	261,210	30,495	(1,064)	290,641
Depreciation	17,071	1,381		18,452
Other costs	225,587	14,757	(1,064)	239,280
Segment operating income	18,552	14,357		32,909
Other expense(income), net	(7,885)	(1,299)		(9,184)
Interest expense	3			3
Segment income before income taxes	26,434	15,656		42,090
Provision for income taxes	259	4,913		5,172
Segment income	26,175	10,743		36,918
Unallocated share-based compensation expense (Including related fringe benefit taxes \$2,322)				9,138
Amortization of intangible assets				2,869
Impairment of goodwill, intangibles and other assets				15,464
Net income				9,447
Less: Net loss attributable to redeemable noncontrolling interest				
Net income attributable to WNS (Holdings) Limited shareholders				9,447
Capital expenditures	\$ 27,609	\$ 525	\$	\$ 28,134
Segment assets, net of eliminations	\$ 269,259	\$ 87,982	\$	\$ 357,241

Two customers in the WNS Auto Claims BPO segment accounted for 20.3% and 14.7% each of the Company's total revenue for the year ended March 31, 2008. The receivables from these two customers comprised 11.7% and 8.3% of

the Company's total accounts receivables as of March 31, 2008.

- (a) This represents invoices raised by WNS Global BPO on WNS Auto Claims BPO at arms length basis for business process outsourcing services rendered by the former to the latter.

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The Company's revenue by geographic area is as follows:

	2010	Year ended March 31,	
		2009 (As restated See Note 2)	2008 (As restated See Note 2)
UK	\$ 339,219	\$ 291,218	\$ 216,780
North America	142,699	130,469	113,744
Europe (excludes UK)	97,297	97,713	104,167
Other	3,246	1,501	3,339
	\$ 582,461	\$ 520,901	\$ 438,030

The Company's long-lived assets (excluding goodwill and intangibles) by geographic area are as follows:

	As at March 31,	
	2010	2009
UK	\$ 2,352	\$ 2,138
India	43,479	50,948
US	674	962
Other	5,195	1,944
	\$ 51,700	\$ 55,992

17. FAIR VALUE DISCLOSURES

Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market based measurement that should be determined based on assumption that market participant would use in pricing an asset or a liability. A three tier fair value hierarchy is established as a basis for considering such assumptions and for inputs used in the valuation methodologies in measuring fair value:

Level 1 Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets

Level 2 Includes other inputs that are directly or indirectly observable in the market price

Level 3 Unobservable inputs which are supported by little or no market activity

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use unobservable inputs when measuring fair value. The Company measures cash equivalents, marketable securities and derivative instruments at fair value. Cash equivalents and marketable securities are primarily classified within Level 1 or Level 2. This is because the cash equivalents and marketable securities are valued primarily using quoted market prices or alternative pricing sources and models utilizing market observable inputs. The derivative instruments are classified within Level 2 as the valuation inputs are based on quoted prices and market observable data of similar instruments in inactive markets. The Company mainly holds non speculative forwards, options and swaps to hedge certain foreign currency and interest rate exposures. When active quotes are not available, the Company uses industry

standard 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.

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The assets and liabilities measured at fair value on a recurring basis are summarized below:-

Description	March 31, 2010	Fair value measurement at reporting date using		
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets				
Derivative contracts				
current	22,808		22,808	
non current	8,374		8,374	
Total Assets	\$ 31,182	\$	\$ 31,182	\$
Liabilities				
Derivative contracts				
current	\$ 6,750	\$	\$ 6,750	\$
non current	1,992		1,992	
Total liabilities	\$ 8,742	\$	\$ 8,742	\$

Description	March 31, 2009	Fair value measurement at reporting date using		
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets				
Marketable securities				
current	\$ 8,925	\$ 8,925	\$	\$
Derivative contracts				
current	20,102		20,102	

non current	6,795		6,795	
Total Assets	\$ 35,822	\$ 8,925	\$ 26,897	\$
Liabilities				
Derivative contracts				
current	\$ 16,495	\$	\$ 16,495	\$
non current	10,393		10,393	
Total liabilities	\$ 26,888	\$	\$ 26,888	\$

Fair value of cash equivalents, funds held for clients, bank deposits and marketable securities, accounts receivable, employee receivables, other current assets, accounts payables, short term loan, accrued expenses and other current liabilities appropriate their fair values due to short term maturing of these items. The fair value of deposits and long term debt is \$7,073 and \$91,192, respectively at March 31, 2010 and \$7,015 and \$147,791, respectively at March 31, 2009. The fair value is estimated using the discounted cash flow approach and market rates of interest. The valuation technique involves assumption and judgments regarding risk characteristics of the instruments, discount rates, future cash flows and other factors.

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18. DEBT**Long term debt**

On July 11, 2008, the Company entered into a term loan facility agreement with ICICI Bank UK Plc, as agent and ICICI Bank UK Plc and ICICI Bank Canada, as arrangers and lenders. The facility agreement provided for a secured term loan of \$200,000 to the Company which was fully utilized by the Company to finance the Aviva Global transaction, described in Note 4. In connection with the financing, the Company incurred \$1,891 as debt issuance costs, which are deferred and amortized as an adjustment to interest expense over the term of the loan using the effective interest method. The arrangers have since syndicated part of the loan to The Hong Kong and Shanghai Banking Corporation and DBS Bank Limited.

The term loan bears interest at three month US dollar LIBOR plus a margin of 3.5% per annum (3% through January 9, 2009), payable on a quarterly basis. The Company has a deposit of \$2,000 as restricted balance fixed deposit with ICICI Bank UK Plc in accordance with the facility agreement to secure payment of interest for a quarter which is recorded under Other current assets on the consolidated balance sheet. The variable interest rate at March 31, 2010 was 3.75% per annum. Effective October 10, 2008, the Company entered into interest rate swap agreements with the notional amount totaling \$200,000, to effectively convert the term loan into a fixed-rate debt and the weighted average effective fixed interest rate on the term loan at March 31, 2010 was 7.31% per annum. The loan is repayable in eight semi-annual installments with the final installment payable in January 2013. The Company has an option to prepay the whole or a part of the debt without any prepayment penalty by giving ten days prior notice to the lenders. Pursuant to the prepayment option, the Company made a prepayment of \$5,000 on April 14, 2009, \$5,000 on July 10, 2009 and \$15,000 on January 11, 2010. The Company also repaid the scheduled repayment installments of the loan of \$20,000 each on July 10, 2009 and January 11, 2010. The outstanding balance of the long term loan was \$135,000 as at March 31, 2010. The next installment of \$20,000 is due on July 12, 2010.

The facility is secured by, among other things, guarantees provided by the Company and certain of its subsidiaries, namely, WNS Capital Investment Limited, WNS Global Services (UK) Limited (WNS UK), and WNS North America, Inc., a fixed and floating charge over the assets of WNS UK, pledges of the Company s shares of WNS Capital Investment Limited, WNS UK, WNS North America, Inc. and WNS (Mauritius) Limited and charges over certain bank accounts. The facility agreement contains certain restrictive covenants on the indebtedness of the Company, total borrowings to tangible net worth ratio, total borrowings to EBITDA ratio, a minimum interest coverage ratio and ratio of amounts outstanding under the facility agreement to the business value of Aviva Global. As at March 31, 2010, the Company is in compliance with such covenants.

Minimum principal amount due for repayment subsequent to March 31, 2010 is as follows:

For fiscal year ending March 31	\$
2011	40,000
2012	50,000
2013	45,000

Short-term line of credit

As of March 31, 2010, the line of credit at Call 24-7, consisting of an overdraft and invoice discounting facility from the Yorkshire bank, plc was closed. As of March 31, 2009, \$4,331 was outstanding from this facility.

As at March 31, 2010, the Company s Indian subsidiary also had an unsecured unused line of credit of \$7,845 on which interest would be determined on the date of borrowing. As at March 31, 2010, there was no amount outstanding pertaining to this facility. As at March 31, 2009 the unsecured unused line of credit was \$7,175 and there was no amount outstanding pertaining to this facility.

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19. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed by using derivative instruments are foreign currency exchange risk and interest rate risk. Forward contracts on various foreign currencies are entered into to manage the foreign currency exchange rate risk on forecasted revenue denominated in foreign currencies. Interest rate swaps are entered into to manage interest rate risk associated with the Company's floating rate borrowings.

The Company adopted ASC 815-10-15-2, *Disclosures about Derivative Instruments and Hedging Activities, an amendment of ASC 815-10* effective January 1, 2009. Accordingly, disclosures related to effects of derivative instruments and related hedged items on the Company's statements of income and cash flows have been provided for the years ended March 31, 2010 and 2009.

Cash flow hedges

The Company has instituted a foreign currency cash flow hedging program to protect against the reduction in value of forecasted foreign currency cash flows resulting from forecasted revenue of up to two years denominated in foreign currencies. The Company's subsidiary in Mauritius uses foreign currency forward and option contracts designated as cash flow hedges to hedge its forecasted revenue transactions denominated in a currency other than its functional currency. The operating subsidiaries in India and the Philippines also hedge a part of their forecasted inter-company revenue denominated in US dollar, British Pound and Euro, with foreign currency forward and option contracts. These hedges mature on a monthly basis and the hedging contracts have a term of up to two years. When the functional currency of the subsidiary strengthens against a currency other than its functional currency, the decline in value of future foreign currency revenue is offset by gains in the value of the derivative contracts designated as hedges. Conversely, when the functional currency of the subsidiary weakens, the increase in the value of future foreign currency cash flows is offset by losses in the value of the forward contracts. The fair value of both the foreign currency forward contracts and options are reflected in other assets or other liabilities as appropriate. The forecasted inter-company revenue relates to cost of revenue of certain subsidiaries and is recorded by those subsidiaries in their functional currency at the time services are provided. The resulting difference upon the elimination of inter-company revenue with the related cost of revenue is recorded in other income.

The Company has entered into interest rate swap agreements to manage interest rate risk exposure. The swap agreements cover the outstanding amount of the term loan described in note 18. The swaps convert the floating rate of three month US \$ LIBOR rate under the loan to an average fixed rate of 3.81% per annum. The cash flows under the swap cover the entire tenor of the loan and exactly match the interest payouts under the loan. The interest rate swap effectively modifies the Company's exposure to interest rate risk by converting the Company's floating rate debt to a fixed rate basis for the entire term of the debt, thus reducing the impact of interest rate changes on future interest expense. This agreement involves the receipt of floating rate amounts in exchange for fixed rate interest payments over the life of the agreement without an exchange of the underlying principal amount.

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WNS (HOLDINGS) LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (cont d)
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(Amounts in thousands, except share and per share data)

Other

The Company has entered in to foreign currency average rate option contracts to cover the foreign currency risk associated with the translation of the forecasted profits of up to 12 months of a subsidiary, functional currency of which is not \$. The Company has also entered in to foreign currency forward contract to cover the foreign currency risk associated with revaluation of assets/liabilities. The Company's subsidiary in India has also entered foreign currency forward contracts to hedge a part of the risk associated with its forecasted inter-company revenue denominated in Canadian dollars of up to 24 months. These contracts do not qualify for hedge accounting and have not been designated as hedging instruments under ASC 815-10. The Company does not use derivative instruments for trading purposes.

The fair values of derivative instruments are reflected in the consolidated balance sheet as follows:

	March 31, 2010			
	Foreign exchange forward contracts	Foreign exchange option contracts	Interest rate contracts	Total derivatives
Assets				
<i>Derivatives not designated as hedging instruments</i>				
Other current assets	\$ 1,501	\$ 550		\$ 2,051
Other assets non current	28	76		104
Total	\$ 1,529	\$ 626		\$ 2,155
<i>Derivatives designated as hedging instruments</i>				
Other current assets	\$11,281	\$ 9,476		\$20,757
Other assets non current	642	7,628		8,270
Total	\$11,923	\$ 17,104		\$29,027
Total assets	\$13,452	\$ 17,730		\$31,182
Liabilities				
<i>Derivatives not designated as hedging instruments</i>				
Other current liabilities	\$ 415			\$ 415
Derivative contracts	11			11
Total	\$ 426			\$ 426

Derivatives designated as hedging instruments

Other current liabilities	\$ 1,836	\$4,499	\$ 6,335
Derivative contracts	86	1,895	1,981
Total	\$ 1,922	\$6,394	\$ 8,316
Total liabilities	\$ 2,348	\$6,394	\$ 8,742

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WNS (HOLDINGS) LIMITED
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MARCH 31, 2010

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

	March 31, 2009			
	Foreign exchange forward contracts	Foreign exchange option contracts	Interest rate contracts	Total derivatives
Assets				
<i>Derivatives not designated as hedging instruments</i>				
Other current assets	\$ 204	\$ 509		\$ 713
Other assets non current	73	40		113
Total	\$ 277	\$ 549		\$ 826
<i>Derivatives designated as hedging instruments</i>				
Other current assets	\$ 10,121	\$ 9,267		\$ 19,388
Other assets non current	197	6,486		6,683
Total	\$ 10,318	\$ 15,753		\$ 26,071
Total assets	\$ 10,595	\$ 16,302		\$ 26,897
Liabilities				
<i>Derivatives not designated as hedging instruments</i>				
Other current liabilities	\$ 1			\$ 1
Derivative contracts	11			11
Total	\$ 12			\$ 12
<i>Derivatives designated as hedging instruments</i>				
Other current liabilities	\$ 12,053		\$ 4,440	\$ 16,493
Derivative contracts	4,060		6,323	10,383
Total	\$ 16,113		\$ 10,763	\$ 26,876
Total liabilities	\$ 16,125		\$ 10,763	\$ 26,888

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WNS (HOLDINGS) LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (cont d)
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(Amounts in thousands, except share and per share data)

The following tables summarize activities in the consolidated statement of income for the year ended March 31, 2010 related to derivative instruments that are classified as cash flow hedges in accordance with ASC 815-10:

	Amount of gain (loss)	Location of gain (loss)	Amount of gain (loss)	Location of gain (loss) recognized in	Amount of gain (loss) recognized in income on
	recognized in AOCI on derivatives (effective portion)	reclassified from AOCI into income (effective portion)	reclassified from AOCI into income (effective portion)	income on derivative (ineffective portion and amount excluded from effectiveness testing)	derivative (ineffective portion and amount excluded from effectiveness testing)
	As of March 31, 2010		Year ended March 31, 2010		Year ended March 31, 2010
Derivatives designated as hedges					
Foreign exchange forward contracts	\$ 10,001	Revenue	\$ 2,404		\$
		Other expense, net	(4,084)	Other expense, net*	779
Foreign exchange option contracts	(324)	Revenue	6		
		Other expense, net	(671)	Other expense, net*	374
Interest rate swaps	(5,354)	Interest expense	(5,477)	Other expense, net*	(869)
	\$ 4,323		\$ (7,822)		\$ 284

Location of gain or (loss)
recognised in income on

Amount of
gain (loss)

	derivatives	recognised in income on Derivatives
		Year ended March 31, 2010
Derivatives not designated as hedging instruments		
Foreign exchange forward contracts	Other expense, net	\$ 425
Foreign exchange option contracts	Other expense, net	(476)
		\$ (51)

* The foreign exchange forward contracts and foreign exchange option contracts include gains of \$286 and \$328, respectively, and interest rate swap includes a loss of \$869 which is reclassified into earnings as a result of the discontinuance of cash flow hedge due to the non-occurrence of original forecasted transactions by the end of the originally specified time period.

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WNS (HOLDINGS) LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (cont d)
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(Amounts in thousands, except share and per share data)

The following tables summarize activities in the consolidated statement of income for the year ended March 31, 2009 related to derivative instruments that are classified as cash flow hedges in accordance with ASC 815-10:

	Amount of gain (loss)	Location of gain (loss)	Amount of gain (loss)	Location of gain (loss)	Amount of gain (loss) recognized in income on
	recognized in AOCI on derivatives (effective portion)	reclassified from AOCI into income (effective portion)	reclassified from AOCI into income (effective portion)	recognized in income on derivative (ineffective portion and amount excluded from effectiveness testing)	derivative (ineffective portion and amount excluded from effectiveness testing)
	As of March 31, 2009	Year ended March 31, 2009	Year ended March 31, 2009	Year ended March 31, 2009	Year ended March 31, 2009
Derivatives designated as hedges					
Foreign exchange forward contracts	\$ (5,795)	Revenue	\$ 335		\$
		Other expense, net	(12,384)		
Foreign exchange option contracts	(582)	Revenue	6,046		
		Other expense, net	186		
Interest rate swaps	(10,053)	Interest expense	(696)	Other expense, net*	(710)
	\$ (16,430)		\$ (6,513)		\$ (710)

Location of gain or (loss)
recognized in income on

Amount of
gain (loss)
recognized in
income on

	derivatives	Derivatives
		Year ended March 31, 2009
Derivatives not designated as hedging instruments		
Foreign exchange forward contracts	Other expense, net	\$ 668
Foreign exchange option contracts	Other expense, net	1,611
		\$ 2,279

At March 31, 2010, an unrealized gain of \$4,505 on derivative instruments included in other comprehensive income is expected to be reclassified to earnings during the next 12 months. (Unrealized loss of \$3,584 as at March 31, 2009) As of March 31, 2010 the notional values of outstanding foreign exchange forward contracts and foreign exchange option contracts amounted to \$185,089 and \$224,981, respectively (\$295,881 and \$276,218, respectively as at March 31, 2009).

* Represents loss reclassified into earnings as a result of the discontinuance of cash flow hedge due to the non-occurrence of original forecasted transactions by the end of the originally specified time period.

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WNS (HOLDINGS) LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (cont d)
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(Amounts in thousands, except share and per share data)

20. COMMITMENTS AND CONTINGENCIES*Leases*

The Company has entered into various non-cancelable operating lease agreements for certain delivery centers and offices with original lease periods expiring between 2010 and 2019.

Future minimum lease payments under non-cancelable operating leases consisted of the following at March 31, 2010:

Year ending March 31,	Operating leases
2011	\$ 20,449
2012	14,978
2013	13,493
2014	12,913
2015	9,273
Thereafter	21,750
 Total minimum lease payments	 \$ 92,856

Rental expense for the years ended March 31, 2010, 2009 and 2008 was \$21,175, \$17,981 and \$14,891, respectively.

Bank guarantees and other

Certain subsidiaries in India and the UK hold bank guarantees aggregating \$366 and \$257 as at March 31, 2010 and 2009, respectively. These guarantees have a remaining expiry term of approximately one to five years.

Restricted time deposits placed with bankers as security for guarantees given by them to regulatory authorities in India, aggregating to \$358 and \$199 at March 31, 2010 and 2009, respectively, are included in other current assets. These deposits represent cash collateral against bank guarantees issued by the banks on behalf of the Company to third parties.

Amounts payable for commitments to purchase property and equipment (net of advances), aggregated to \$2,673 and \$3,015 as at March 31, 2010 and 2009, respectively.

Contingencies

In the ordinary course of business, the Company is involved in lawsuits, claims and administrative proceedings. While uncertainties are inherent in the final outcome of these matters, the Company believes, after consultation with counsel, that the disposition of these proceedings will not have a material adverse effect on the Company's financial position, results of operations or cash flows.

21. JOINT VENTURE WITH ACS

In April 2008, the Company formed a joint venture, WNS Philippines, with Advanced Contact Solutions, Inc (ACS), a BPO services and customer care provider, in the Philippines. ACS has assigned its rights and obligations under the joint venture agreement in favour of its holding company Paxys Inc. Philippines (Paxys). This joint venture is majority owned by the Company (65%) and the balance by Paxys. This joint venture offers contact center services to global clients across industries. This joint venture enables the Company to bring a large scale talent pool to help solve the business challenges of its clients while diversifying the geographic concentration of delivery. Pursuant to the joint venture agreement, the Company has a call option to acquire from Paxys the remaining shares owned by Paxys and Paxys has a put option to sell all of its shareholding in the joint venture to the Company, upon the occurrence of certain conditions, as set forth in the joint venture agreement, or after August 6, 2012. The Company accounts for securities with redemption features that are not solely within its control in accordance with ASC 480-10

Distinguishing Liabilities from Equity . Accordingly, as certain of the conditions of the put option and call option are not within the control of the Company, this redeemable noncontrolling interest has been classified as temporary

equity. The Company recognizes changes in the redemption value of the redeemable noncontrolling interest immediately and adjusts the carrying value of the security to equal the redemption value at the end of each reporting period. Reductions in the carrying amount are only recorded to the extent that increases in the carrying amount had been previously recorded. The redeemable noncontrolling interest is first adjusted with its share of profits/losses in WNS Philippines and, to the extent that this is less than the redemption amount determined in accordance with ASC 480-10, the difference is charged to retained earnings. The charge to retained earnings does not affect net income attributable to WNS (Holdings) Limited shareholders in the Company's income statement, but reduces the numerator in the calculation of earnings per share. The redeemable noncontrolling interest has been valued based on the terms of the call option, because the Company's call option has priority over the put option. If, in the future, the redemption amount under the call option (which is based on a multiple of WNS Philippines' net income) is greater than the put option (which is based on Paxys' initial investment in WNS Philippines), the redeemable noncontrolling interest will be valued at the redemption amount under the put option.

At March 31, 2010 and 2009, the carrying amount of the redeemable noncontrolling interest adjusted for its share of losses exceeds the redemption amount, and accordingly, no amount is charged to retained earnings.

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WNS (HOLDINGS) LIMITED
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22. OTHER CURRENT ASSETS

Other current assets comprises of:

	As at March 31,	
	2010	2009
Derivative instruments	\$ 22,808	\$ 20,409
VAT receivables	8,644	9,625
Deferred cost	1,340	1,381
Advances	1,035	2,366
Deposits		731
Other current assets	2,481	4,135
Total	\$ 36,308	\$ 38,647

23. OTHER CURRENT LIABILITIES

The following are the details of other current liabilities comprises of:

	As at March 31,	
	2010	2009
		(As restated See Note 2)
Accrued expenses	\$ 40,702	\$ 34,606
Withholding taxes and VAT payables	2,728	3,301
Derivative instruments	17,597	22,931
Interest payable on long term debt	2,217	1,961
Other liabilities	4,341	1,071
Total	\$ 67,585	\$ 63,870