REGIONS FINANCIAL CORP
Form 8-K
July 16, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 16, 2004

REGIONS FINANCIAL CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	0-6159	63-0589368
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

417 North 20th Street, Birmingham, Alabama	35203
(Address of principal executive offices)	(Zip code)

(205) 944-1300
(Registrant's telephone number, including area code)

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibits. The exhibit listed in the exhibit index is furnished pursuant to Item 9 and Item 12 and should not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934.

ITEM 9. REGULATION FD DISCLOSURE

ITEM 12. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

In accordance with general instruction B.2. and B.6. of Form 8-K, the following information is furnished and shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934.

On July 16, 2004, the registrant Regions Financial Corporation issued a press release reporting on its results of operations for the quarter ended June 30, 2004. The press release, with its accompanying financial supplement, is included in this report as exhibit 99.1. Exhibit 99.1 also includes information concerning the results of operations of Union Planters Corporation for the quarter ended June 30, 2004.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

REGIONS FINANCIAL CORPORATION
(Registrant)

By: /s/ Ronald C. Jackson

Ronald C. Jackson
Senior Vice President and Comptroller

Date: July 16, 2004

INDEX TO EXHIBITS

Exhibit		Sequential Page No.
99.1	Press release dated July 16, 2004.	

making compensation decisions.

Benchmarking and Use of Compensation Consultant for Fiscal 2012

During fiscal 2012, our Compensation Committee reviewed compensation programs for our executive officers against publicly available compensation data, which was compiled directly by our external compensation consultant, Hewitt Associates (India) Private Limited, or AON Hewitt. The companies selected by AON Hewitt for its survey for benchmarking our executive officers compensation included companies in similar industries and generally of similar sizes and market capitalizations.

The list of companies against which we benchmarked the compensation of our executive officers in fiscal 2012 included the following companies:

Genpact Limited;

EXL Service Holdings Inc.;

First Source Solutions Limited;

CapGemini;

Infosys Technologies Limited;

- Mphasis Limited;
- Tata Consultancy Services Limited;
- Wipro Limited;
- IBM Global Process Services;
- Convergys Corporation; and
- InterGlobe Technologies.

Our Compensation Committee used the data derived by AON Hewitt primarily to ensure that our executive compensation programs are competitive. A selected subset of companies from those listed above that were found most closely comparable as benchmark for a particular position were considered to arrive at the compensation benchmark review of individual executive officers. Where compensation information was not publicly disclosed for a specific management position for companies that provide business and technology services, our Compensation Committee reviewed data corresponding to the most comparable position and also considered the comparative experience of the relevant executive officers.

Table of Contents

There is enough flexibility in the existing compensation programs to respond and adjust to the evolving business environment. Accordingly, an individual s compensation elements could be changed by our Compensation Committee based on changes in job responsibilities of the executive. In addition to input from AON Hewitt s survey, our Compensation Committee also took into consideration our performance and industry indicators in deciding our compensation for fiscal 2012.

Based on the elements listed above and in line with our compensation philosophy, in fiscal 2012 our Compensation Committee adjusted our executive compensation as described in Executive Compensation for Fiscal 2012 below.

Executive Compensation for Fiscal 2012

Total Compensation of Executive Officers

The following table sets forth the total compensation paid or proposed to be paid to each of our Chief Executive Officer, Chief Financial Officer and other named executive officers for services rendered in fiscal 2012 (excluding grants of RSUs which are described below). The individual compensation of Messrs. Keshav R. Murugesh, Alok Misra and Swaminathan Rajamani are disclosed in the statutory / annual accounts of our subsidiary, WNS Global, filed with the Registrar of Companies in the state of India where its registered office is located. We are voluntarily disclosing the individual compensation of our other executive officers.

Name	Base Salary	Benefits	Bonus	Total
Keshav R. Murugesh	$ 595,785	$ 32,551	$ 320,422	$ 948,758
Alok Misra	$ 315,766	$ 17,421	$ 140,469	$ 473,656
Johnson J. Selvadurai	$ 302,934	$ 91,105	$ 106,875	$ 500,914
Michael Garber	$ 280,000	$ 17,054	$ 53,502	$ 350,556
Ronald Strout	$ 225,000	$ 16,049	$ 47,972	$ 289,021
Swaminathan Rajamani	$ 135,707	$ 7,666	$ 86,981	$ 230,354
Total	**$ 1,855,192**	**$ 181,846**	**$ 756,221**	**$ 2,793,259**

Base Salary or Fixed Compensation

In reviewing base salaries for executive officers, our Compensation Committee considered local market conditions, market data, the executive officer s experience and responsibilities, the perceived risk of having to replace the named executive officer and the fact that the executive officers for fiscal 2012 had satisfactorily performed against their prior year s individual objectives.

Except for Mr. Alok Misra and Mr. Swaminathan Rajamani, as described below, our Compensation Committee has not increased the base salary from the prior year s level for any other executive officer.

Mr. Keshav R. Murugesh, as Group Chief Executive Officer, had no increase in his base salary of $625,825 for fiscal 2012.

Mr. Alok Misra, as Group Chief Financial Officer, had his base salary revised to $331,687 from $312,597 in fiscal 2012. The salary revision was effective April 1, 2011.

Mr. Johnson J. Selvadurai, as Managing Director, Europe, had no increase in his base salary of $302,934 for fiscal 2012.

Mr. Michael Garber, as Chief Sales and Marketing Officer, had no increase in his base salary of $280,000 for fiscal 2012.

Mr. Ronald Strout, as Chief of Staff and Head Americas, had no increase in his base salary of $225,000 for fiscal 2012.

Mr. Swaminathan Rajamani, as Chief People Officer, had his base salary revised to $156,456 from $114,735 in fiscal 2012. The salary revision was effective August 1, 2011.

Cash Bonus or Variable Incentive

Our Compensation Committee believes that the executive officers must work as a team and focus primarily on company goals rather than solely on individual goals. Our Compensation Committee believes that enhancing the long term value of our company requires increased revenue (both from existing and new clients), improved contribution and increased ANI. Finally our Compensation Committee believes it must also reward and encourage individual performance and therefore assigned certain weightages of the variable incentive to company and individual objectives, including company revenue, ANI, new client revenue and certain individual goals for various executive officers. Such bonuses are typically paid in April and/or May each year and the aggregate amount of all cash bonuses to be paid for fiscal 2012 do not exceed the aggregate cash incentive bonus pool approved by our Compensation Committee for the fiscal year. Our executive officers variable incentive packages for fiscal 2012 are as described below:

Our Compensation Committee set Mr. Murugesh s target 2012 variable incentive at $500,660 for 100% achievement of objectives. Our Compensation Committee assigned as Mr. Murugesh s performance objectives the achievement of target revenue less repair payments, ANI and individual qualitative objectives pertaining to matters such as implementation of our revised organization structure to enable new service offerings and technology-driven non-linear revenue growth, succession planning and preparation for our follow-on public offering. Based on actual performance against these various objectives, Mr. Murugesh earned 64% of his variable incentive amount on an overall basis.

Our Compensation Committee set Mr. Misra s target 2012 variable incentive at $232,180 for 100% achievement of objectives. Our Compensation Committee assigned as Mr. Misra s performance objectives the achievement of target revenue less repair payments, ANI and individual qualitative objectives pertaining to matters such as tax rate reduction, providing certain critical management information system reports by defined deadlines, creation of shared service centers, and automation and reduction in function cost. Based on actual performance against these various objectives, Mr. Misra earned 60.5% of his variable incentive amount on an overall basis.

Our Compensation Committee set Mr. Selvadurai s target 2012 variable incentive at $181,760 for 100% achievement of objectives. Our Compensation Committee assigned as Mr. Selvadurai s performance objectives the achievement of target revenue less repair payments, ANI, new client revenue from the public sector and individual qualitative objectives pertaining to matters such as execution of our near-shore delivery center strategy, creation of partnerships with public sector organizations and other objectives as assigned by the Group Chief Executive Officer from time to time. Based on actual performance against these various objectives, Mr. Selvadurai earned 52.5% of his variable incentive amount on an overall basis.

Table of Contents

Our Compensation Committee set Mr. Garber s target 2012 variable incentive at $140,000 for 100% achievement of objectives. Our Compensation Committee assigned as Mr. Garber s performance objectives the achievement of target revenue less repair payments, ANI, new client revenue and individual qualitative objectives pertaining to matters such as effective use of marketing, creation of a lead generation engine, attrition control, sales team hiring, leadership succession planning and introduction of large deals. Based on actual performance against these various objectives, Mr. Garber earned 35.5% of his variable incentive amount on an overall basis.

Our Compensation Committee set Mr. Strout s target 2012 variable incentive at $115,000 for 100% achievement of objectives. Our Compensation Committee assigned as Mr. Strout s performance objectives the achievement of target revenue less repair payments, ANI and individual qualitative objectives pertaining to matters such as implementation and performance of our US based delivery centers, growth of our US public sector business and other objectives as assigned by the Group Chief Executive Officer from time to time. Based on actual performance against these various objectives, Mr. Strout earned 38.8% of his variable incentive amount on an overall basis.

Our Compensation Committee set Mr. Swaminathan s target 2012 variable incentive at $78,228 for 100% achievement of objectives. Our Compensation Committee assigned as Mr. Swaminathan s performance objectives the achievement of target revenue less repair payments, ANI and individual qualitative objectives pertaining to matters such as attrition control, sales team hiring, leadership succession planning, creation of human resources shared services, and automation and reduction in function cost. Based on actual performance against these various objectives, Mr. Swaminathan earned 63.5% of his variable incentive amount on an overall basis. Additionally, our Compensation Committee approved and paid Mr. Swaminathan a one-time incentive bonus of $41,722 during the year.

Equity Incentive Grants of RSUs

During fiscal 2012, while we continued the equity incentive scheme that was introduced in fiscal 2011, which has a vesting schedule that is both based on continuity of employment and the performance of our company, we also introduced an additional equity incentive scheme which has a vesting schedule that is purely based on continuity of employment.

Consistent with our philosophy on equity grants to our executive officers, we awarded the following number of RSUs to our executive officers during fiscal 2012:

Name	Date of Grant	Total RSUs Granted in Fiscal 2012	Grant Date Fair Value ($)(1)	Expiration Date
Keshav R. Murugesh	19-Apr-11	113,368	9.99	18-Apr-21
	24-Feb-12	110,896	10.86	23-Feb-22
Alok Misra	11-Apr-11	38,500	10.06	10-Apr-21
	24-Feb-12	35,000	10.86	23-Feb-22
Johnson J. Selvadurai	11-Apr-11	11,000	10.06	10-Apr-21
	24-Feb-12	20,000	10.86	23-Feb-22
Michael Garber	11-Apr-11	11,000	10.06	10-Apr-21
	24-Feb-12	15,000	10.86	23-Feb-22
Ronald Strout	11-Apr-11	5,500	10.06	10-Apr-21
	24-Feb-12	5,000	10.86	23-Feb-22
Swaminathan Rajamani	11-Apr-11	16,500	10.06	10-Apr-21
	24-Feb-12	35,000	10.86	23-Feb-22
Total		**416,764**		

Note:

(1) The amounts shown under this column reflect the dollar amount of the aggregate grant date fair value of equity-based RSUs granted during the year. The grant date fair value is the fair value of the awards as derived under the Black-Scholes-Merton pricing model.

Other Benefits and Perquisites

The retirement plans, health and welfare benefits provided to executive officers are the same plans/benefits available to all other employees of our company.

All directors and officers, including executive officers, are covered by the directors and officers liability insurance policy maintained by WNS.

Page 106

Table of Contents

WNS provided the following additional perquisites to certain executive officers in fiscal 2012 as summarized below:

Name	Provident Fund	Health Insurance	Social Security	Medicare	401(k)	Pension	National Insurance	Total
Keshav R. Murugesh	$ 30,040	$ 2,511						$ 32,551
Alok Misra	$ 15,921	$ 1,500						$ 17,421
Johnson J. Selvadurai						$ 45,017	$ 46,088	$ 91,105
Michael Garber			$ 6,622	$ 4,832	$ 5,600			$ 17,054
Ronald Strout			$ 6,622	$ 4,927	$ 4,500			$ 16,049
Swaminathan Rajamani	$ 6,842	$ 824						$ 7,666
Total	**$ 52,803**	**$ 4,835**	**$ 13,244**	**$ 9,759**	**$ 10,100**	**$ 45,017**	**$ 46,088**	**$ 181,846**

Non-executive Director Compensation for Fiscal 2012

Total Compensation of Non-executive Directors

The following table sets forth the compensation paid or proposed to be paid to our non-executive directors for services rendered in fiscal 2012 (excluding grants of RSUs which are described below):

Name	Sitting fees	Retainer fees	Fees for non-executive chairman	Total
Eric B. Herr	$ 10,000	$ 63,000	$ 120,000	$ 193,000
Deepak S. Parekh	$ 1,000	$ 58,000		$ 59,000
Richard O. Bernays	$ 9,000	$ 63,000		$ 72,000
Anthony A. Greener	$ 8,000	$ 63,000		$ 71,000
Albert Aboody	$ 8,000	$ 63,000		$ 71,000
Total	**$ 36,000**	**$ 310,000**	**$ 120,000**	**$ 466,000**

Equity Incentive Grants of RSUs to Directors

The following table sets forth information concerning RSUs awarded to our directors in fiscal 2012. No options were granted in fiscal 2012.

Name	Date of Grant	Total RSUs Granted in Fiscal 2012	Grant Date Fair Value ($)(1)	Expiration Date
Eric B. Herr	18-Jan-12	6,300	9.95	17-Jan-22
Keshav R. Murugesh	19-Apr-11	113,368	9.99	18-Apr-21
	24-Feb-12	110,896	10.86	23-Feb-22
Deepak S. Parekh	18-Jan-12	5,800	9.95	17-Jan-22
Richard O. Bernays	18-Jan-12	6,300	9.95	17-Jan-22
Anthony A. Greener	18-Jan-12	6,300	9.95	17-Jan-22
Albert Aboody	18-Jan-12	6,300	9.95	17-Jan-22
Total		**255,264**		

Note:

(1) The amounts shown under this column reflect the dollar amount of the aggregate grant date fair value of equity-based RSUs granted during the year. The grant date fair value is the fair value of the awards as derived under the Black-Scholes-Merton pricing model.

Page 107

Table of Contents

Note:

(1) The amounts shown under this column reflect the dollar amount of the aggregate grant date fair value of equity-based RSUs granted during the year. The grant date fair value is the fair value of the awards as derived under the Black-Scholes-Merton pricing model.

Future grants of awards will continue to be determined by our Board of Directors or our Compensation Committee under the Amended and Restated 2006 Incentive Award Plan.

Employment Agreement of our Executive Director

We entered into an employment agreement with Mr. Keshav R. 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 ordinary shares that vested immediately and 260,000 ordinary shares that will vest over a three-year period, subject to his continued employment with us through the vesting dates. If Mr. 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 and delivers a general release of claims against us which is not revoked by him, subject to his continued compliance with certain non-competition and confidentiality obligations, Mr. Murugesh would be entitled to receive severance payments and benefits from us as follows:

1. The following payments over the periods described below:

   a. In the case where the termination occurs during the first year from the effective date of the employment agreement, he would be eligible to receive (i) his base salary for a period of 30 months from the effective date of termination in monthly installment in arrears; and (ii) the bonus for the period of 30 months on the basis of his target bonus as set in the year in which the termination occurs, such bonus shall be paid along with the payment of accrued obligations (as defined in the employment agreement);

   b. In the case where the termination occurs during second year from the effective date of the employment agreement, he would be eligible to receive (i) his base salary for a period of 18 months from the effective date of termination in monthly installment in arrears; and (ii) the bonus for the period of 18 months on the basis of target bonus as set in the year in which the termination occurs, such bonus would be paid along with the payment of accrued obligations (as defined in the employment agreement); and

   c. In the case where the termination occurs during the years after the second year from the effective date of the employment agreement, he would be eligible to receive (i) his base salary for a period of 12 months from the effective date of termination in monthly installment in arrears; and (ii) his target bonus for the year in which the termination occurs, such bonus would be paid along with the payment of accrued obligations (as defined in the employment agreement).

2. Automatic accelerated vesting of RSUs granted pursuant to the employment agreement, immediately on the date of termination.

3.

Accelerated vesting (for each subsequent issue) of RSUs granted subsequent to the grants made under the employment agreement that would have vested with him through the next two vesting dates. Full accelerated vesting will occur in case of termination of employment for good reason or change in control (as defined in our Restated and Amended Incentive Award Plan).

If we experience a change in control while Mr. 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 share options and RSUs would become exercisable on a fully accelerated basis.

Employee Benefit Plans

2002 Stock Incentive Plan

We adopted the 2002 Stock Incentive Plan on July 3, 2002 to help attract and retain the best available personnel to serve us and our subsidiaries as officers, directors and employees. We terminated the 2002 Stock Incentive Plan upon our adoption of our 2006 Incentive Award Plan effective upon the pricing of our initial public offering as described below. Upon termination of the 2002 Stock Incentive Plan, the shares that would otherwise have been available for the grant under the 2002 Stock Incentive Plan were effectively rolled over into the 2006 Incentive Award Plan which was amended and restated in 2009 and any awards outstanding remain in full force and effect in accordance with the terms of the 2002 Stock Incentive Plan.

Table of Contents

Administration. The 2002 Stock Incentive Plan is administered by our Board of Directors, which may delegate its authority to a committee (in either case, the Administrator). The Administrator has complete authority, subject to the terms of the 2002 Stock Incentive Plan and applicable law, to make all determinations necessary or advisable for the administration of the 2002 Stock Incentive Plan.

Eligibility. Under the 2002 Stock Incentive Plan, the Administrator was authorized to grant share options to our officers, directors and employees, and those of our subsidiaries, subject to the terms and conditions of the 2002 Stock Incentive Plan.

Share Options. Share options vest and become exercisable as determined by the Administrator and set forth in individual share option agreements, but may not, in any event, be exercised later than ten years after their grant dates. In addition, share options may be exercised prior to vesting in some cases. Upon exercise, an option holder must tender the full exercise price of the share option in cash, check or other form acceptable to the Administrator, at which time the share options are generally subject to applicable income, employment and other withholding taxes. Share options may, in the sole discretion of the Administrator as set forth in applicable award agreements, continue to be exercisable for a period following an option holder s termination of service. Shares issued in respect of exercised share options may be subject to additional transfer restrictions. Any grants of share options under the 2002 Stock Incentive Plan to US participants were in the form of non-qualified share options. Option holders, other than option holders who are employees of our subsidiaries in India, are entitled to exercise their share options for shares or ADSs in our company.

Corporate Transactions. If we engage in a merger or similar corporate transaction, except as may otherwise be provided in an individual award agreement, outstanding share options will be terminated unless they are assumed by a successor corporation. In addition, the Administrator has broad discretion to adjust the 2002 Stock Incentive Plan and any share options thereunder to account for any changes in our capitalization.

Amendment. Our Board of Directors may amend or suspend the 2002 Stock Incentive Plan at any time, provided that any such amendment or suspension must not impact any holder of outstanding share options without such holder s consent.

Transferability of Share Options. Each share option may be exercised during the option holder s lifetime only by the option holder. No share option may be sold, pledged, assigned, hypothecated, transferred or disposed of by an option holder other than by express permission of the Administrator (only in the case of employees of non-Indian subsidiaries), by will or by the laws of descent and distribution.

Number of Shares Authorized; Outstanding Options. As of the date of termination of the 2002 Stock Incentive Plan on July 25, 2006, the day immediately preceding the date of pricing of our initial public offering, an aggregate of 6,082,042 of our ordinary shares had been authorized for grant under the 2002 Stock Incentive Plan, of which options to purchase 2,116,266 ordinary shares were issued and exercised and options to purchase 3,875,655 ordinary shares were issued and outstanding. Of the options to purchase 3,875,655 ordinary shares, options to purchase 3,374,447 ordinary shares have been exercised and options to purchase 159,137 ordinary shares remain outstanding as at March 31, 2012. Options granted under the 2002 Stock Incentive Plan that are forfeited, lapsed or canceled, settled in cash, that expire or are repurchased by us at the original purchase price would have been available for grant under the 2002 Stock Incentive Plan and would be effectively rolled over into our 2006 Incentive Award Plan which was amended and restated in 2009.

Amended and Restated 2006 Incentive Award Plan

We adopted our 2006 Incentive Award Plan on June 1, 2006. The purpose of the 2006 Incentive Award Plan is to promote the success and enhance the value of our company by linking the personal interests of the directors, employees and consultants of our company and our subsidiaries to those of our shareholders and by providing these individuals with an incentive for outstanding performance. The 2006 Incentive Award Plan is further intended to provide us with the ability to motivate, attract and retain the services of these individuals.

On February 13, 2009, we adopted the Amended and Restated 2006 Incentive Award Plan. The Amended and Restated 2006 Incentive Award Plan reflects, among other changes to our 2006 Incentive Award Plan, an increase in the number of ordinary shares and ADSs available for grant under the plan from 3.0 million to 4.0 million shares/ADSs, subject to specified adjustments under the plan. On September 13, 2011, we adopted the Second Amended and Restated 2006 Incentive Award Plan that reflects an increase in the number of ordinary shares and ADSs available for granted under the plan to 6.2 million shares/ADSs, subject to specified adjustments under the plan. The increased number of ordinary shares/ ADSs available for grant under the Second Amended and Restated 2006 Incentive Award Plan is expected to meet our anticipated needs over the next 12 to 18 months from April 1, 2012.

Table of Contents

Shares Available for Awards. Subject to certain adjustments set forth in the Amended and Restated 2006 Incentive Award Plan, the maximum number of shares that may be issued or awarded under the Amended and Restated 2006 Incentive Award Plan is equal to the sum of (x) 6,200,000 shares, (y) any shares that remain available for issuance under the 2002 Stock Incentive Plan, and (z) any shares subject to awards under the 2002 Stock Incentive Plan which terminate, expire or lapse for any reason or are settled in cash on or after the effective date of our 2006 Incentive Award Plan. The maximum number of shares which may be subject to awards granted to any one participant during any calendar year is 500,000 shares and the maximum amount that may be paid to a participant in cash during any calendar year with respect to cash-based awards is $10,000,000. To the extent that an award terminates or is settled in cash, any shares subject to the award will again be available for the grant. Any shares tendered or withheld to satisfy the grant or exercise price or tax withholding obligation with respect to any award will not be available for subsequent grant. Except as described below with respect to independent directors, no determination has been made as to the types or amounts of awards that will be granted to specific individuals pursuant to the Amended and Restated 2006 Incentive Award Plan.

Administration. The Amended and Restated 2006 Incentive Award Plan is administered by our Board of Directors, which may delegate its authority to a committee. We anticipate that our Compensation Committee will administer the Amended and Restated 2006 Incentive Award Plan, except that our Board of Directors will administer the plan with respect to awards granted to our independent directors. The plan administrator will determine eligibility, the types and sizes of awards, the price and timing of awards and the acceleration or waiver of any vesting restriction, provided that the plan administrator will not have the authority to accelerate vesting or waive the forfeiture of any performance-based awards.

Eligibility. Our employees, consultants and directors and those of our subsidiaries are eligible to be granted awards, except that only employees of our company and our qualifying corporate subsidiaries are eligible to be granted options that are intended to qualify as incentive share options under Section 422 of the Code.

Awards

Options: The plan administrator may grant options on shares. The per share option exercise price of all options granted pursuant to the Amended and Restated 2006 Incentive Award Plan will not be less than 100% of the fair market value of a share on the date of grant. No incentive share option may be granted to a grantee who owns more than 10% of our outstanding shares unless the exercise price is at least 110% of the fair market value of a share on the date of grant. To the extent that the aggregate fair market value of the shares subject to an incentive share option become exercisable for the first time by any option holder during any calendar year exceeds $100,000, such excess will be treated as a non-qualified option. The plan administrator will determine the methods of payment of the exercise price of an option, which may include cash, shares or other property acceptable to the plan administrator (and may involve a cashless exercise of the option). The plan administrator shall designate in the award agreement evidencing each share option grant whether such share option shall be exercisable for shares or ADSs. The award agreement may, in the sole discretion of the plan administrator, permit the option holder to elect, at the time of exercise, whether to receive shares or ADSs in respect of the exercised share option or a portion thereof. The term of options granted under the Amended and Restated 2006 Incentive Award Plan may not exceed ten years from the date of grant. However, the term of an incentive share option granted to a person who owns more than 10% of our outstanding shares on the date of grant may not exceed five years. Under the Amended and Restated 2006 Incentive Award Plan, the number of awards to be granted to our independent directors will be determined by our Board of Directors or our Compensation Committee.

Restricted Shares. The plan administrator may grant shares subject to various restrictions, including restrictions on transferability, limitations on the right to vote and/or limitations on the right to receive dividends.

Share Appreciation Rights. The plan administrator may grant share appreciation rights representing the right to receive payment of an amount equal to the excess of the fair market value of a share on the date of exercise over the fair market value of a share on the date of grant. The term of share appreciation rights granted may not exceed ten years from the date of grant. The plan administrator may elect to pay share appreciation rights in cash, in shares or in a combination of cash and shares.

Performance Shares and Performance Shares Units. The plan administrator may grant awards of performance shares denominated in a number of shares and/or awards of performance share units denominated in unit equivalents of shares and/or units of value, including dollar value of shares. These awards may be linked to performance criteria measured over performance periods as determined by the plan administrator.

Share Payments. The plan administrator may grant share payments, including payments in the form of shares or options or other rights to purchase shares. Share payments may be based upon specific performance criteria determined by the plan administrator on the date such share payments are made or on any date thereafter.

Table of Contents

Deferred Shares. The plan administrator may grant awards of deferred shares linked to performance criteria determined by the plan administrator. Shares underlying deferred share awards will not be issued until the deferred share awards have vested, pursuant to a vesting schedule or upon the satisfaction of any vesting conditions or performance criteria set by the plan administrator. Recipients of deferred share awards generally will have no rights as shareholders with respect to such deferred shares until the shares underlying the deferred share awards have been issued.

Restricted Share Units. The plan administrator may grant RSUs, subject to various vesting conditions. On the maturity date, we will transfer to the participant one unrestricted, fully transferable share for each vested RSU scheduled to be paid out on such date. The plan administrator will specify the purchase price, if any, to be paid by the participant for such shares. Generally, a participant will have to be employed by us on the date of payment of vested RSUs to be eligible to receive the payment of shares issuable upon vesting of the RSUs.

Performance Bonus Awards. The plan administrator may grant a cash bonus payable upon the attainment of performance goals based on performance criteria and measured over a performance period determined appropriate by the plan administrator. Any such cash bonus paid to a covered employee within the meaning of Section 162(m) of the Code may be a performance-based award as described below.

Performance-Based Awards. The plan administrator may grant awards other than options and share appreciation rights to employees who are or may be covered employees, as defined in Section 162(m) of the Code, that are intended to be performance-based awards within the meaning of Section 162(m) of the Code in order to preserve the deductibility of these awards for federal income tax purposes. Participants are only entitled to receive payment for performance-based awards for any given performance period to the extent that pre-established performance goals set by the plan administrator for the period are satisfied. The plan administrator will determine the type of performance-based awards to be granted, the performance period and the performance goals. Generally, a participant will have to be employed by us on the date the performance-based award is paid to be eligible for a performance-based award for any period.

Adjustments. In the event of certain changes in our capitalization, the plan administrator has broad discretion to adjust awards, including without limitation, (i) the aggregate number and type of shares that may be issued under the Amended and Restated 2006 Incentive Award Plan, (ii) the terms and conditions of any outstanding awards, and (iii) the grant or exercise price per share for any outstanding awards under such plan to account for such changes. The plan administrator also has the authority to cash out, terminate or provide for the assumption or substitution of outstanding awards in the event of a corporate transaction.

Change in Control. In the event of a change in control of our company in which outstanding awards are not assumed by the successor, such awards will generally become fully exercisable and all forfeiture restrictions on such awards will lapse. Upon, or in anticipation of, a change in control, the plan administrator may cause any awards outstanding to terminate at a specific time in the future and give each participant the right to exercise such awards during such period of time as the plan administrator, in its sole discretion, determines.

Vesting of Full Value Awards. Full value awards (generally, any award other than an option or share appreciation right) will vest over a period of at least three years (or, in the case of vesting based upon attainment of certain performance goals, over a period of at least one year). However, full value awards that result in the issuance of an aggregate of up to 5% to the total issuable shares under the Amended and Restated 2006 Incentive Award Plan may be granted without any minimum vesting periods. In addition, full value awards may vest on an accelerated basis in the event of a participant s death, disability, or retirement, or in the event of our change in control or other special circumstances.

Non-transferability. Awards granted under the Amended and Restated 2006 Incentive Award Plan are generally not transferable.

Withholding. We have the right to withhold, deduct or require a participant to remit to us an amount sufficient to satisfy federal, state, local or foreign taxes (including the participant s employment tax obligations) required by law to be withheld with respect to any tax concerning the participant as a result of the Amended and Restated 2006 Incentive Award Plan.

Termination or Amendment. Unless terminated earlier, the Amended and Restated 2006 Incentive Award Plan will remain in effect for a period of ten years from the effective date of the 2006 Incentive Award Plan, after which no award may be granted under the Amended and Restated 2006 Incentive Award Plan. With the approval of our Board of Directors, the plan administrator may terminate or amend the Amended and Restated 2006 Incentive Award Plan at any time. However, shareholder approval will be required for any amendment (i) to the extent required by applicable law, regulation or stock exchange rule, (ii) to increase the number of shares available under the Amended and Restated 2006 Incentive Award Plan, (iii) to permit the grant of options or share appreciation rights with an exercise price below fair market value on the date of grant, (iv) to extend the exercise period for an option or share appreciation right beyond ten years from the date of grant, or (v) that results in a material increase in benefits or a change in eligibility requirements. Any amendment or termination must not materially adversely affect any participant without such participant s consent.

Table of Contents

Outstanding Awards. As at March 31, 2012, options or RSUs to purchase an aggregate of 3,800,887 ordinary shares were outstanding, out of which options or RSUs to purchase 1,250,088 ordinary shares were held by all our directors and executive officers as a group. The exercise prices of these options range from $15.32 to $35.30 and the expiration dates of these options range from July 24, 2016 to March 12, 2022. The weighted average grant date fair value of RSUs granted during fiscal 2012, 2011 and 2010 were $10.80, $9.09 and $10.28 per ADS, respectively. There were no grants of RSUs during fiscal 2006 and 2005. There is no purchase price for the RSUs.

Other Employee Benefits

We also maintain other employee benefit plans in the form of certain statutory and incentive plans covering substantially all of our employees. For fiscal 2012, the total amount accrued by us to provide for pension, retirement or similar benefits was $8.5 million.

Provident Fund

In accordance with Indian, the Philippines and Sri Lankan laws, all of our employees in these countries are entitled to receive benefits under the respective government provident fund, a defined contribution plan to which both we and the employee contribute monthly at a pre-determined rate (for India and Sri Lanka, currently 12% of the employee s base salary and for the Philippines peso 100/-per month for every employee). These contributions are made to the respective government provident fund and we have no further obligation under this fund apart from our monthly contributions. We contributed an aggregate of $5.5 million, $5.7 million and $5.7 million in each of fiscal 2012, 2011 and 2010, respectively, to the government provident fund.

US Savings Plan

Eligible employees in the US participate in a savings plan, or the US Savings Plan, pursuant to Section 401(k) of the United States Internal Revenue Code of 1986, as amended, or the Code. The US Savings Plan allows our employees to defer a portion of their annual earnings on a pre-tax basis through voluntary contributions there under. The US Savings Plan provides that we can make optional contributions up to the maximum allowable limit under the Code.

UK Pension Scheme

Eligible employees in the UK contribute to a defined contribution pension scheme operated in the UK. The assets of the scheme are held separately from ours in an independently administered fund. The pension expense represents contributions payable to the fund by us.

Gratuity

In accordance with Indian, the Philippines and Sri Lankan laws, we provide for gratuity liability pursuant to a defined benefit retirement plan covering all our employees in India, the Philippines and Sri Lanka. Our gratuity plan provides for a lump sum payment to eligible employees on retirement, death, incapacitation or on termination of employment (provided such employee has worked for at least five years with our company) which is computed on the basis of employee s salary and length of service with us (subject to a maximum of approximately $19,658 per employee in India). In India, we provide the gratuity benefit through determined contributions pursuant to a non-participating annuity contract administered and managed by the Life Insurance Corporation of India, or LIC, and Aviva Life Insurance Company Private Limited. Under this plan, the obligation to pay gratuity remains with us although LIC and Aviva Life Insurance Company Private Limited administer the plan. We contributed an aggregate of $1.2 million, $0.7 million and $0.1 million in fiscal 2012, 2011 and 2010, respectively, to LIC and Aviva Life Insurance Company Private Limited.

Compensated Absence

Our liability for compensated absences is determined on an accrual basis for the entire unused vacation balance standing to the credit of each employee as at year-end and were charged to income in the year in which they accrue.

C. Board Practices

Composition of the Board of Directors

Our Memorandum and Articles of Association provide that our Board of Directors consists of not less than three directors and such maximum number as our directors may determine from time to time. Our Board of Directors currently consists of seven directors. Messrs. Herr, Bernays, Aboody and Sir Anthony satisfy the independence requirements of the NYSE rules.

Table of Contents

All directors hold office until the expiry of their term of office, their resignation or removal from office for gross negligence or criminal conduct by a resolution of our shareholders or until they cease to be directors by virtue of any provision of law or they are disqualified by law from being directors or they become bankrupt or make any arrangement or composition with their creditors generally or they become of unsound mind. The term of office of the directors is divided into three classes:

- Class I, whose term will expire at the annual general meeting to be held in fiscal 2014;
- Class II, whose term will expire at the annual general meeting to be held in fiscal 2015; and
- Class III, whose term will expire at the annual general meeting to be held in fiscal 2013.

Our directors for fiscal 2012 are classified as follows:

- Class I: Sir Anthony A. Greener and Mr. Richard O. Bernays;
- Class II: Mr. Keshav R. Murugesh and Mr. Albert Aboody; and
- Class III: Mr. Jeremy Young, Mr. Eric B. Herr and Mr. Deepak S. Parekh.

The appointments of Messrs. Jeremy Young, Eric Herr and Deepak Parekh will expire at the next annual general meeting, which we expect to hold in August 2012. Messrs. Eric Herr and Jeremy Young have expressed their willingness to be re-elected and, accordingly, we propose to seek shareholders approval for their re-election at the next annual general meeting. Mr. Deepak Parekh has chosen not to stand for re-election and hence his term of directorship will expire at the next annual general meeting.

At each annual general meeting after the initial classification or special meeting in lieu thereof, the successors to directors whose terms will then expire serve from the time of election until the third annual meeting following election or special meeting held in lieu thereof. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors. This classification of the Board of Directors may have the effect of delaying or preventing changes in control of management of our company.

There are no family relationships among any of our directors or executive officers. The employment agreement governing the services of one of our directors provide for benefits upon termination of employment as described above.

Our Board of Directors held thirteen meetings in fiscal 2012.

Board Leadership Structure and Board Oversight of Risk

Different individuals currently serve in the roles of Chairman of the Board and Group Chief Executive Officer of our company. Our Board believes that splitting the roles of Chairman of the Board and Group Chief Executive Officer is currently the most appropriate leadership structure for our company. This leadership structure will bring in greater efficiency as a result of vesting two important leadership roles in separate individuals and increased independence for the Board of Directors.

Board s Role in Risk Oversight

Our Board of Directors is primarily responsible for overseeing our risk management processes. The Board of Directors receives and reviews periodic reports from the Head of Risk Management and Audit as considered appropriate regarding our company s assessment of risks. The Board of Directors focuses on the most significant risks facing our company and our company s general risk management strategy, and also ensures that risks undertaken by our company are consistent with the Board s appetite for risk. While the Board oversees our company s risk management, management is responsible for day-to-day risk management processes. We believe this division of responsibilities is the most effective approach for addressing the risks facing our company and that our Board leadership structure supports this approach.

The Audit Committee has special responsibilities with respect to financial risks, and regularly reports to the full Board of Directors on these issues. Among other responsibilities, the Audit Committee reviews the company s policies with respect to contingent liabilities and risks that may be material to our company, our company s policies and procedures designed to promote compliance with laws, regulations, and internal policies and procedures, and major legislative and regulatory developments which could materially impact our company.

The Compensation Committee also plays a role in risk oversight as it relates to our company s compensation policies and practices. Among other responsibilities, the Compensation Committee designs and evaluates our company s executive compensation policies and practices so that our company s compensation programs promote accountability among employees and the interests of employees are properly aligned with the interests of our shareholders.

Table of Contents

Committees of the Board

Our Board of Directors has three standing committees: an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee.

Audit Committee

The Audit Committee comprises four directors: Messrs. Albert Aboody (Chairman), Eric B. Herr, Richard O. Bernays and Sir Anthony A. Greener. Each of Messrs. Aboody, Herr, Bernays and Sir Anthony A. Greener satisfies the independence requirements of Rule 10A-3 of the Exchange Act and the NYSE listing standards. The principal duties and responsibilities of our Audit Committee are as follows:

- to serve as an independent and objective party to monitor our financial reporting process and internal control systems;
- to review and appraise the audit efforts of our independent accountants and exercise ultimate authority over the relationship between us and our independent accountants; and
- to provide an open avenue of communication among the independent accountants, financial and senior management and the Board of Directors.

The Audit Committee has the power to investigate any matter brought to its attention within the scope of its duties. It also has the authority to retain counsel and advisors to fulfill its responsibilities and duties. Messrs. Aboody and Herr serve as our Audit Committee financial experts, within the requirements of the rules promulgated by the Commission relating to listed-company audit committees.

We have posted our Audit Committee charter on our website at *www.wns.com*. **Information contained in our website does not constitute a part of this annual report.**

The Audit Committee held six meetings in fiscal 2012.

Compensation Committee

The Compensation Committee comprises four directors: Messrs. Richard O. Bernays (Chairman), Eric B. Herr, Deepak S. Parekh and Sir Anthony A. Greener. Each of Messrs. Bernays, Herr and Sir Anthony satisfies the independence requirements of the NYSE listing standards. Effective June 1, 2010, Mr. Parekh entered into a consulting arrangement with another party. Our Board of Directors decided not to consider Mr. Parekh as an independent director under the NYSE listing standards from the effectiveness of such arrangement. Accordingly, our Board of Directors has determined that effective June 1, 2010, our Compensation Committee is no longer fully independent, whereupon we decided to follow our home country (Jersey, Channel Islands) practice, which does not impose a committee independent requirement. The scope of this committee s duties includes determining the compensation of our executive officers and other key management personnel. The Compensation Committee also administers the 2002 Stock Incentive Plan and the Amended and Restated 2006 Incentive Award Plan, reviews performance appraisal criteria and sets standards for and decides on all employee shares options allocations when delegated to do so by our Board of Directors.

We have posted our Compensation Committee charter on our website at *www.wns.com*. **Information contained in our website does not constitute a part of this annual report.**

The Compensation Committee held five meetings in fiscal 2012.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee comprises four directors: Messrs. Deepak S. Parekh (Chairman), Eric B. Herr, Richard O. Bernays and Sir Anthony A. Greener. Each of Messrs. Herr and Bernays and Sir Anthony satisfies the independence requirements of the NYSE listing standards. Effective June 1, 2010 Mr. Parekh entered into a consulting arrangement with another party. Our Board of Directors decided not to consider Mr. Parekh as an independent director under the NYSE listing standards from date of the effectiveness of such arrangement. Accordingly, our Board of Directors has determined that effective June 1, 2010, our Nominating and Corporate Governance Committee is no longer full independent, whereupon we decided to elect to follow our home country (Jersey, Channel Islands) practice, which does not impose a committee independence requirement. The principal duties and responsibilities of the nominating and governance committee are as follows:

to assist the Board of Directors by identifying individuals qualified to become board members and members of board committees, to recommend to the Board of Directors nominees for the next annual meeting of shareholders, and to recommend to the Board of Directors nominees for each committee of the Board of Directors;

Table of Contents

to monitor our corporate governance structure; and

to periodically review and recommend to the Board of Directors any proposed changes to the corporate governance guidelines applicable to us.

We have posted our Nominating and Corporate Governance Committee charter on our website at *www.wns.com*. **Information contained in our website does not constitute a part of this annual report.**

The Nominating and Corporate Governance Committee uses its judgment to identify well qualified individuals who are willing and able to serve on our Board of Directors. Pursuant to its charter, the Nominating and Corporate Governance Committee may consider a variety of criteria in recommending candidates for election to our board, including an individual s personal and professional integrity, ethics and values; experience in corporate management, such as serving as an officer or former officer of a publicly held company, and a general understanding of marketing, finance and other elements relevant to the success of a publicly-traded company in today s business environment; experience in our company s industry and with relevant social policy concerns; experience as a board member of another publicly held company; academic expertise in an area of our company s operations; and practical and mature business judgment, including ability to make independent analytical inquiries.

While the Nominating and Corporate Governance Committee does not have a formal policy with respect to the consideration of diversity in identifying director nominees, it nevertheless considers director nominees with a diverse range of backgrounds, skills, national origins, values, experiences, and occupations.

The Nominating and Corporate Governance Committee held five meetings in fiscal 2012.

Executive Sessions

Our non-executive directors meet regularly in executive session without executive directors or management present. The purpose of these executive sessions is to promote open and candid discussion among the non-executive directors. Mr. Eric B. Herr has presided over all executive sessions. Our non-executive directors held two executive sessions in fiscal 2012.

Shareholders and other interested parties may communicate directly with the presiding director or with our non-executive directors as a group by writing to the following address: WNS (Holdings) Limited, Attention: Non-Executive Directors, Gate 4, Godrej & Boyce Complex, Pirojshanagar, Vikhroli (W), Mumbai 400 079, India.

D. Employees

For a description of our employees, see Part I Item 4. Information on the Company Business Overview Human Capital.

E. Share Ownership

The following table sets forth information with respect to the beneficial ownership of our ordinary shares as at March 31, 2012 by each of our directors and all our directors and executive officers as a group. As used in this table, beneficial ownership means the sole or shared power to vote or direct the voting or to dispose of or direct the sale of any security. A person is deemed to be the beneficial owner of securities that can be acquired within 60 days upon the exercise of any option, warrant or right. Ordinary shares subject to options, warrants or rights that are currently exercisable or exercisable within 60 days are deemed outstanding for computing the ownership percentage of the person holding the options, warrants or rights, but are not deemed outstanding for computing the ownership percentage of any other person. The amounts and percentages as at March 31, 2012 are based on an aggregate of 50,078,881 ordinary shares outstanding as at that date.

	Number of Ordinary Shares Beneficially Owned	
Name	Number	Percent
Directors		
Eric B. Herr	47,535	0.09%
Keshav R. Murugesh[(1)]	199,432	0.40%
Jeremy Young[(2)]	14,519,144	28.99%

Deepak S. Parekh	33,535	0.07%
Richard O. Bernays	33,535	0.07%
Anthony A. Greener	26,420	0.05%
Albert Aboody	3,212	0.01%
Executive Officers		
Alok Misra	130,173	0.26%
Johnson J. Selvadurai[(3)]	343,444	0.69%
Michael Garber	6,000	0.01%
Ronald Strout	1,000	0.00%
Swaminathan Rajamani	7,000	0.01%
All our directors and executive officers as a group (twelve persons)[(4)]	15,350,430	30.65%

Page 115

Table of Contents

Notes:

(1) Of the 199,432 shares beneficially owned by Keshav R. Murugesh 19,856 shares are held jointly with his wife Shamini K. Murugesh in the form of ADSs.
(2) Jeremy Young is a director of our company and a Managing Director and member of Warburg Pincus LLC. All shares indicated as owned by Mr. Young were a result of his affiliation with the Warburg Pincus entities. Mr. Young disclaims beneficial ownership of all shares held by the Warburg Pincus entities.
(3) Of the 343,444 shares beneficially owned by Johnson J. Selvadurai, 251,666 shares are indirectly held via a trust which is controlled by Mr. Selvadurai.
(4) Includes the shares beneficially owned by Jeremy Young, nominee director of Warburg Pincus, because of his affiliation with the Warburg Pincus entities. Mr. Young disclaims beneficial ownership of all shares held by the Warburg Pincus entities.

The following table sets forth information concerning options and RSUs held by our directors and executive officers as at March 31, 2012.

	Option Summary				RSU Summary			
Name	**Number of shares underlying unexercised but vested options**	**Exercise price**	**Number of shares underlying options (that have not vested)**	**Exercise price**	**Number of shares underlying RSUs held that have vested but unexercised**	**Number of shares underlying RSUs that will vest within 60 days from Mar. 31, 2012**	**Vesting dates**	**Number of shares underlying RSUs held that have not vested**
Directors								
Eric B. Herr	14,000	$ 20.00				3,557	4-May-12	32,924
	2,000	$ 22.98						
Keshav Murugesh					158,964	20,612	19-Apr-12	392,488
Jeremy Young								
Deepak S. Parekh	14,000	$ 20.00				3,557	4-May-12	11,424
	2,000	$ 22.98						
Richard O. Bernays	14,000	$ 28.87				3,557	4-May-12	11,924
	2,000	$ 22.98						
Anthony A. Greener	14,000	$ 28.48				3,557	4-May-12	11,924
	2,000	$ 22.98						
Albert Aboody								19,149
Executive Officers								
Alok Misra	13,260	$ 15.32			87,128	7,000	11-Apr-12	93,500
						22,785	4-May-12	
Johnson J. Selvadurai	20,000	$ 20.00			37,111	19,440	4-May-12	47,000
	5,000	$ 30.21				2,000	11-Apr-12	
	8,227	$ 27.75						
Michael Garber					4,000	2,000	11-Apr-12	42,000
Ronald Strout						1,000	11-Apr-12	27,500
Rajamani Swaminathan					4,000	3,000	11-Apr-12	66,500

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

The following table sets forth information regarding beneficial ownership of our ordinary shares as at March 31, 2012 held by each person who is known to us to have 5.0% or more beneficial share ownership based on an aggregate of 50,078,881 ordinary shares outstanding as of that date.

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.

Table of Contents

Name of Beneficial Owner	Number of Shares Beneficially Owned	Percentage Beneficially Owned[1]
Warburg Pincus[2]	14,519,144	28.99%
FMR LLC[3]	6,354,465	12.69%
Columbia Wanger Asset Management, LLC [4]	6,103,983	12.19%
Nalanda India Fund Limited[5]	5,211,410	10.41%

Notes:

(1) Based on an aggregate of 50,078,881 ordinary shares outstanding as at March 31, 2012.

(2) Information is based on a report on Amendment No. 1 to Schedule 13G jointly filed with the Commission on March 30, 2012 by (i) Warburg Pincus Private Equity VIII, L.P., a Delaware limited partnership (WP VIII and, together with its two affiliated partnerships, Warburg Pincus Netherlands Private Equity VIII C.V. I, a company formed under the laws of the Netherlands (WP VIII CV I), and WP-WPVIII Investors, L.P., a Delaware limited partnership (WP-WPVIII Investors), the WP VIII Funds); (ii) Warburg Pincus International Partners, L.P., a Delaware limited partnership (WPIP and, together with its two affiliated partnerships, Warburg Pincus Netherlands International Partners I C.V., a company formed under the laws of the Netherlands (WPIP I CV), and WP-WPIP Investors L.P., a Delaware limited partnership (WP-WPIP Investors), the WPIP Funds); (iii) Warburg Pincus Partners LLC, a New York limited liability company (WPP LLC), the general partner of WP VIII, WPIP, WP VIII CV I and WPIP I CV, and the sole member of certain Delaware limited liability companies affiliated with the WP VIII Funds and the WPIP Funds; (iv) Warburg Pincus & Co., a New York general partnership (WP), the managing member of WPP LLC; (v) Warburg Pincus LLC, a New York limited liability company (WP LLC), which manages the WP VIII Funds and the WPIP Funds; and (vi) Messrs. Charles R. Kaye and Joseph P. Landy, each a United States citizen and a Managing General Partner of WP and Co-President and Managing Member of WP LLC, and who may be deemed to control the WP VIII Funds, the WPIP Funds, WPP LLC, WP LLC and WP.

(3) Information is based on a report on Amendment No. 5 to Schedule 13G jointly filed with the Commission on February 14, 2011 by FMR LLC, Edward C. Johnson 3d, Fidelity Management & Research Company and Fidelity Mid Cap Stock Fund. Edward C. Johnson 3d is the Chairman of FMR LLC. Fidelity Management & Research Company, a wholly owned subsidiary of FMR LLC, is the investment adviser to Fidelity Mid Cap Stock Fund.

(4) Information is based on a report on Amendment No. 4 to Schedule 13G filed with the Commission on February 10, 2012 by Columbia Wanger Asset Management, LLC.

(5) Information is based on a report on Schedule 13G filed with the Commission on February 2, 2011 by Nalanda India Fund Limited.

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

In February 2012, Warburg Pincus sold 6,847,500 of its ADSs (representing 6,847,500 ordinary shares) in our company, reducing its overall ownership from approximately 47.8% to approximately 29.0%, as described in a report on Amendment No. 1 to Schedule 13G jointly filed with the Commission on March 30, 2012.

FMR LLC reported its percentage ownership of our ordinary shares to be 12.641% (based on the then number of our ordinary shares reported as outstanding at that time) in a report on Amendment No. 4 to Schedule 13G jointly filed with the Commission on February 16, 2010 and 15.00% (based on the then number of our ordinary shares reported as outstanding at that time) in a report on Amendment No. 5 to Schedule 13G jointly filed with the Commission on February 14, 2011.

Columbia Wanger Asset Management, L.P. reported its percentage ownership of our ordinary shares to be 12.2% (based on the then number of our ordinary shares reported as outstanding at that time) in a report on Amendment No. 2 to Schedule 13G filed with the Commission on February 10, 2010 and 13.4% (based on the then number of our ordinary shares reported as outstanding at that time) in a report on Amendment No. 3 to Schedule 13G filed with the Commission on February 11, 2011. Columbia Wanger Asset Management, LLC reported its percentage ownership of our ordinary shares to be 13.7% (based on the then number of our ordinary shares reported as outstanding at that time) in a report on Amendment No. 4 to Schedule 13G filed with the Commission on February 10, 2012.

Table of Contents

Nalanda India Fund Limited reported its percentage ownership of our ordinary shares to be 12.3% (based on the then number of our ordinary shares reported as outstanding at that time) in reports on Schedule 13G filed with the Commission on February 10, 2009 and January 13, 2010 and 11.76% (based on the then number of our ordinary shares reported as outstanding at that time) in reports on Schedule 13G filed with the Commission on February 2, 2011.

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

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

As at March 31, 2012, 14,569,658 of our ordinary shares, representing 29.09% of our outstanding ordinary shares, were held by a total of 24 holders of record with addresses in the US. As at the same date, 34,931,671 of our ADSs (representing 34,931,671 ordinary shares), representing 69.75% of our outstanding ordinary shares, were held by one registered holder of record with addresses in and outside of the US. Since certain of these ordinary shares and ADSs were held by brokers or other nominees, the number of record holders in the US may not be representative of the number of beneficial holders or where the beneficial holders are resident. All holders of our ordinary shares are entitled to the same voting rights.

B. Related Party Transactions

(Amounts in thousands)

Since fiscal 2003, we have entered into agreements with certain investee companies of one of our principal shareholders, Warburg Pincus, to provide business process outsourcing services. These investee companies are companies in which Warburg Pincus has 10% or more beneficial share ownership. In fiscal 2012, 2011 and 2010, these investee companies in the aggregate accounted for $3,954, $3,752 and $2,625, respectively. We have also entered into agreements with certain other investee companies of Warburg Pincus under which we receive certain enterprise resource planning services from them. In fiscal 2012, 2011 and 2010, these investee companies in the aggregate accounted for $nil, $20 and $nil in expenses, respectively.

On January 1, 2005, we entered into an agreement with Datacap Software Private Limited, or Datacap, pursuant to which Datacap granted us the license to use its proprietary IT-enabled services software program. Johnson J. Selvadurai, our Managing Director Europe, is a principal shareholder of Datacap**.** In fiscal 2012, 2011 and 2010, we paid $nil, $1 and $5, respectively, for the license under the agreement. In fiscal 2012, 2011 and 2010, we paid Datacap $29, $nil and $2, respectively, for purchases of computers and software.

In the fiscal 2011, we paid $55 to SIFE India, a non-profit company at which Mr. Keshav R. Murugesh, our director, held directorship.

In the fiscal 2012, we paid $8 to HDFC Ergo General Insurance Company Limited towards travel insurance for the employees of our company, where our director, Mr. Deepak S. Parekh, is the Chairman of the Board of Directors.

In March 2008, we entered into an agreement with Singapore Telecommunications Limited, or Singtel, for the provision of lease line services. Our director, Mr. Deepak S. Parekh, was an executive director of Singtel until July 2010. In fiscal 2012, 2011 and 2010 we paid Singtel $nil, $161 and $319, respectively, for such services.

In fiscal 2012, 2011 and 2010, we paid $5, $nil and $4, respectively, to The Indian Hotels Company Limited towards hiring of accommodation and related services. Our director, Mr. Deepak S. Parekh, is a director of The Indian Hotels Company Limited.

C. Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

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

Tax Assessment Orders

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

Table of Contents

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

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

Entity	Tax Year(s)	Amount Demanded (Including Interest)		Interest on Amount Demanded	
		(and US dollars in millions)			
WNS Global, WNS Customer Solutions and Noida	Fiscal 2003	180.2	$ (3.5)(1)	60.0	$ (1.2)(1)
WNS Global, WNS Customer Solutions and Noida	Fiscal 2004	12.5	$ (0.2)(1)	3.1	$ (0.1)(1)
WNS Global, WNS Customer Solutions and Noida	Fiscal 2005	27.4	$ (0.5)(1)	8.6	$ (0.2)(1)
WNS Global, WNS Customer Solutions and Noida	Fiscal 2006	539.9	$ (10.6)(1)	188.9	$ (3.7)(1)
WNS BCS and permanent establishment of WNS North America Inc. and WNS UK in India	Fiscal 2006	140.1	$ (2.8)(1)	51.2	$ (1.0)(1)
WNS Global, WNS Customer Solutions and Noida	Fiscal 2007	98.7	$ (1.9)(1)	31.9	$ (0.6)(1)
WNS BCS and permanent establishment of WNS North America Inc. and WNS UK in India	Fiscal 2007	21.6	$ (0.4)(1)	8.2	$ (0.1)(1)
WNS Global, WNS Customer Solutions and Noida	Fiscal 2008	763.3	$ (15.0)(1)	287.9	$ (5.7)(1)
WNS BCS and permanent establishment of WNS North America Inc. and WNS UK in India	Fiscal 2008	79.8	$ (1.7)(1)	25.4	$ (0.4)(1)
WNS BCS and permanent establishment of WNS North America Inc. and WNS UK in India	Fiscal 2009	15.1	$ (0.3)(1)	2.0	$ (0.1)(1)
Total		1,878.6	$ (36.9)(1)	667.2	$ (13.1)(1)

Note:

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

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

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

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

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

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

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

Table of Contents

Dividend Policy

Subject to the provisions of the 1991 Law and our Articles of Association, we may by ordinary resolution declare annual dividends to be paid to our shareholders according to their respective rights and interests in our distributable reserves. Any dividends we may declare must not exceed the amount recommended by our Board of Directors. Our board may also declare and pay an interim dividend or dividends, including a dividend payable at a fixed rate, if paying an interim dividend or dividends appears to the Board to be justified by our distributable reserves. See Part I Item 10. Additional Information B. Memorandum and Articles of Association. We can only declare dividends if our directors who are to authorize the distribution make a prior statement that, having made full enquiry into our affairs and prospects, they have formed the opinion that:

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

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

We have never declared or paid any dividends on our ordinary shares. Any future determination to pay cash dividends will be at the discretion of our Board of Directors and will be dependent upon our results of operations and cash flows, our financial position and capital requirements, general business conditions, legal, tax, regulatory and any contractual restrictions on the payment of dividends and any other factors our Board of Directors deems relevant at the time.

Subject to the deposit agreement governing the issuance of our ADSs, holders of ADSs will be entitled to receive dividends paid on the ordinary shares represented by such ADSs.

B. Significant Changes

There have been no significant subsequent events following the close of the last fiscal year up to the date of this annual report that are known to us and require disclosure in this document for which disclosure was not made in this annual report.

Table of Contents

ITEM 9. THE OFFER AND LISTING

A. Offer and Listing Details

Our ADSs evidenced by American Depositary Receipts, or ADRs, commenced trading on the NYSE on July 26, 2006. The ADRs evidencing ADSs were issued by our depositary, Deutsche Bank Trust Company Americas, pursuant to a deposit agreement. The number of our outstanding ordinary shares (including the ordinary shares underlying ADSs) as at March 31, 2012 was 50,078,881. As at March 31, 2012, there were 34,931,671 ADSs outstanding (representing 34,931,671 ordinary shares).

The high and low last reported sale prices per ADS for the periods indicated are as shown below:

	Price per ADS on NYSE	
	High	Low
Fiscal year:		
2008	$ 29.85	$ 12.81
2009	$ 20.00	$ 3.10
2010	$ 17.25	$ 5.10
2011	$ 13.38	$ 8.46
2012	$ 13.05	$ 7.82
Fiscal Quarter:		
2011		
First quarter	$ 13.38	$ 9.62
Second quarter	$ 13.35	$ 8.46
Third quarter	$ 12.94	$ 8.76
Fourth quarter	$ 11.98	$ 9.70
2012		
First quarter	$ 10.68	$ 8.64
Second quarter	$ 12.00	$ 8.81
Third quarter	$ 13.05	$ 7.82
Fourth quarter	$ 12.18	$ 8.49
Month:		
October 2011	$ 12.28	$ 11.21
November 2011	$ 13.05	$ 11.20
December 2011	$ 11.67	$ 7.82
January 2012	$ 10.25	$ 8.49
February 2012	$ 11.35	$ 8.90
March 2012	$ 12.18	$ 10.74
April 2012 (through April 23, 2012)	$ 12.19	$ 10.93

B. Plan of Distribution

Not applicable.

C. Markets

Our ADSs are listed on the NYSE under the symbol WNS.

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

Table of Contents

ITEM 10. ADDITIONAL INFORMATION

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

General

We were incorporated in Jersey, Channel Islands, as a private limited company (with registered number 82262) on February 18, 2002 pursuant to the 1991 Law. We converted from a private limited company to a public limited company on January 4, 2006 when we acquired more than 30 shareholders as calculated in accordance with Article 17A of the 1991 Law. We gave notice of this to the JFSC in accordance with Article 17(3) of the 1991 Law on January 12, 2006.

The address of our secretary and share registrar is Computershare Investor Services (Jersey) Limited, or Computershare, at Queensway House, Hilgrove Street, St Helier, Jersey JE1 1ES. Our share register is maintained at the premises of Computershare.

Our activities are regulated by our Memorandum and Articles of Association. We adopted an amended and restated Memorandum and Articles of Association by special resolution of our shareholders passed on May 22, 2006. This amended and restated Memorandum and Articles of Association came into effect immediately prior to the completion of our initial public offering in July 2006. The material provisions of our amended and restated Memorandum and Articles of Association are described below. In addition to our Memorandum and Articles of Association, our activities are regulated by (among other relevant legislation) the 1991 Law. Our Memorandum of Association states our company name, that we are a public company, that we are a par value company, our authorized share capital and that the liability of our shareholders is limited to the amount (if any) unpaid on their shares. Below is a summary of some of the provisions of our Articles of Association. It is not, nor does it purport to be, complete or to identify all of the rights and obligations of our shareholders. The summary is qualified in its entirety by reference to our Memorandum and Articles of Association. See Part III Item 19. Exhibits Exhibit 1.1 and Part III Item 19. Exhibits Exhibit 1.2.

The rights of shareholders described in this section are available only to persons who hold our certificated shares. ADS holders do not hold our certificated shares and therefore are not directly entitled to the rights conferred on our shareholders by our Articles of Association or the rights conferred on shareholders of a Jersey company by the 1991 Law, including, without limitation: the right to receive dividends and the right to attend and vote at shareholders meetings; the rights described in Other Jersey Law Considerations Mandatory Purchases and Acquisitions and Other Jersey Law Considerations Compromises and Arrangements, the right to apply to a Jersey court for an order on the grounds that the affairs of a company are being conducted in a manner which is unfairly prejudicial to the interests of its shareholders; and the right to apply to the JFSC to have an inspector appointed to investigate the affairs of a company. ADS holders are entitled to receive dividends and to exercise the right to vote only in accordance with the deposit agreement.

Share Capital

Pursuant to an extraordinary general meeting held on November 22, 2011, our company s authorized share capital increased from £5,100,000, divided into 50,000,000 ordinary shares of 10 pence each and 1,000,000 preferred shares of 10 pence each, to £6,100,000, divided into 60,000,000 ordinary shares of 10 pence each and 1,000,000 preferred shares of 10 pence each, by the creation of 10,000,000 additional ordinary shares of 10 pence each. As at March 31, 2012, 2011 and 2010, we had 50,078,881, 44,443,726 and 43,743,953 ordinary shares outstanding, respectively. The increase in the number of ordinary shares outstanding during the last three fiscal years resulted from (i) our follow-on offering in February 2012 and (ii) the issuance of ordinary shares pursuant to our two share-based incentive plans, our 2002 Stock Incentive Plan and our 2006 Incentive Award Plan (as amended and restated). On September 13, 2011, we adopted the second amendment and restatement of our 2006 Incentive Award Plan to increase the number of ordinary shares and ADSs available for grant thereunder by 2,200,000 ordinary shares/ADSs to a total of 6,200,000 ordinary shares/ADSs. We have not issued any shares for consideration other than cash. There are no preferred shares outstanding.

Pursuant to Jersey law and our Memorandum and Articles of Association, our Board of Directors by resolution may establish one or more classes of preferred shares having such number of shares, designations, dividend rates, relative voting rights, liquidation rights and other relative participation, optional or other special rights, qualifications, limitations or restrictions as may be fixed by the board without any further shareholder approval. Such rights, preferences, powers and limitations as may be established could also have the effect of discouraging an attempt to obtain control of us. None of our shares have any redemption rights.

Capacity

Under the 1991 Law, the doctrine of *ultra vires* in its application to companies is abolished and accordingly the capacity of a Jersey company is not limited by anything in its memorandum or articles or by any act of its members.

Table of Contents

Changes in Capital or our Memorandum and Articles of Association

Subject to the 1991 Law and our Articles of Association, we may by special resolution at a general meeting:

- increase our authorized or paid-up share capital;
- consolidate and divide all or any part of our shares into shares of a larger amount than is fixed by our Memorandum of Association;
- sub-divide all or any part of our shares into shares of smaller amount than is fixed by our Memorandum of Association;
- convert any of our issued or unissued shares into shares of another class;
- convert all our issued par value shares into no par value shares and vice versa;
- convert any of our paid-up shares into stock, and reconvert any stock into any number of paid-up shares of any denomination;
- convert any of our issued limited shares into redeemable shares which can be redeemed;
- cancel shares which, at the date of passing of the resolution, have not been taken or agreed to be taken by any person, and diminish the amount of the authorized share capital by the amount of the shares so cancelled;
- reduce our issued share capital; or
- alter our Memorandum or Articles of Association.

General Meetings of Shareholders

We may at any time convene general meetings of shareholders. We hold an annual general meeting for each fiscal year. Under the 1991 Law, no more than 18 months may elapse between the date of one annual general meeting and the next.

Our Articles of Association provide that annual general meetings and meetings calling for the passing of a special resolution require 21 days notice of the place, day and time of the meeting in writing to our shareholders. Any other general meeting requires no less than 14 days notice in writing. Our directors may, at their discretion, and upon a request made in accordance with the 1991 Law by shareholders holding not less than one tenth of our total voting rights our directors shall, convene a general meeting. Our business may be transacted at a general meeting only when a quorum of shareholders is present. Two shareholders entitled to attend and to vote on the business to be transacted (or a proxy for a shareholder or a duly authorized representative of a corporation which is a shareholder) and holding shares conferring not less than one-third of the total voting rights, constitute a quorum provided that if at any time all of our issued shares are held by one shareholder, such quorum shall consist of the shareholder present in person or by proxy.

The annual general meetings deal with and dispose of all matters prescribed by our Articles of Association and by the 1991 Law including:

the consideration of our annual financial statements and report of our directors and auditors;

the election of directors (if necessary);

the appointment of auditors and the fixing of their remuneration;

the sanction of dividends; and

the transaction of any other business of which notice has been given.

Failure to hold an annual general meeting is an offence by our company and our directors under the 1991 Law and carries a potential fine of up to £5,000 for our company and each director.

Table of Contents

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.

Table of Contents

Transfer of Shares

Every shareholder may transfer all or any of his shares by instrument of transfer in writing in any usual form or in any form approved by us. The instrument must be executed by or on behalf of the transferor and, in the case of a transfer of a share which is not fully paid up, by or on behalf of the transferee. The transferor is deemed to remain the holder until the transferee s name is entered in the register of shareholders.

We may, in our absolute discretion and without giving any reason, refuse to register any transfer of a share or renunciation of a renounceable letter of allotment unless:

- it is in respect of a share which is fully paid-up;
- it is in respect of only one class of shares;
- it is in favor of a single transferee or not more than four joint transferees;
- it is duly stamped, if so required; and
- it is delivered for registration to our registered office for the time being or another place that we may from time to time determine accompanied by the certificate for the shares to which it relates and any other evidence as we may reasonably require to prove the right of the transferor or person renouncing to make the transfer or renunciation.

Share Register

We maintain our register of members in Jersey. It is open to inspection during business hours by shareholders without charge and by other persons upon payment of a fee not exceeding £5. Any person may obtain a copy of our register of members upon payment of a fee not exceeding £0.50 per page and providing a declaration under oath as required by the 1991 Law.

Variation of Rights

If at any time our share capital is divided into different classes of shares, the special rights attached to any class, unless otherwise provided by the terms of issue of the shares of that class, may be varied or abrogated with the consent in writing of the holders of the majority of the issued shares of that class, or with the sanction of an ordinary resolution passed at a separate meeting of the holders of shares of that class, but not otherwise. To every such separate meeting all the provisions of our Articles of Association and of the 1991 Law relating to general meetings or to the proceedings thereat shall apply, *mutatis mutandis,* except that the necessary quorum shall be two persons holding or representing at least one-third in nominal amount of the issued shares of that class but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those holders who are present in person shall be a quorum.

The special rights conferred upon the holders of any class of shares issued with preferred or other special rights shall be deemed to be varied by the reduction of the capital paid up on such shares and by the creation of further shares ranking in priority thereto, but shall not (unless otherwise expressly provided by our Articles of Association or by the conditions of issue of such shares) be deemed to be varied by the creation or issue of further shares ranking after or *pari passu* therewith. The rights conferred on holders of ordinary shares shall be deemed not to be varied by the creation, issue or redemption of any preferred or preference shares.

Capital Calls

We may, subject to the provisions of our Articles of Association and to any conditions of allotment, from time to time make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) *provided that* (except as otherwise fixed by the conditions of application or allotment) no call on any share shall be payable within 14 days of the date appointed for payment of the last preceding call, and each member shall (subject to being given at least 14 clear days notice specifying the time or times and place of payment) pay us at the time or times and place so specified the amount called on his shares.

If a member fails to pay any call or installment of a call on or before the day appointed for payment thereof, we may serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest (at a rate not exceeding 10% per annum to be determined by us) which may have accrued and any expenses which may have been incurred by us by reason of such non-payment. The notice shall name a further day (not earlier than fourteen days from the date of service thereof) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time and at the place appointed, the shares on which the call was made will be liable to be forfeited.

Borrowing Powers

Our Articles of Association contain no restrictions on our power to borrow money or to mortgage or charge all or any part of our undertaking, property and assets.

Table of Contents

Issue of Shares and Preemptive Rights

Subject to the provisions of the 1991 Law and to any special rights attached to any shares, we may allot or issue shares with those preferred, deferred or other special rights or restrictions regarding dividends, voting, return of capital or other matters as our directors from time to time determine. We may issue shares that are redeemable or are liable to be redeemed at our option or the option of the holder in accordance with our Articles of Association. Subject to the provisions of the 1991 Law, the unissued shares at the date of adoption of our Articles of Association and shares created thereafter shall be at the disposal of our directors. We cannot issue shares at a discount to par value. Securities, contracts, warrants or other instruments evidencing any preferred shares, option rights, securities having conversion or option rights or obligations may also be issued by the directors without the approval of the shareholders or entered into by us upon a resolution of the directors to that effect on such terms, conditions and other provisions as are fixed by the directors, including, without limitation, conditions that preclude or limit any person owning or offering to acquire a specified number or percentage of shares in us in issue, other shares, option rights, securities having conversion or option rights or obligations of us or the transferee of such person from exercising, converting, transferring or receiving the shares, option rights, securities having conversion or option rights or obligations.

There are no pre-emptive rights for the transfer of our shares either within the 1991 Law or our Articles of Association.

Directors Powers

Our business shall be managed by the directors who may exercise all of the powers that we are not by the 1991 Law or our Articles of Association required to exercise in a general meeting. Accordingly, the directors may (among other things) borrow money, mortgage or charge all of our property and assets (present and future) and issue securities.

Meetings of the Board of Directors

A director may, and the secretary on the requisition of a director shall, at any time, summon a meeting of the directors by giving to each director and alternate director not less than 24 hours notice of the meeting *provided that* any meeting may be convened at shorter notice and in such manner as each director or his alternate director shall approve *provided further that* unless otherwise resolved by the directors notices of directors meetings need not be in writing.

Subject to our Articles of Association, our Board of Directors may meet for the conducting of business, adjourn and otherwise regulate its proceedings as it sees fit. The quorum necessary for the transaction of business may be determined by the Board of Directors and unless otherwise determined shall be three persons, each being a director or an alternate director of whom two shall not be executive directors. Where more than three directors are present at a meeting, a majority of them must not be executive directors in order for the quorum to be constituted at the meeting. A duly convened meeting of the Board of Directors at which a quorum is present is necessary to exercise all or any of the board s authorities, powers and discretions.

Our Board of Directors may from time to time appoint one or more of their number to be the holder of any executive office on such terms and for such periods as they may determine. The appointment of any director to any executive office shall be subject to termination if he ceases to be a director. Our Board of Directors may entrust to and confer upon a director holding any executive office any of the powers exercisable by the directors, upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers and may from time to time revoke, withdraw, alter or vary all or any of such powers.

Remuneration of Directors

Our directors shall be entitled to receive by way of fees for their services as directors any sum that we may, by ordinary resolution in general meeting from time to time determine. That sum, unless otherwise directed by the ordinary resolution by which it is voted, shall be divided among the directors in the manner that they agree or, failing agreement, equally. The remuneration (if any) of an alternate director shall be payable out of the remuneration payable to the director appointing him as may be agreed between them.

The directors shall be repaid their traveling and other expenses properly and necessarily expended by them in attending meetings of the directors or members or otherwise on our affairs.

If any director shall be appointed agent or to perform extra services or to make any special exertions, the directors may remunerate such director therefor either by a fixed sum or by commission or participation in profits or otherwise or partly one way and partly in another as they think fit, and such remuneration may be either in addition to or in substitution for his above mentioned remuneration.

Table of Contents

Directors Interests in Contracts

Subject to the provisions of the 1991 Law, a director may hold any other office or place of profit under us (other than the office of auditor) in conjunction with his office of director and may act in a professional capacity to us on such terms as to tenure of office, remuneration and otherwise as we may determine and, provided that he has disclosed to us the nature and extent of any of his interests which conflict or may conflict to a material extent with our interests at the first meeting of the directors at which a transaction is considered or as soon as practical after that meeting by notice in writing to the secretary or has otherwise previously disclosed that he is to be regarded as interested in a transaction with a specific person, a director notwithstanding his office (1) may be a party to, or otherwise interested in, any transaction or arrangement with us or in which we are otherwise interested, (2) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by us or in which we are otherwise interested, and (3) shall not, by reason of his office, be accountable to us for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

Restrictions on Directors Voting

A director, notwithstanding his interest, may be counted in the quorum present at any meeting at which any contract or arrangement in which he is interested is considered and, subject as provided above, he may vote in respect of any such contract or arrangement. A director, notwithstanding his interest, may be counted in the quorum present at any meeting at which he is appointed to hold any office or place of profit under us, or at which the terms of his appointment are arranged, but the director may not vote on his own appointment or the terms thereof or any proposal to select that director for re-election.

Number of Directors

Our board shall determine the maximum and minimum number of directors provided that the minimum number of directors shall be not less than three.

Directors Appointment, Resignation, Disqualification and Removal

Our board is divided into three classes that are, as nearly as possible, of equal size. Each class of directors (other than initially) is elected for a three-year term of office but the terms are staggered so that the term of only one class of directors expires at each annual general meeting. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors. This classification of the Board of Directors may have the effect of delaying or preventing changes in control of management of our company. Our Board of Directors shall have power (unless they determine that any vacancy should be filled by us in general meeting) at any time and from time to time to appoint any person to be a director, either to fill any vacancy or as an addition to the existing directors. A vacancy for these purposes only will be deemed to exist if a director dies, resigns, ceases or becomes prohibited or disqualified by law from acting as a director, becomes bankrupt or enters into an arrangement or composition with his creditors, becomes of unsound mind or is removed by us from office for gross negligence or criminal conduct by ordinary resolution. A vacancy for these purposes will not be deemed to exist upon the expiry of the term of office of a director. At any general meeting at which a director retires or at which a director s period of office expires we shall elect, by ordinary resolution of the general meeting, a director to fill the vacancy, unless our directors resolve to reduce the number of directors in office. Where the number of persons validly proposed for election or re-election as a director is greater than the number of directors to be elected, the persons receiving the most votes (up to the number of directors to be elected) shall be elected as directors and an absolute majority of the votes cast shall not be a pre-requisite to the election of such directors.

The directors shall hold office until they resign, they cease to be a director by virtue of a provision of the 1991 Law, they become disqualified by law or the terms of our Articles of Association from being a director, they become bankrupt or make any arrangement or composition with their creditors generally or they become of unsound mind or they are removed from office by us for gross negligence or criminal conduct by ordinary resolution in general meeting.

A director is not required to hold any of our shares.

Capitalization of Profits and Reserves

Subject to our Articles of Association, we may, upon the recommendation of our directors, by ordinary resolution resolve to capitalize any of our undistributed profits (including profits standing to the credit of any reserve account), any sum standing to the credit of any reserve account as a result of the sale or revaluation of an asset (other than goodwill) and any sum standing to the credit of our share premium account or capital redemption reserve.

Table of Contents

Any sum which is capitalized shall be appropriated among our shareholders in the proportion in which such sum would have been divisible amongst them had the same been applied in paying dividends and applied in (1) paying up the amount (if any) unpaid on the shares held by the shareholders, or (2) issuing to shareholders, fully paid shares (issued either at par or a premium) or (subject to our Articles of Association) our debentures.

Unclaimed Dividends

Any dividend which has remained unclaimed for a period of ten years from the date of declaration thereof shall, if the directors so resolve, be forfeited and cease to remain owing by us and shall thenceforth belong to us absolutely.

Indemnity, Limitation of Liability and Officers Liability Insurance

Insofar as the 1991 Law allows and, to the fullest extent permitted thereunder, we may indemnify any person who was or is involved in any manner (including, without limitation, as a party or a witness), or is threatened to be made so involved, in any threatened, pending or completed investigation, claim, action, suit or proceeding, whether civil, criminal, administrative or investigative including, without limitation, any proceeding by or in the right of ours to procure a judgment in our favor, but excluding any proceeding brought by such person against us or any affiliate of ours by reason of the fact that he is or was an officer, secretary, servant, employee or agent of ours, or is or was serving at our request as an officer, secretary, servant, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against all expenses (including attorney s fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such proceeding. Such indemnification shall be a contract right and shall include the right to receive payment in advance of any expenses incurred by the indemnified person in connection with such proceeding, provided always that this right is permitted by the 1991 Law.

Subject to the 1991 Law, we may enter into contracts with any officer, secretary, servant, employee or agent of ours and may create a trust fund, grant a security interest, make a loan or other advancement or use other means (including, without limitation, a letter of credit) to ensure the payment of such amounts as may be necessary to effect indemnification as provided in the indemnity provisions in our Articles of Association.

Our directors are empowered to arrange for the purchase and maintenance in our name and at our expense of insurance cover for the benefit of any current or former officer of ours, our secretary and any current or former agent, servant or employee of ours against any liability which is incurred by any such person by reason of the fact that he is or was an officer of ours, our secretary or an agent, servant or employee of ours.

Subject to the 1991 Law, the right of indemnification, loan or advancement of expenses provided in our Articles of Association is not exclusive of any other rights to which a person seeking indemnification may otherwise be entitled, under any statute, memorandum or articles of association, agreement, vote of shareholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. The provisions of our Articles of Association inure for the benefit of the heirs and legal representatives of any person entitled to indemnity under our Articles of Association and are applicable to proceedings commenced or continuing after the adoption of our Articles of Association whether arising from acts or omissions occurring before or after such adoption.

If any provision or provisions of our Articles of Association relative to indemnity are held to be invalid, illegal or unenforceable for any reason whatsoever: (i) the validity, legality and enforceability of the remaining provisions thereof shall not in any way be affected or impaired; and (ii) to the fullest extent possible, the provisions of our Articles of Association relative to indemnity shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

Nothing in our Articles of Association prohibits us from making loans to officers, our secretary, servants, employees or agents to fund litigation expenses prior to such expenses being incurred.

Distribution of Assets on a Winding-up

Subject to any particular rights or limitations attached to any shares, if we are wound up, our assets available for distribution among our shareholders shall be applied first in repaying to our shareholders the amount paid up (as to both par and any premium) on their shares respectively, and if such assets shall be more than sufficient to repay to our shareholders the whole amount paid up (as to both par and any premium) on their shares, the balance shall be distributed among our shareholders in proportion to the amount which at the time of the commencement of the winding up had been actually paid up (as to both par and any premium) on their shares respectively.

Table of Contents

If we are wound up, we may, with the approval of a special resolution and any other sanction required by the 1991 Law, divide the whole or any part of our assets among our shareholders in specie and our liquidator or, where there is no liquidator, our directors, may, for that purpose, value any assets and determine how the division shall be carried out as between our shareholders or different classes of shareholders. Similarly, with the approval of a special resolution and subject to any other sanction required by the 1991 Law, all or any of our assets may be vested in trustees for the benefit of our shareholders.

Other Jersey Law Considerations

Purchase of Own Shares

The 1991 Law provides that we may, with the sanction of a special resolution and subject to certain conditions, purchase any of our shares which are fully paid.

We may fund the purchase of our own shares from any source provided that our directors are satisfied that immediately after the date on which the purchase is made, we will be able to discharge our liabilities as they fall due and that having regard to (i) our prospects and to the intentions of our directors with respect to the management of our business and (ii) the amount and character of the financial resources that will in their view be available to us, we will be able to (a) continue to carry on our business and (b) discharge our liabilities as they fall due until the expiry of the period of 12 months immediately following the date on which the purchase was made or until we are dissolved, whichever occurs first.

We cannot purchase our shares if, as a result of such purchase, only redeemable shares would be in issue. Any shares that we purchase (other than shares that are, immediately after being purchased, held as treasury shares) are treated as cancelled upon purchase.

Mandatory Purchases and Acquisitions

The 1991 Law provides that where a person (which we refer to as the offeror) makes an offer to acquire all of the shares (or all of the shares of any class of shares) (other than treasury shares and any shares already held by the offeror and its associates at the date of the offer), if the offeror has by virtue of acceptances of the offer acquired or contracted to acquire not less than 90% in nominal value of the shares (or class of shares) to which the offer relates, the offeror by notice may compulsorily acquire the remaining shares. A holder of any such shares may apply to the Jersey court for an order that the offeror not be entitled to purchase the holder s shares or that the offeror purchase the holder s shares on terms different to those of the offer.

Where, prior to the expiry of the offer period, the offeror has by virtue of acceptances of the offer acquired or contracted to acquire not less than 90% in nominal value of all of the shares of the target company (other than treasury shares and any shares already held by the offeror and its associates at the date of the offer), the holder of any shares (or class of shares) to which the offer relates who has not accepted the offer may require the offeror to acquire those shares. In such circumstances, each of the offeror and the holder of the shares are entitled to apply to the Jersey court for an order that the offeror purchase the holder s shares on terms different to those of the offer.

Compromises and Arrangements

Where a compromise or arrangement is proposed between a company and its creditors, or a class of them, or between the company and its shareholders, or a class of them, the Jersey court may on the application of the company or a creditor or member of it or, in the case of a company being wound up, of the liquidator, order a meeting of the creditors or class of creditors, or of the shareholders of the company or class of shareholders (as the case may be), to be called in a manner as the court directs.

If a majority in number representing 3/4ths in value of the creditors or class of creditors, or 3/4ths of the voting rights of shareholders or class of shareholders (as the case may be), present and voting either in person or by proxy at the meeting agree to a compromise or arrangement, the compromise or arrangement, if sanctioned by the court, is binding on all creditors or the class of creditors or on all the shareholders or class of shareholders, and also on the company or, in the case of a company in the course of being wound up, on the liquidator and contributories of the company.

No Pre-Emptive Rights

Neither our Articles of Association nor the 1991 Law confers any pre-emptive rights on our shareholders.

Table of Contents

No Mandatory Offer Requirements

In some countries, the trading and securities legislation contains mandatory offer requirements when shareholders have reached certain share ownership thresholds. There are no mandatory offer requirements under Jersey legislation. The Companies (Takeovers and Mergers Panel) (Jersey) Law 2009 empowers the Minister for Economic Development in Jersey, or the Minister, to appoint a Panel on Takeovers and Mergers, or the Jersey Panel, as the body responsible for regulating takeovers and mergers of companies incorporated in Jersey. The Minister has appointed the UK Panel on Takeovers and Mergers, or the UK Panel, to carry out the functions of the Jersey Panel. The Jersey Panel will be empowered to promulgate rules regulating takeovers and mergers of Jersey companies, or the Jersey Code. The rules applicable to the regulation of takeovers and mergers promulgated by the UK Panel as set out in The City Code on Takeovers and Mergers, or the UK Code, have been adopted as the Jersey Code. Rule 9 of the UK Code contains rules relative to mandatory offers. However, the UK Code only applies to (i) offers for Jersey companies if any of their securities are admitted to trading on a regulated market in the United Kingdom or any stock exchange in the Channel Islands or the Isle of Man and (ii) to public or certain private Jersey companies which are considered by the Panel to have their place of central management and control in the United Kingdom, the Channel Islands or the Isle of Man. As none of our securities are listed on a regulated market in the United Kingdom or on any stock exchange in the Channel Islands or the Isle of Man and as we are not centrally managed and controlled in the United Kingdom, the Channel Islands or the Isle of Man, it is not anticipated that the Jersey Code will apply to us.

Non-Jersey Shareholders

There are no limitations imposed by Jersey law or by our Articles of Association on the rights of non-Jersey shareholders to hold or vote on our ordinary shares or securities convertible into our ordinary shares.

Rights of Minority Shareholders

Under Article 141 of the 1991 Law, a shareholder may apply to court for relief on the ground that our affairs are being conducted or have been conducted in a manner which is unfairly prejudicial to the interests of our shareholders generally or of some part of our shareholders (including at least the shareholder making the application) or that an actual or proposed act or omission by us (including an act or omission on our behalf) is or would be so prejudicial. What amounts to unfair prejudice is not defined in the 1991 Law. There may also be common law personal actions available to our shareholders.

Under Article 143 of the 1991 Law (which sets out the types of relief a court may grant in relation to an action brought under Article 141 of the 1991 Law), the court may make an order regulating our affairs, requiring us to refrain from doing or continuing to do an act complained of, authorizing civil proceedings and providing for the purchase of shares by us or by any of our other shareholders.

Jersey Law and our Memorandum and Articles of Association

The content of our Memorandum and Articles of Association reflects the requirements of the 1991 Law. Jersey company law draws very heavily from company law in England and there are various similarities between the 1991 Law and English company law. However, the 1991 Law is considerably more limited in content than English company law and there are some notable differences between English and Jersey company law. There are, for example, no provisions under Jersey law (as there are under English law):

- controlling possible conflicts of interests between us and our directors, such as loans by us or directors, and contracts between us and our directors other than a duty on our directors to disclose an interest in any transaction to be entered into by us or any of our subsidiaries which to a material extent conflicts with our interest;

- specifically requiring particulars to be shown in our accounts of the amount of loans to officers or directors emoluments and pensions, although these would probably be required to be shown in our accounts in conformity to the requirement that accounts must be prepared in accordance with generally accepted accounting principles;

- requiring us to file details of charges other than charges of Jersey realty; or as regards statutory preemption provisions in relation to further issues of shares.

Comparison of Shareholders Rights

We are incorporated under the laws of Jersey, Channel Islands. The following discussion summarizes certain material differences between the rights of holders of our ordinary shares and the rights of holders of the common stock of a typical corporation incorporated under the laws of the State of Delaware which result from differences in governing documents and the laws of Jersey, Channel Islands and Delaware. The rights of holders of our ADSs differ in certain respects from those of holders of our ordinary shares.

Table of Contents

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	Delaware Law	Jersey Law
Special Meetings of Shareholders	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.	Under the 1991 Law, directors shall, notwithstanding anything in a Jersey company s articles of association, call a general meeting on a shareholders requisition. A shareholders requisition is a requisition of shareholders holding not less than one-tenth of the total voting rights of the shareholders of the company who have the right to vote at the meeting requisitioned. Failure to call an annual general meeting in accordance with the requirements of the 1991 Law is a criminal offense on the part of a Jersey company and its directors. The JFSC may, on the application of any officer, secretary or shareholder call, or direct the calling of, an annual general meeting.
Interested Director Transactions	Interested director transactions are not voidable if (i) the material facts as to the interested director s relationship or interests are disclosed or are known to the Board of Directors and the board in good faith authorizes the transaction by the affirmative vote of a majority of the disinterested directors, (ii) the material facts are disclosed or are known to the shareholders entitled to vote on such transaction and the transaction is specifically approved in good faith by vote of the majority of shares entitled to vote on the matter or (iii) the transaction is fair as to the corporation as of the time it is authorized, approved or ratified by the Board of Directors, a committee or the shareholders.	A director of a Jersey company who has an interest in a transaction entered into or proposed to be entered into by the company or by a subsidiary which conflicts or may conflict with the interests of the company and of which the director is aware, must disclose the interest to the company. Failure to disclose an interest entitles the company or a member to apply to the court for an order setting aside the transaction concerned and directing that the director account to the company for any profit. A transaction is not voidable and a director is not accountable notwithstanding a failure to disclose if the transaction is confirmed by special resolution and the nature and extent of the director s interest in the transaction are disclosed in reasonable detail in the notice calling the meeting at which the resolution is passed. Without prejudice to its power to order that a director account for any profit, a court shall not set aside a transaction unless it is satisfied that the interests of third parties who have acted in good faith thereunder would not thereby be unfairly prejudiced and the transaction was not reasonable and fair in the interests of the company at the time it was entered into.

Table of Contents

Corporate Law Issue	Delaware Law	Jersey Law
Cumulative Voting	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.	There are no provisions in the 1991 Law relating to cumulative voting.
Approval of Corporate Matters by Written Consent	Unless otherwise specified in a Delaware corporation s certificate of incorporation, action required or permitted to be taken by shareholders at an annual or special meeting may be taken by shareholders without a meeting, without notice and without a vote, if consents in writing setting forth the action, are signed by shareholders with not less than the minimum number of votes that would be necessary to authorize the action at a meeting. All consents must be dated. No consent is effective unless, within 60 days of the earliest dated consent delivered to the corporation, written consents signed by a sufficient number of holders to take action are delivered to the corporation.	Insofar as the memorandum or articles of a Jersey company do not make other provision in that behalf, anything which may be done at a meeting of the company (other than remove an auditor) or at a meeting of any class of its shareholders may be done by a resolution in writing signed by or on behalf of each shareholder who, at the date when the resolution is deemed to be passed, would be entitled to vote on the resolution if it were proposed at a meeting. A resolution shall be deemed to be passed when the instrument, or the last of several instruments, is last signed or on such later date as is specified in the resolution.
Business Combinations	With certain exceptions, a merger, consolidation or sale of all or substantially all the assets of a Delaware corporation must be approved by the Board of Directors and a majority of the outstanding shares entitled to vote thereon.	A sale or disposal of all or substantially all the assets of a Jersey company must be approved by the Board of Directors and, only if the Articles of Association of the company require, by the shareholders in general meeting. A merger involving a Jersey company must be generally documented in a merger agreement which must be approved by special resolution of that company.

Table of Contents

Corporate Law Issue	Delaware Law	Jersey Law
Limitations on Directors Liability	A Delaware corporation may include in its certificate of incorporation provisions limiting the personal liability of its directors to the corporation or its shareholders for monetary damages for many types of breach of fiduciary duty. However, these provisions may not limit liability for any breach of the duty of loyalty, acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law, the authorization of unlawful dividends, or unlawful share purchase or redemption, or any transaction from which a director derived an improper personal benefit. Moreover, these provisions would not be likely to bar claims arising under US federal securities laws.	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.

Table of Contents

Corporate Law Issue	Delaware Law	Jersey Law
Appraisal Rights	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.	The 1991 Law does not confer upon shareholders any appraisal rights.
Shareholder Suits	Class actions and derivative actions generally are available to the shareholders of a Delaware corporation for, among other things, breach of fiduciary duty, corporate waste and actions not taken in accordance with applicable law. In such actions, the court has discretion to permit the winning party to recover attorneys fees incurred in connection with such action.	Under Article 141 of the 1991 Law, a shareholder may apply to court for relief on the ground that a company s affairs are being conducted or have been conducted in a manner which is unfairly prejudicial to the interests of its shareholders generally or of some part of its shareholders (including at least the shareholder making the application) or that an actual or proposed act or omission by the company (including an act or omission on its behalf) is or would be so prejudicial. There may also be common law personal actions available to shareholders. Under Article 143 of the 1991 Law (which sets out the types of relief a court may grant in relation to an action brought under Article 141 of the 1991 Law), the court may make an order regulating the affairs of a company, requiring a company to refrain from doing or continuing to do an act complained of, authorizing civil proceedings and providing for the purchase of shares by a company or by any of its other shareholders.
Inspection of Books and Records	All shareholders of a Delaware corporation have the right, upon written demand under oath stating the purpose thereof, to inspect or obtain copies of the corporation s shares ledger and its other books and records for any proper purpose.	The register of shareholders and books containing the minutes of general meetings or of meetings of any class of shareholders of a Jersey company must during business hours be open to the inspection of a shareholder of the company without charge. The register of directors and secretaries must during business hours (subject to such reasonable restrictions as the company may by its articles or in general meeting impose, but so that not less than two hours in each business day be allowed for inspection) be open to the inspection of a shareholder or director of the company without charge.

Corporate Law Issue	Delaware Law	Jersey Law
Amendments to Charter	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.	The memorandum and articles of association of a Jersey company may only be amended by special resolution (being a two-third majority if the articles of association of the company do not specify a greater majority) passed by shareholders in general meeting or by written resolution signed by all the shareholders entitled to vote.

Transfer Agent and Registrar

The transfer agent and registrar for our ADSs is Deutsche Bank Trust Company Americas.

C. Material Contracts

The following is a summary of each contract that is or was material to us during the last two years.

(1) Master Services Agreement, dated July 11, 2008 between Aviva Global Services (Management Services) Private Ltd. and WNS Capital Investment Limited (Aviva master services agreement   ), (2) Variation Agreement dated August 3, 2009, to the Aviva master services agreement and (3) Novation and Agreement of Amendment dated March 24, 2011 among Aviva Global Services (Management Services) Private Ltd., WNS Capital Investment Limited and WNS Global Services Private Limited.

On July 11, 2008, WNS Capital Investment Limited entered into the Aviva master services agreement with Aviva MS, pursuant to which Aviva MS agrees to appoint us as service provider and prime contractor to supply certain BPO services to the Aviva group for a term of eight years and four months. Under the agreement, Aviva MS has agreed to provide a minimum volume of business, or minimum volume commitment, to us during the term of the contract. The minimum volume commitment is calculated as 3,000 billable full-time employees, where one billable full-time employee is the equivalent of a production employee engaged by us to perform our obligations under the contract for one working day of at least nine hours for 250 days a year. In August 2009, we entered into a variation agreement to the Aviva master services agreement pursuant to which Aviva MS agreed to increase the minimum volume commitment from the current 3,000 billable full time employees to 3,300 billable full time employees for a period of 17 months from March 1, 2010 to July 31, 2011 and to 3,250 billable full time employees for a period of six months from August l, 2011 to January 31, 2012. The minimum volume commitment will revert to 3,000 billable full time employees after January 31, 2012 for the remaining term of the Aviva master services agreement. In the event the mean average monthly volume of business in any rolling three-month period does not reach the minimum volume commitment, Aviva MS has agreed to pay us a minimum commitment fee as liquidated damages. The agreement may be terminated by Aviva MS for a variety of reasons, including a material breach of agreement by us, or at will at any time after the expiry of 24 months from October 9, 2008, except in the case of the Chennai facility which was transferred to WNS Global Singapore in July 2008, at any time after the expiry of 24 months from September 19, 2008 and in the case of the Pune facility which was transferred to WNS Global Singapore in August 2008, at any time after the expiry of 24 months after 60 days from the date of completion of the transfer of the Pune facility, in each case, with six months   notice upon payment of a termination fee. We may also terminate the agreement for a variety of reasons, including the failure by Aviva MS to pay any invoiced amounts where such invoiced amounts are overdue for a period of at least 30 business days or if it is otherwise in material breach of the agreement.

Pursuant to a novation and agreement of amendment dated March 24, 2011 among Aviva MS, WNS Capital Investment Limited and WNS Global, WNS Capital Investment Limited   s rights and obligations under the Aviva master services agreement have been novated to WNS Global effective March 31, 2011.

Facility Agreement, dated July 2, 2010, by and among (1) WNS (Mauritius) Limited, as the Borrower, (2) WNS (Holdings) Limited and its subsidiaries named as guarantors therein, or collectively the Guarantors, (3) The Hongkong and Shanghai Banking Corporation Limited as Agent (4) The Hongkong and Shanghai Banking Corporation Limited, DBS Bank Limited and BNP Paribas, as Arrangers, (5) the Lenders named therein, (6) Morgan Walker Solicitors Limited, as Security Trustee, and (7) The Hongkong and Shanghai Banking Corporation Limited and HSBC Bank (Mauritius) Limited, as Account Banks.

On July 2, 2010, we entered into a facility agreement for a term loan of $94 million (which we refer to herein as the 2010 Term Loan) to refinance, together with cash on hand, the $115 million outstanding balance of the $200.0 million term loan facility we had obtained in July 2008 to fund, together with cash on hand, the Aviva transaction. This term loan bears interest equal to the three-month US dollar LIBOR plus a margin of 2% per annum. The variable interest rate as at March 31, 2011 was 2.30%. As at March 31, 2011, our interest rate swap agreement converted the floating rate loan to a weighted average effective fixed rate of 5.84%. This term loan is repayable in semi-annual installments of $20 million on each of January 10, 2011 and July 11, 2011 and $30 million on January 10, 2012 with the final installment of $24 million payable on July 10, 2012.

Table of Contents

Repayment under the facility is guaranteed by WNS, WNS UK, WNS Capital Investment Limited, WNS Global Singapore, WNS North America Inc., AHA and the Co-op, and secured by pledges of shares of WNS (Mauritius) Limited, WNS Capital Investment Limited and WNS Global Singapore, charges over the bank accounts of WNS (Mauritius) Limited, WNS Capital Investment Limited and WNS Global Singapore, a charge over receivables of WNS Capital Investment Limited from Aviva held in escrow, an assignment by WNS (Mauritius) Limited to the lenders of the 2010 Term Loan of its put option to sell its shares of WNS Capital Investment Limited to WNS Global, pursuant to which the lenders may, in the event of a default under the loan, compel WNS (Mauritius) Limited to exercise its put option and apply the proceeds from the sale of its shares of WNS Capital Investment Limited to WNS Global towards repayment of the loan, and a fixed and floating charge over the assets of WNS UK, which ranks pari passu with other charges over the same assets in favor of other lenders. The facility agreement contains certain covenants, including restrictive covenants relating to our indebtedness, total borrowings to tangible net worth ratio, total borrowings to EBITDA ratio and a minimum interest coverage ratio, each as defined in the facility agreement, and undertakings by each of WNS (Mauritius) Limited and WNS Global Singapore not to sell, transfer or otherwise dispose of their respective shares of WNS Global. As at March 31, 2012, the amount outstanding under the facility was $24 million.

Leave and Licence Agreement dated May 10, 2011 between Godrej & Boyce Manufacturing Company Limited and WNS Global Services Private Limited with respect to Plant 11.

On May 10, 2011, WNS Global entered into an agreement with Godrej & Boyce Manufacturing Company Ltd., or GBMC, pursuant to which GBMC granted a licence to WNS Global to occupy and use existing office premises with an aggregate area of 84,934 square feet in Mumbai, India, known as Plant 11, for a term of 60 months commencing on February 16, 2011. The monthly licence fees payable under this agreement are 1,359,000 ($26,715 based on the exchange rate on March 31, 2012) with an escalation of 5% every 12 calendar months. The agreement will expire on February 15, 2016.

Leave and Licence Agreement dated May 10, 2011 between Godrej & Boyce Manufacturing Company Limited and WNS Global Services Private Limited with respect to Plant 10.

On May 10, 2011, WNS Global entered into an agreement with GBMC pursuant to which GBMC granted a licence to WNS Global to WNS Global to occupy and use existing office premises with an aggregate area of 84,429 square feet in Mumbai, India, known as Plant 10, for a term of 60 months commencing on February 16, 2011. The monthly licence fees payable under this agreement are 1,350,800 ($26,554 based on the exchange rate on March 31, 2012) with an escalation of 5% every 12 calendar months. The agreement will expire on February 15, 2016.

Leave and Licence Agreement dated May 10, 2011 between Godrej & Boyce Manufacturing Company Limited and WNS Global Services Private Limited with respect to Plant 5.

On May 10, 2011, WNS Global entered into an agreement with GBMC pursuant to which GBMC granted a licence to WNS Global pertaining to the existing office premises with an aggregate area of 108,000 square feet in Mumbai, India, known as Plant 5, is for a term of 60 months commencing on February 16, 2011. The monthly licence fees payable under this agreement are 1,728,000 ($33,969 based on the exchange rate on March 31, 2012) with an escalation of 5% every 12 calendar months. The agreement will expire on February 15, 2016.

Lease Deed dated January 25, 2006 between DLF Cyber City and WNS Global Services Private Limited.

On January 25, 2006, WNS Global entered into a lease deed with DLF Cyber City for the lease of two office spaces in Gurgaon, India, with an aggregate built up area of 51,244 square feet at a monthly rental of 30 per square feet. The lease commenced on April 1, 2006 for a term of 54 months from the commencement date with an option to renew for a further term of 54 months.

An addendum was subsequently signed to renew the agreements on December 7, 2010 for a term of 54 months commencing from October 1, 2010 at a monthly rental of 34.50 per square feet. The agreements will expire on March 31, 2015.

Lease Deed dated April 25, 2005 between DLF Cyber City and WNS Global Services Private Limited.

On April 25, 2005, WNS Global entered into a lease deed with DLF Cyber City for the lease of two office spaces in Gurgaon, India with an aggregate area of 38,576 square feet and 52,419 square feet, respectively, at a monthly rental of 30 per square feet. The said lease expired at the end of its term of 54 months. WNS Global extended the lease for a further period of 54 months at a monthly rental of 34.50 per square feet. This extension of the lease for the two office spaces with an aggregate area of 38,576 square feet and 52,419 square feet will expire on April 30, 2014 and May 31, 2014, respectively.

Lease Deed dated December 6, 2010 between DLF Assets Private Limited and WNS Global Services Private Limited.

On December 6, 2010, WNS Global executed a lease deed for an aggregate area of 70,657 square feet at Chennai, India with DLF Assets Private Limited having a monthly rental of 2.8 million ($55,042 based on the exchange rate on March 31, 2012) for the first three years and a 15% escalation in the monthly rentals from the beginning of the fourth year of the lease. The total lease term is five years with a lock-in period of 36 months. After the lock-in period has expired, WNS Global can terminate the agreement by giving three months prior notice in writing. The lease will expire on March 31, 2017.

Table of Contents

Lease Deed dated January 28, 2011 between BCR Real Estate Fund and WNS BPO Services Costa Rica, S.A.

On January 28, 2011, WNS BPO Services Costa Rica, S.A. entered into a lease deed with BCR Real Estate Fund for the office premises situated in San Jose, Costa Rica for a period of five years effective from May 1, 2011 for an aggregate area of 2,339.64 square meters. The monthly rental is $37,434 and will be increased annually by 3% from the beginning of the third year of the lease. The lease will expire on April 30, 2016.

Lease Deed dated January 20, 2012 between Sri Divi Satya Mohan, Sri Attaluri Praveen, Sri Divi Satya Sayee Babu and WNS Global Services Private Limited

On January 20, 2012, WNS Global entered into a lease deed with Sri Divi Satya Mohan, Sri Attaluri Praveen and Sri Divi Satya Sayee Babu for the office premises situated in Vishakhapatnam, India for a period of five years commencing from March 5, 2012 for an aggregate area of 31,332.20 square feet. The monthly rental is 24 per square feet which will be raised by 5% every 12 months following the commencement date. The lease will expire on March 4, 2017, but may further be extended for two consecutive terms of five years each, on mutually agreed terms.

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

Please see Part I Item 6. Directors, Senior Management and Employees B. Compensation Employment Agreement of our Executive Director.

D. Exchange Controls

There are currently no Jersey or United Kingdom foreign exchange control restrictions on the payment of dividends on our ordinary shares or on the conduct of our operations. Jersey is in a monetary union with the United Kingdom. There are currently no limitations under Jersey law or our Articles of Association prohibiting persons who are not residents or nationals of United Kingdom from freely holding, voting or transferring our ordinary shares in the same manner as United Kingdom residents or nationals.

Exchange Rates

Substantially all of our revenue is denominated in pound sterling or US dollars and large part of our expenses, other than payments to repair centers, are incurred and paid in Indian rupees. We report our financial results in US dollars. The exchange rates among the Indian rupee, the pound sterling and the US dollar have changed substantially in recent years and may fluctuate substantially in the future. The results of our operations are affected as the Indian rupee and the pound sterling appreciate or depreciate against the US dollar and, as a result, any such appreciation or depreciation will likely affect the market price of our ADSs in the US.

The following table sets forth, for the periods indicated, information concerning the exchange rates between Indian rupees and US dollars based on the spot rate released by the Federal Reserve Board:

Fiscal year:	**Period End(1)**	**Average(2)**	**High**	**Low**
2008	40.02	40.13	43.05	38.48
2009	50.98	45.84	51.96	39.73
2010	44.95	47.39	50.48	44.94
2011	44.54	45.49	47.49	43.90
2012	50.89	47.81	53.71	44.00
2013 (till April 20, 2012)	52.02	51.37	52.07	50.64

Notes:

(1) The spot rate at each period end and the average rate for each period may differ from the exchange rates used in the preparation of financial statements included elsewhere in this annual report.

(2) Represents the average of the daily exchange rates during the period.

The following table sets forth, for the periods indicated, information concerning the exchange rates between Indian rupees and US dollars based on the spot rate released by the Federal Reserve Board:

Month:	**High**	**Low**
October 2011	49.86	48.63
November 2011	52.48	48.94
December 2011	53.71	50.50
January 2012	53.11	49.39
February 2012	49.48	48.65
March 2012	51.38	49.14
April 2012 (till April 20, 2012)	52.07	50.64

Table of Contents

The following table sets forth, for the periods indicated, information concerning the exchange rates between the pound sterling and US dollars based on the spot rate released by the Federal Reserve Board:

Fiscal year:	Period End(1)	Average(2)	High	Low
2008	£ 0.50	£ 0.50	£ 0.52	£ 0.47
2009	0.70	0.58	0.73	0.50
2010	0.66	0.63	0.69	0.59
2011	0.62	0.64	0.70	0.61
2012	0.63	0.63	0.65	0.60
2013 (till April 20, 2012)	0.62	0.63	0.63	0.62

Notes:

(1) The spot rate at each period end and the average rate for each period may differ from the exchange rates used in the preparation of financial statements included elsewhere in this annual report.

(2) Represents the average of the daily exchange rates during the period.

The following table sets forth, for the periods indicated, information concerning the exchange rates between the pound sterling and US dollars based on the spot rate released by the Federal Reserve Board:

Month:	High	Low
October 2011	£ 0.65	£ 0.62
November 2011	0.65	0.62
December 2011	0.65	0.64
January 2012	0.65	0.63
February 2012	0.64	0.63
March 2012	0.64	0.63
April 2012 (till April 20, 2012)	0.63	0.62

E. Taxation

Jersey Tax Consequences

General

The following summary of the anticipated tax treatment in Jersey in relation to the payments on the ordinary shares is based on the taxation law in force at the date of this annual report, and does not constitute legal or tax advice and investors should be aware that the relevant fiscal rules and practice and their interpretation may change. We encourage you to consult your own professional advisors on the implications of subscribing for, buying, holding, selling, redeeming or disposing of ordinary shares (or ADSs) and the receipt of interest and distributions, whether or not on a winding-up, with respect to the ordinary shares (or ADSs) under the laws of the jurisdictions in which they may be taxed. Under the Income Tax (Jersey) Law 1961, as amended, or the Jersey Income Tax Law: (i) we are regarded as tax resident in Jersey but, being neither a financial services company nor a specified utility company under the Jersey Income Tax Law at the date hereof, we will not be liable to pay Jersey income tax, (ii) we will continue to be able to pay dividends on our ordinary shares without any withholding or deduction for or on account of Jersey tax, and (iii) holders of our ordinary shares (other than Jersey residents) will not be subject to any Jersey tax in respect of the holding, sale or other disposition of their ordinary shares.

On May 6, 2008, Jersey introduced a 3% general sales tax on goods and services which was increased to 5% with effect from June 1, 2011. We have the benefit of exemption or end user relief from this charge as we have obtained international services entity status (for which an annual administrative fee of £200 is payable).

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

As part of an agreement reached in connection with the EU Savings Tax Directive income in the form of interest payments, and in line with steps taken by other relevant third countries, with effect from July 1, 2005 a retention tax system was introduced in respect of payments of interest, or other similar income, made to an individual beneficial owner resident in an EU Member State by a paying agent established in Jersey (the terms beneficial owner and paying agent are defined in the EU Savings Tax Directive). The retention tax system applies for a transitional period prior to the implementation of a system of automatic communication to EU Member States of information regarding such payments. The transitional period will only end after all EU Member States apply automatic exchange of information and EU Member States unanimously agree that the US has committed to exchange of information upon request. During this transitional period, such an individual beneficial owner resident in an EU Member State is entitled to request a paying agent not to retain tax from such payments but instead to apply a system by which the details of such payments are communicated to the tax authorities of the EU Member State in which the beneficial owner is resident.

Table of Contents

The retention tax system and disclosure arrangements are implemented by means of bilateral agreements with each of the EU Member States, the Taxation (Agreements with European Union Member States) (Jersey) Regulations 2005 and Guidance Notes issued by the Policy & Resources Committee of the States of Jersey. Based on these provisions and the current practice of the Jersey tax authorities, dividend distributions to shareholders and income realized by shareholders in a Jersey company upon the sale, refund or redemption of shares do not constitute interest payments for the purposes of the retention tax system and therefore neither a Jersey company nor any paying agent appointed by it in Jersey is obliged to levy retention tax in Jersey under these provisions in respect thereof. However, the retention tax system could apply in the event that an individual resident in an EU Member State, otherwise receives an interest payment in respect of a debt claim (if any) owed by a company to the individual.

Taxation of Dividends

Under existing Jersey law, provided that the ordinary shares and ADSs are not held by, or for the account of, persons resident in Jersey for income tax purposes, payments in respect of the ordinary shares and ADSs, whether by dividend or other distribution, will not be subject to any taxation in Jersey and no withholding in respect of taxation will be required on those payments to any holder of our ordinary shares or ADSs.

Holders of our ordinary shares or ADSs who are resident in Jersey for Jersey income tax purposes suffer deduction of tax on payment of dividends by us at the standard rate of Jersey income tax for the time being in force. Any individual investor who is resident in Jersey who, directly or indirectly, owns more than 2% of our ordinary shares or ADSs may be subject to the deemed dividend or full attribution provisions which seek to tax shareholders or ADS holders of securities on all or a proportion of our profits in proportion to their shareholdings.

Taxation of Capital Gains and Estate and Gift Tax

Under current Jersey law, there are no death or estate duties, capital gains, gift, wealth, inheritance or capital transfer taxes. No stamp duty is levied in Jersey on the issue or transfer of ordinary shares or ADSs. In the event of the death of an individual sole shareholder, duty at rates of up to 0.75% of the value of the ordinary shares or ADSs held may be payable on the registration of Jersey probate or letters of administration which may be required in order to transfer or otherwise deal with ordinary shares or ADSs held by the deceased individual sole shareholder.

The European Union s evaluation of Jersey s business tax regime

In late 2009 it was reported that concerns had been raised by some members of the ECOFIN Code of Conduct group that the current tax regime for companies in Jersey, known as zero-ten, could be interpreted as being outside the spirit of the EU Code of Conduct for Business Taxation. In light of this, the Treasury and Resources Minister of the States of Jersey announced a review of business taxation in Jersey in his budget speech on December 8, 2009. In a review undertaken on January 31, 2011 by the EU Council s High Level Working Party on Tax issues, or HLWP, it was concluded that the personal tax provisions known as the deemed distribution and attribution rules were in fact a business tax measure, and were therefore within the scope of the Code of Conduct. On February 15, 2011, and in the light of the HLWP s conclusions, the States of Jersey announced that Jersey s business taxation regime known as zero-ten will remain in place but that, as part of its good neighbor policy, Jersey will abolish the deemed distribution and attribution rules with effect from January 1, 2012. Representatives from Jersey met with the ECOFIN Code of Conduct group on September 13, 2011 to discuss Jersey s position on the harmful elements of the zero-ten regime. Jersey explained to the ECOFIN Code of Conduct group that legislation had been passed to abolish the deemed distribution and attribution rules with effect from January 1, 2012, thus removing the harmful elements of the zero-ten regime. The ECOFIN Code of Conduct group accepted Jersey s position and will now recommend to ECOFIN that Jersey has rolled back on the harmful tax measures and what now remains (the zero-ten tax rates) is compliant with the Code of Conduct. In December 2011, ECOFIN formally ratified the ECOFIN Code of Conduct group s recommendations. Accordingly, the way in which either we or our shareholders not resident in Jersey are taxed in Jersey will not change. We cannot assure you that in the future, the current taxation regime applicable in Jersey will not be amended and render us liable for taxation.

US Federal Income Taxation

The following discussion describes certain material US federal income tax consequences to US Holders (defined below) under present law of an investment in the ADSs or ordinary shares. This summary applies only to US Holders that hold the ADSs or ordinary shares as capital assets and that have the US dollar as their functional currency. This discussion is based on the tax laws of the US as in effect on the date of this annual report and on US Treasury regulations in effect or, in some cases, proposed, as of the date of this annual report, as well as judicial and administrative interpretations thereof available on or before such date. All of the foregoing authorities are subject to change, which change could apply retroactively and could affect the tax consequences described below.

Table of Contents

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

- banks;
- certain financial institutions;
- insurance companies;
- broker dealers;
- traders that elect to mark-to-market;
- tax-exempt entities;
- persons liable for alternative minimum tax;
- real estate investment trusts;
- regulated investment companies;
- US expatriates;
- persons holding ADSs or ordinary shares as part of a straddle, hedging, conversion or integrated transaction;
- partnerships or pass-through entities, or persons holding ADSs or ordinary shares through such entities; or
- persons that actually or constructively own 10% or more of our voting stock

US HOLDERS OF OUR ADSs OR ORDINARY SHARES ARE URGED TO CONSULT THEIR TAX ADVISORS ABOUT THE APPLICATION OF THE US FEDERAL TAX RULES TO THEIR PARTICULAR CIRCUMSTANCES AS WELL AS THE STATE AND LOCAL AND NON-US TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR ADSs OR ORDINARY SHARES.

The discussion below of the US federal income tax consequences to US Holders will apply to you if you are a beneficial owner of ADSs or ordinary shares and you are, for US federal income tax purposes:

- a citizen or resident of the US;

- a corporation (or other entity taxable as a corporation) organized under the laws of the United States, any State thereof or the District of Columbia;

- an estate whose income is subject to US federal income taxation regardless of its source; or

- a trust that (1) is subject to the primary supervision of a court within the United States and the control of one or more US persons for all substantial decisions of the trust or (2) has a valid election in effect under applicable US Treasury regulations to be treated as a US person.

If you are a partner in a partnership or other entity taxable as a partnership that holds ADSs or ordinary shares, your tax treatment will depend on your status and the activities of the partnership.

The discussion below assumes that the representations contained in the deposit agreement are true and that the obligations in the deposit agreement and any related agreement will be complied with in accordance with their terms. If you hold ADSs, you should be treated as the holder of the underlying ordinary shares represented by those ADSs for US federal income tax purposes. The US Treasury has expressed concerns that intermediaries in the chain of ownership between the holder of an ADS and the issuer of the security underlying the ADS may be taking actions that are inconsistent with the beneficial ownership of the underlying security (for example, pre-releasing ADSs to persons that do not have the beneficial ownership of the securities underlying the ADSs). Accordingly, the creditability of any foreign taxes paid and the availability of the reduced tax rate for any dividends received by certain non-corporate US Holders, including individuals US Holders (as discussed below), could be affected by actions taken by intermediaries in the chain of ownership between the holders of ADSs and us if as a result of such actions the holders of ADSs are not properly treated as beneficial owners of the underlying ordinary shares.

Table of Contents

Distributions

Subject to the rules applicable to PFICs, discussed below, the gross amount of distributions made by us with respect to the ADSs or ordinary shares (including the amount of any taxes withheld therefrom) will be includable in your gross income in the year received (or deemed received) as dividend income to the extent that such distributions are paid out of our current or accumulated earnings and profits as determined under US federal income tax principles. To the extent the amount of the distribution exceeds our current and accumulated earnings and profits (as determined under US federal income tax principles), such excess amount will be treated first as a tax-free return of your tax basis in your ADSs or ordinary shares, and then, to the extent such excess amount exceeds your tax basis in your ADSs or ordinary shares, as capital gain. We do not intend to calculate our earnings and profits under US federal income tax principles. Therefore, a US Holder should expect that a distribution will be treated as a dividend. No dividends received deduction will be allowed for US federal income tax purposes with respect to dividends paid by us.

With respect to non-corporate US Holders, including individual US Holders, for taxable years beginning before January 1, 2013, under current law dividends may be qualified dividend income that is taxed at the lower applicable capital gains rate provided that (1) we are not a PFIC (as discussed below) for either our taxable year in which the dividend is paid or the preceding taxable year, (2) certain holding period requirements are met, and (3) the ADSs or ordinary shares, as applicable, are readily tradable on an established securities market in the US. Under US Internal Revenue Service, or IRS, authority, common shares, or ADSs representing such shares, are considered to be readily tradable on an established securities market in the US if they are listed on the NYSE, as our ADSs are. However, based on existing guidance, it is not entirely clear whether any dividends you receive with respect to the ordinary shares will be taxed as qualified dividend income, because the ordinary shares are not themselves listed on US exchange. You should consult your tax advisors regarding the availability of the lower rate for dividends paid with respect to ADSs or ordinary shares, including the effects of any change in law after the date of this annual report.

The amount of any distribution paid in a current other than the US dollar (a foreign currency) will be equal to the US dollar value of such foreign currency on the date such distribution is received by the 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 foreign currency will be US source ordinary income or loss, subject to certain exceptions and limitations. If such foreign currency is converted into US dollars on the date of receipt, a US Holder generally should not be required to recognize foreign currency gain or loss in respect of the dividend. The amount of any distribution of property other than cash will be the fair market value of such property on the date of distribution.

Subject to certain exceptions, for foreign tax credit purposes, dividends distributed by us with respect to ADSs or ordinary shares generally will constitute foreign source income. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, dividends distributed by us with respect to the ADSs or ordinary shares will generally constitute passive category income. To the extent the dividends would be taxable as qualified dividend income with respect to non-corporate US Holders, including individual US Holders (subject to the discussion above), the amount of the dividends taken into account for purposes of calculating the foreign tax credit limitation will in general be limited to the gross amount of the dividend, multiplied by the reduced tax rate applicable to qualified dividend income and divided by the highest tax rate normally applicable to dividends. You are urged to consult your tax advisors regarding the foreign tax credit limitation and source of income rules with respect to distributions on the ADSs or ordinary shares.

Sale or Other Disposition of ADSs or Ordinary Shares

Subject to the PFIC rules discussed below, upon a sale or other taxable disposition of ADSs or ordinary shares, you generally will recognize a capital gain or loss for US federal income tax purposes in an amount equal to the difference between the US dollar value of the amount realized and your tax basis in such ADSs or ordinary shares. If the consideration you receive for the ADSs or ordinary shares is not paid in US dollars, the amount realized will be the US dollar value of the payment received determined by reference to the spot rate of exchange on the date of the sale or other disposition. However, if the ADSs or ordinary shares, as applicable, are treated as traded on an established securities market and you are either a cash basis taxpayer or an accrual basis taxpayer that has made a special election (which must be applied consistently from year to year and cannot be changed without the consent of the IRS), you will determine the US dollar value of the amount realized in a foreign currency by translating the amount received at the spot rate of exchange on the settlement date of the sale. Your initial tax basis in your ADSs or ordinary shares will equal the US dollar value of the cost of such ADSs or ordinary shares, as applicable. If you use foreign currency to purchase ADSs or ordinary shares, the cost of such ADSs or ordinary shares will be the US dollar value of the foreign currency purchase price determined by reference to the spot rate of exchange on the date of purchase. However, if the ADSs or ordinary shares, as applicable, are treated as traded on an established securities market and you are either a cash basis taxpayer or an accrual basis taxpayer who has made the special election described above, you will determine the US dollar value of the cost of such ADSs or ordinary shares, as applicable, by translating the amount paid at the spot rate of exchange on the settlement date of the purchase.

Subject to certain exceptions and limitations, capital gain or loss on a sale or other taxable disposition of ADSs or ordinary shares generally will be US source gain or loss and treated as long-term capital gain or loss, if your holding period in the ADSs or ordinary shares exceeds one year.

Subject to the PFIC rules discussed below and other limitations, if you are a non-corporate US Holder, including an individual US Holder, any long-term capital gain will be subject to US federal income tax at preferential rates. The deductibility of capital losses is subject to significant limitations.

Table of Contents

Passive Foreign Investment Company

A non-US corporation is considered a PFIC for any taxable year if either:

- at least 75% of its gross income is passive income, or
- at least 50% of its assets (determined on the basis of a quarterly average) is attributable to assets that produce or are held for the production of passive income.

We will be treated as owning our proportionate share of the assets and earning our proportionate share of the income of any other corporation in which we own, directly or indirectly, 25% or more (by value) of the stock.

Based on our financial statements and relevant market and shareholder data, we believe that we should not be treated as a PFIC with respect to our most recently closed taxable year. If we were treated as a PFIC for any year during which you held ADSs or ordinary shares, we will continue to be treated as a PFIC for all succeeding years during which you hold ADS or ordinary shares, absent a special election as discussed below. The application of the PFIC rules is subject to uncertainty in several respects, and we cannot assure you we will not be a PFIC for any taxable year. Furthermore, because PFIC status is a factual determination based on actual results for the entire taxable year, our US counsel expresses no opinion with respect to our PFIC status and expresses no opinion with respect to our expectations contained in this paragraph.

If we are a PFIC for any taxable year during which you hold ADSs or ordinary shares, you will be subject to special tax rules with respect to any excess distribution you receive and any gain you recognize from a sale or other disposition (including a pledge) of the ADSs or ordinary shares, unless you make a mark-to-market or qualified electing fund, or QEF, election (if available) as discussed below. Distributions you receive in a taxable year that are greater than 125% of the average annual distributions you received during the shorter of the three preceding taxable years or your holding period for the ADSs or ordinary shares will be treated as an excess distribution.

Under these special tax rules:

- the excess distribution or gain will be allocated ratably over your holding period for the ADSs or ordinary shares,
- the amount allocated to the current taxable year, and any taxable year prior to the first taxable year in which we became a PFIC, will be treated as ordinary income, and
- the amount allocated to each other year will be subject to tax at the highest tax rate in effect for that year and the interest charge normally applicable to underpayments of tax will be imposed on the resulting tax attributable to each such year.

The tax liability for amounts allocated to years prior to the year of disposition or excess distribution cannot be offset by any net operating losses for such years, and gains (but not losses) realized on the sale of the ADSs or ordinary shares cannot be treated as capital, even if you hold the ADSs or ordinary shares as capital assets.

In addition, if we are a PFIC, to the extent any of our subsidiaries are also PFICs, you may be deemed to own shares in such subsidiaries that are directly or indirectly owned by us in that proportion which the value of the shares you own so bears to the value of all of our shares, and may be subject to the adverse tax consequences described above with respect to the shares of such subsidiaries you would be deemed to own.

If we are a PFIC, you may avoid taxation under the rules described above by making a QEF election to include your share of our income on a current basis in any taxable year that we are a PFIC, provided we agree to furnish you annually with certain tax information. However, we do not presently intend to prepare or provide such information.

Alternatively, if the ADSs are marketable stock (as defined below), you can avoid taxation under the unfavorable PFIC rules described above in respect of the ADSs by making a mark-to-market election in respect of the ADSs by the due date (determined with regard to extensions) for your tax return in respect of your first taxable year during which we are treated as a PFIC. If you make a mark-to-market election for the ADSs or ordinary shares, you will include in income in each of your taxable years during which we are a PFIC an amount equal to the excess, if any, of the fair market value of the ADSs or ordinary shares as of the close of your taxable year over your adjusted basis in such ADSs or ordinary shares. You are allowed a deduction for the excess, if any, of the adjusted basis of the ADSs or ordinary shares over their fair market value as of the close of the taxable year. However, deductions are allowable only to the extent of any net mark-to-market gains on the ADSs or ordinary shares included in your income for prior taxable years. Amounts included in your income under a mark-to-market election, as well as gain on the actual sale or other disposition of the ADSs or ordinary shares, are treated as ordinary income. Ordinary loss treatment also applies to the deductible portion of any mark-to-market loss on the ADSs or ordinary shares, as well as to any loss realized on the actual sale or disposition of the ADSs or ordinary shares, to the extent that the amount of such loss does not exceed the net mark-to-market gains previously included for such ADSs or ordinary shares. Your basis in the ADSs or ordinary shares will be adjusted to reflect any such income or loss amounts. Further, distributions would be taxed as described above under Distributions, except the preferential dividend rates with respect to qualified dividend income would not apply. You will not be required to recognize mark-to-market gain or loss in respect of your taxable years during which we were not at any time a PFIC.

Table of Contents

The mark-to-market election is available only for marketable stock, which is stock that is traded in other than *de minimis* quantities on at least 15 days during each calendar quarter on a qualified exchange, including the NYSE, or other market, as defined in the applicable US Treasury regulations. Our ADSs are listed on the NYSE and consequently, if you hold ADSs the mark-to-market election would be available to you, provided the ADSs are traded in sufficient quantities. US Holders of ADSs or ordinary shares should consult their tax advisors as to whether the ADSs or ordinary shares would qualify for the mark-to-market election.

You also generally can make a deemed sale election in respect of any time we cease being a PFIC, in which case you will be deemed to have sold, at fair market value, your ADSs or ordinary shares (and shares of our PFIC subsidiaries, if any, that you are deemed to own) on the last day of our taxable year immediately prior to our taxable year in respect of which we are not a PFIC. If you make this deemed sale election, you generally would be subject to the unfavorable PFIC rules described above in respect of any gain realized on such deemed sale, but as long as we are not a PFIC for future years, you would not be subject to the PFIC rules for those future years.

If you hold ADSs or ordinary shares in any year in which we or any of our subsidiaries are a PFIC, you would be required to file an annual information report with the US Internal Revenue Service, for each entity that is a PFIC, regarding distributions received on the ADSs or ordinary shares and any gain realized on the disposition of the ADSs or ordinary shares. You should consult your tax advisors regarding the potential application of the PFIC rules to your ownership of ADSs or ordinary shares and the elections discussed above.

US Information Reporting and Backup Withholding

Dividend payments with respect to ADSs or ordinary shares and proceeds from the sale, exchange or redemption of ADSs or ordinary shares may be subject to information reporting to the IRS and possible US backup withholding. Backup withholding will not apply, however, to a US Holder who furnishes a correct taxpayer identification number and makes any other required certification or who is otherwise exempt from backup withholding and establishes such exempt status. US Holders should consult their tax advisors regarding the application of the US information reporting and backup withholding rules.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against your US federal income tax liability, and you may obtain a refund of any excess amounts withheld under the backup withholding rules by filing the appropriate claim for refund with the IRS and furnishing any required information.

Newly enacted legislation requires certain US Holders who are individuals, estates or trusts to pay a 3.8% tax on, among other things, dividends and capital gains from the sale or other disposition of ADSs or ordinary shares for taxable years beginning after December 31, 2012. In addition, for taxable years beginning after March 18, 2010, new legislation requires certain US Holders who are individuals to report information relating to an interest in our ADSs or ordinary shares, subject to certain exceptions. US Holders should consult their tax advisers regarding the effect, if any, of new US federal income tax legislation on their ownership and disposition of ADS or ordinary shares.

Additional Reporting Requirements

US individuals that own specified foreign financial assets with an aggregate value in excess of US$50,000 are generally required to file an information report with respect to such assets with their tax returns. Specified foreign financial assets include any financial accounts maintained by foreign financial institutions, as well as any of the following, but only if they are not held in accounts maintained by financial institutions: (i) stocks and securities issued by non-US persons, (ii) financial instruments and contracts held for investment that have non-US issuers or counterparties, and (iii) interests in foreign entities. Our ADSs or ordinary shares may be subject to these rules. US Holders that are individuals should consult their tax advisers regarding the application of this requirement to their ownership of our shares.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

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.

Table of Contents

The Commission maintains a website at *www.sec.gov* that contains reports, proxy and information statements and other information regarding registrants that make electronic filings through its Electronic Data Gathering, Analysis, and Retrieval, or EDGAR, system. We have made all our filings with the Commission using the EDGAR system.

I. Subsidiary Information

For more information on our subsidiaries, please see Part I Item 4. Information on the Company C. Organizational Structure.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

A. General

Market risk is attributable to all market sensitive financial instruments including foreign currency receivables and payables. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments.

Our exposure to market risk is primarily a function of our revenue generating activities and any future borrowings in foreign currency. The objective of market risk management is to avoid excessive exposure of our earnings to loss. Most of our exposure to market risk arises from our revenue and expenses that are denominated in different currencies.

The following risk management discussion and the estimated amounts generated from analytical techniques are forward-looking statements of market risk assuming certain market conditions occur. Our actual results in the future may differ materially from these projected results due to actual developments in the global financial markets.

B. Risk Management Procedures

We manage market risk through our treasury operations. Our senior management and our Board of Directors approve our treasury operations objectives and policies. The activities of our treasury operations include management of cash resources, implementation of hedging strategies for foreign currency exposures, implementation of borrowing strategies and monitoring compliance with market risk limits and policies. Our foreign exchange committee, comprising the Chairman of the Board, our Group Chief Executive Officer and our Group Chief Financial Officer, is the approving authority for all our hedging transactions.

Components of Market Risk

Exchange Rate Risk

Our exposure to market risk arises principally from exchange rate risk. Although substantially all of our revenue less repair payments is denominated in pound sterling, US dollars and Euros, approximately 53.7% of our expenses (net of payments to repair centers made as part of our WNS Auto Claims BPO segment) in fiscal 2012 were incurred and paid in Indian rupees. The exchange rates among the Indian rupee, the pound sterling and the US dollar have changed substantially in recent years and may fluctuate substantially in the future. We hedge a portion of our foreign currency exposures. See Part I Item 5. Operating and Financial Review Prospects Foreign Exchange Exchange Rates.

Our exchange rate risk primarily arises from our foreign currency-denominated receivables. Based upon our level of operations in fiscal 2012, a sensitivity analysis shows that a 10.0% appreciation in the pound sterling against the US dollar would have increased revenue by approximately $36.2 million and increased revenue less repair payments by approximately $28.3 million in fiscal 2012. Similarly, a 10.0% appreciation or depreciation in the Indian rupee against the US dollar would have increased or decreased our expenses incurred and paid in Indian rupee in fiscal 2012 by approximately $8.8 million.

To protect against exchange gains (losses) on forecasted revenue/inter-company revenue, we have instituted a foreign currency cash flow hedging program. Our operating entities hedge a part of their forecast revenue/inter-company revenue denominated in foreign currencies with forward contracts and options.

Table of Contents

Interest Rate Risk

Our exposure to interest rate risk arises principally from our borrowings which have a floating rate of interest, a portion of which is linked to the US dollar LIBOR and the remainder is linked to the Bank of England base rate. We manage this risk by maintaining an appropriate mix between fixed and floating rate borrowings and through the use of interest rate swap contracts. The costs of floating rate borrowings may be affected by the fluctuations in the interest rates. In connection with the term loan facility entered into in 2008, which we refinanced in 2010, we entered into interest rate swap agreements with banks in fiscal 2009. These swap agreements effectively converted the term loan from a variable US dollar LIBOR interest rate to a fixed rate, thereby managing our exposure to changes in market interest rates under the term loan. The outstanding swap agreements as at March 31, 2012 aggregated $24.0 million. Based upon our level of operations in fiscal 2012, if interest rates were to increase or decrease by 1.0%, the impact on annual interest expense on our floating rate borrowing would be approximately $0.2 million.

We monitor our positions and do not anticipate non-performance by the counterparties. We intend to selectively use interest rate swaps, options and other derivative instruments to manage our exposure to interest rate movements. These exposures are reviewed by appropriate levels of management on a periodic basis. We do not enter into hedging agreements for speculative purposes.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

D. American Depositary Shares

Our ADR facility is maintained with Deutsche Bank Trust Company Americas, or the Depositary, pursuant to a Deposit Agreement, dated as of July 18, 2006, among us, our Depositary and the holders and beneficial owners of ADSs. We use the term holder in this discussion to refer to the person in whose name an ADR is registered on the books of the Depositary.

In accordance with the Deposit Agreement, the Depositary may charge fees up to the amounts described below:

Type of Service	Fees
1. Issuance of ADSs, including upon the deposit of ordinary shares or to any person to whom an ADS distribution is made pursuant to share dividends or other free distributions of shares, bonus distributions, share splits or other distributions (except where converted to cash)	$5.00 per 100 ADSs (or any portion thereof)
2. Surrender of ADSs for cancellation and withdrawal of ordinary shares underlying such ADSs (including cash distributions made pursuant to a cancellation or withdrawal)	$5.00 per 100 ADSs (or any portion thereof)
3. Distribution of cash proceeds, including cash dividends or sale of rights and other entitlements, not made pursuant to a cancellation or withdrawal)	$2.00 per 100 ADSs (or any portion thereof)
4. Issuance of ADSs upon the exercise of rights	$5.00 per 100 ADSs (or any portion thereof)
5. Operations and maintenance costs in administering the ADSs (provided that the total fees assessed under this item, combined with the total fees assessed under item 3 above, should not exceed $0.02 per ADS in any calendar year)	$0.02 per ADS per calendar year

In addition, holders or beneficial owners of our ADS, persons depositing ordinary shares for deposit and persons surrendering ADSs for cancellation and withdrawal of deposited securities will be required to pay the following charges:

taxes (including applicable interest and penalties) and other governmental charges;

registration fees for the registration of ordinary shares or other deposited securities with applicable registrar and applicable to transfers of ordinary shares or other deposited securities in connection with the deposit or withdrawal of ordinary shares or other deposited securities;

certain cable, telex, facsimile and electronic transmission and delivery expenses;

expenses and charges incurred by the Depositary in the conversion of foreign currency into US dollars;

fees and expenses incurred by the Depositary in connection with compliance with exchange control regulations and other regulatory requirements applicable to ordinary shares, deposited securities, ADSs and ADRs;

fees and expenses incurred by the Depositary in connection with the delivery of deposited securities; and

Table of Contents

any additional fees, charges, costs or expenses that may be incurred by the Depositary from time to time.

In the case of cash distributions, the applicable fees, charges, expenses and taxes will be deducted from the cash being distributed. In the case of distributions other than cash, such as share dividends, the distribution generally will be subject to appropriate adjustments for the deduction of the applicable fees, charges, expenses and taxes. In certain circumstances, the Depositary may dispose of all or a portion of such distribution and distribute the net proceeds of such sale to the holders of ADS, after deduction of applicable fees, charges, expenses and taxes.

If the Depositary determines that any distribution in property is subject to any tax or other governmental charge which the Depositary is obligated to withhold, the Depositary may withhold the amount required to be withheld and may dispose of all or a portion of such property in such amounts and in such manner as the Depositary deems necessary and appropriate to pay such taxes or charges and the Depositary will distribute the net proceeds of any such sale after deduction of such taxes or charges to the holders of ADSs entitled to the distribution.

During fiscal 2011, the Depository has made a payment of $5,500 to IPREO (Hemscott Holdings Limited) on behalf of our company in consideration for our access to Bigdough investor relations tool.

Table of Contents

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

Not applicable.

ITEM 15. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As required by Rules 13a-15 and 15d-15 under the Exchange Act, management has evaluated, with the participation of our Group Chief Executive Officer and Group Chief Financial Officer, the effectiveness of our disclosure controls and procedures as of the end of the period covered by this annual report. Disclosure controls and procedures refer to controls and other procedures designed to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the rules and forms of the Commission. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in our reports that we file or submit under the Exchange Act is accumulated and communicated to management, including our Group Chief Executive Officer and Group Chief Financial Officer, as appropriate to allow timely decisions regarding our required disclosure.

Based on the foregoing, our management, including our Group Chief Executive Officer and Group Chief Financial Officer, has concluded that, as at March 31, 2012, our disclosure controls and procedures were effective and provide a reasonable level of assurance.

Management s Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal controls over financial reporting.

Internal controls over financial reporting refers to a process designed by, or under the supervision of, our Group Chief Executive Officer and Group Chief Financial Officer and effected by our Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets;

- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and members of our Board of Directors; and

- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on our financial statements.

Management recognizes that there are inherent limitations in the effectiveness of any system of internal control over financial reporting, including the possibility of human error and the circumvention or override of internal control. Accordingly, even effective internal control over financial reporting can provide only reasonable assurance with respect to financial statement preparation, and may not prevent or detect all misstatements.

Management assessed the effectiveness of internal control over financial reporting as at March 31, 2012 based on the criteria established in Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on the above criteria, and as a result of this assessment, management concluded that, as at March 31, 2012, our internal control over financial reporting was effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

The effectiveness of our internal control over financial reporting as at March 31, 2012 has been audited by Grant Thornton India LLP, an independent registered public accounting firm, as stated in their report set out below.

Table of Contents

Report of Independent Registered Public Accounting Firm

Board of Directors and Shareholders

WNS (Holdings) Limited

We have audited WNS (Holdings) Limited and Subsidiaries (the Company) internal control over financial reporting as of March 31, 2012, based on criteria established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management s Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company s internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, WNS (Holdings) Limited and subsidiaries maintained, in all material respects, effective internal control over financial reporting as of March 31, 2012, based on criteria established in *Internal Control Integrated Framework* issued by COSO .

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated statements of financial position of the Company as of March 31, 2012, March 31, 2011 and April 1, 2010, and the related consolidated statements of income, comprehensive income/(loss), changes in equity, and cash flows for each of the two years in the period ended March 31, 2012 and our report dated April 26, 2012 expressed an unqualified opinion on those financial statements.

/s/ Grant Thornton India LLP

Mumbai, India
April 26, 2012

Table of Contents

Changes in Internal Control over Financial Reporting

Management has evaluated, with the participation of our Group Chief Executive Officer and Group Chief Financial Officer, whether any changes in our internal control over financial reporting that occurred during our last fiscal year have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. Based on the evaluation we conducted, management has concluded that no such changes have occurred.

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our Audit Committee members are Messrs. Albert Aboody (Chairman), Eric B. Herr, Richard O. Bernays and Sir Anthony A. Greener. Each of Messrs. Aboody, Herr, Bernays and Sir Anthony A. Greener is an independent director pursuant to the applicable rules of the Commission and the NYSE. See Part I Item 6. Directors, Senior Management and Employees A. Directors and Executive Officers for the experience and qualifications of the members of the Audit Committee. Our Board of Directors has determined that Messrs. Aboody and Herr each qualifies as an audit committee financial expert as defined in Item 16A of Form 20-F.

ITEM 16B. CODE OF ETHICS

We have adopted a written Code of Business Ethics and Conduct that is applicable to all of our directors, senior management and employees. We have posted the code on our website at *www.wns.com*. **Information contained in our website does not constitute a part of this annual report.** We will also make available a copy of the Code of Business Ethics and Conduct to any person, without charge, if a written request is made to our General Counsel at our principal executive offices at Gate 4, Godrej & Boyce Complex, Pirojshanagar, Vikhroli (W), Mumbai 400 079, India.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Principal Accountant Fees and Services

Grant Thornton India LLP has served as our independent public accountant for the fiscal year ended March 31, 2012. Prior to fiscal 2011, Ernst & Young served as our independent public accountant for fiscal year ended March 31, 2010 and the subsequent interim reporting period through August 31, 2010. The following table shows the fees we paid or accrued for the audit and other services provided by Grant Thornton India LLP for the years ended March 31, 2012 and March 31, 2011, and the fees we paid or accrued for the audit and other services provided by our former independent auditor, Ernst & Young for the interim reporting period from March 31, 2010 through August 31, 2010.

		Fiscal	
	2012	**2011(1)**	**2011(2)**
Audit fees	$ 374,000	$ 499,000	$ 200,000
Audit-related fees	261,700	28,250	101,000
Tax fees	6,000	6,000	

Notes:

(1) Fees of Grant Thornton India LLP.
(2) Fees of Ernst & Young.

Audit fees. This category consists of fees billed for the audit of financial statements, quarterly review of financial statements and other audit services, which are normally provided by the independent auditors in connection with statutory and accounting matters that arose during, or as a result of, the audit or the review of interim financial statements and include the group audit; statutory audits required by non-US jurisdictions; comfort letters and consents; attest services; and assistance with and review of documents filed with the Commission.

Audit-related fees. This category consists of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements or that are traditionally performed by the external auditor, and include service tax certifications, advisory services relating to financial reporting in interactive data format (XBRL) and SAS 70 audits.

Tax fees. This category includes fees billed for tax compliance services, including tax consultations, such as assistance and representation in connection with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from taxing authorities and tax planning services.

Audit Committee Pre-approval Process

Our Audit Committee reviews and pre-approves the scope and the cost of all audit and permissible non-audit services performed by our independent auditor. All of the services provided by Grant Thornton India LLP during the last fiscal year have been pre-approved by our Audit Committee.

Table of Contents

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

Neither we, nor any affiliated purchaser, made any purchase of our equity securities in fiscal 2012.

ITEM 16F. CHANGE IN REGISTRANT S CERTIFYING ACCOUNTANT

We changed our auditor from Ernst & Young to Grant Thornton India LLP in August 2010. For more details, please see Part II Item 16F. Change in Registrant s Certifying Accountant in our annual report on Form 20-F for the year ended March 31, 2011.

ITEM 16G. CORPORATE GOVERNANCE

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

Messrs. Eric B. Herr, Richard O. Bernays, Deepak S. Parekh, and Sir Anthony A. Greener are members of our Board of Directors and they serve on each of our Compensation Committee and Nominating and Corporate Governance Committee. Messrs. Albert Aboody, Eric B. Herr, Richard O. Bernays and Sir Anthony A. Greener serve on our Audit Committee. Each of Messrs. Aboody, Herr, Bernays and Sir Anthony A. Greener satisfies the independence requirements of the NYSE listing standards and the independence requirements of Rule 10A-3 of the Exchange Act. Effective June 1, 2010 (when Mr. Parekh entered into a consulting arrangement with another party), our Board of Directors decided that our Nominating and Corporate Governance Committee and our Compensation Committee are not fully independent.

As our ADSs are listed on the NYSE, we are subject to the NYSE listing standards. We believe that our corporate governance practices do not differ in any significant way from those required to be followed by issuers incorporated in the United States under the NYSE listing standards, except that:

The NYSE listing standards provide that US companies must have a nominating/corporate governance committee and a compensation committee each composed entirely of independent directors. Our Nominating and Corporate Governance Committee and our Compensation Committee are not composed entirely of independent directors.

The Dodd-Frank Wall Street Reform and Consumer Protection Act generally provides shareholders of US public companies with the right to cast three types of votes: (i) an advisory vote to approve the compensation of the named executive officers, (ii) an advisory vote on the frequency with which shareholders should be entitled to cast votes on the company s executive compensation, and (iii) an advisory vote to approve certain payments made in connection with an acquisition, merger or other specified corporate transaction. We, as a foreign private issuer, are not subject to these requirements and we do not adopt any such voting practices.

Table of Contents

PART III

ITEM 17. FINANCIAL STATEMENTS

See Part III Item 18. Financial Statements for a list of our consolidated financial statements included elsewhere in this annual report.

ITEM 18. FINANCIAL STATEMENTS

The following statements are filed as part of this annual report, together with the report of the independent registered public accounting firm:

Report of Independent Registered Public Accounting Firm

Consolidated Statements of Financial Position as at March 31, 2012, 2011 and April 1, 2010

Consolidated Statements of Income for the years ended March 31, 2012 and 2011

Consolidated Statements of Comprehensive Income/(Loss) for the years ended March 31, 2012 and 2011

Consolidated Statements of Changes in Equity for the years ended March 31, 2012 and 2011

Consolidated Statements of Cash Flows for the years ended March 31, 2012 and 2011

Notes to Consolidated Financial Statements

ITEM 19. EXHIBITS

The following exhibits are filed as part of this annual report:

1.1	Memorandum of Association of WNS (Holdings) Limited, as amended incorporated by reference to Exhibit 3.1 of the Registration Statement on Form F-1 (File No. 333-135590) of WNS (Holdings) Limited, as filed with the Commission on July 3, 2006.
1.2	Articles of Association of WNS (Holdings) Limited, as amended incorporated by reference to Exhibit 3.2 of the Registration Statement on Form F-1 (File No. 333-135590) of WNS (Holdings) Limited, as filed with the Commission on July 3, 2006.
2.1	Form of Deposit Agreement among WNS (Holdings) Limited, Deutsche Bank Trust Company Americas, as Depositary, and the holders and beneficial owners of American Depositary Shares evidenced by American Depositary Receipts, or ADR, issued thereunder (including the Form of ADR) incorporated by reference to Exhibit 4.1 of the Registration Statement on Form F-1 (File No. 333-135590) of WNS (Holdings) Limited, as filed with the Commission on July 3, 2006.
2.2	Specimen Ordinary Share Certificate of WNS (Holdings) Limited incorporated by reference to Exhibit 4.4 of the Registration Statement on Form 8-A (File No. 001-32945) of WNS (Holdings) Limited, as filed with the Commission on July 14, 2006.
4.1	Lease Deed dated January 25, 2006 between DLF Cyber City and WNS Global Services Private Limited incorporated by reference to Exhibit 4.2 of the Annual Report on Form 20-F for fiscal 2007 (File No. 001-32945) of WNS (Holdings) Limited, as filed with the Commission on June 26, 2007.

4.2	Lease Deed dated March 10, 2005 between DLF Cyber City and WNS Global Services Private Limited incorporated by reference to Exhibit 10.2 of the Registration Statement on Form F-1 (File No. 333-135590) of WNS (Holdings) Limited, as filed with the Commission on July 3, 2006.
4.3	Leave and Licence Agreement dated May 10, 2011 between Godrej & Boyce Manufacturing Company Limited and WNS Global Services Private Limited with respect to the lease of office premises with an aggregate area of 84,429 square feet at Plant 10.**

Table of Contents

4.4	Leave and Licence Agreement dated May 10, 2011 between Godrej & Boyce Manufacturing Company Limited and WNS Global Services Private Limited with respect to the lease of office premises with an aggregate area of 108,000 square feet at Plant 5.**
4.5	Leave and Licence Agreement dated May 10, 2011 between Godrej & Boyce Manufacturing Company Limited and WNS Global Services Private Limited with respect to the lease of office premises with an aggregate area of 84,934 square feet at Plant 11.**
4.6	Lease Deed dated December 6, 2010 between DLF Assets Private Limited and WNS Global Services Private Limited with respect to lease of office premises incorporated by reference to Exhibit 4.7 of the Annual Report on Form 20-F for fiscal 2011 (File No. 001-32945) of WNS (Holdings) Limited, as filed with the Commission on April 29, 2011.
4.7	Lease Deed dated January 28, 2011 between BCR Real Estate Fund and WNS BPO Services Costa Rica, S.A. with respect to lease premises incorporated by reference to Exhibit 4.8 of the Annual Report on Form 20-F for fiscal 2011 (File No. 001-32945) of WNS (Holdings) Limited, as filed with the Commission on April 29, 2011.
4.8	Lease Deed dated January 20, 2012 between Sri Divi Satya Mohan, Sri Attaluri Praveen, Sri Divi Satya Sayee Babu and WNS Global Services Private Limited with respect to lease of office premises.**
4.9	WNS (Holdings) Limited 2002 Stock Incentive Plan incorporated by reference to Exhibit 10.10 of the Registration Statement on Form F-1 (File No. 333-135590) of WNS (Holdings) Limited, as filed with the Commission on July 3, 2006.
4.10	Form of the Second Amended and Restated WNS (Holdings) Limited 2006 Incentive Award Plan incorporated by reference to Appendix A to WNS (Holdings) Limited s Proxy Statement which was furnished as Exhibit 99.3 of its Report on Form 6-K (File No. 001-32945), as furnished to the Commission on August 12, 2011.
4.11	Master Services Agreement, dated July 11, 2008, between Aviva Global Services (Management Services) Private Ltd. and WNS Capital Investment Limited incorporated by reference to Exhibit 4.16 of the Annual Report on Form 20-F for fiscal 2008 (File No. 001-32945) of WNS (Holdings) Limited, as filed with the Commission on August 1, 2008. #
4.12	Variation Agreement dated August 3, 2009 between Aviva Global Services (Management Services) Private Ltd. and WNS Capital Investment Limited incorporated by reference to Exhibit 4.13 of the Annual Report on Form 20-F for fiscal 2011 (File No. 001-32945) of WNS (Holdings) Limited, as filed with the Commission on April 29, 2011.
4.13	Novation and Agreement of Amendment dated March 24, 2011 between Aviva Global Services (Management Services) Private Ltd., WNS Capital Investment Limited and WNS Global Services Private Limited to assign the Master Services Agreement, dated July 11, 2008, between Aviva Global Services (Management Services) Private Ltd. and WNS Capital Investment Limited which was incorporated by reference to Exhibit 4.16 of the Annual Report on Form 20-F for fiscal 2008 (File No. 001-32945) of WNS (Holdings) Limited, as filed with the Commission on August 1, 2008. incorporated by reference to Exhibit 4.14 of the Annual Report on Form 20-F for fiscal 2011 (File No. 001-32945) of WNS (Holdings) Limited, as filed with the Commission on April 29, 2011.
4.14	Facility Agreement dated July 2, 2010 between WNS (Mauritius) Limited, as borrower, WNS (Holdings) Limited and subsidiary guarantors named there in, the Hongkong and Shanghai Banking Corporation Limited, DBS Bank Ltd and BNP Paribas, as lead arrangers, and others incorporated by reference to Exhibit 99.1 of the Report on Form 6-K (File No. 001-32945) of WNS (Holdings) Limited, as furnished to the Commission on July 30, 2010.
8.1	List of subsidiaries of WNS (Holdings) Limited.**
12.1	Certification by the Chief Executive Officer to 17 CFR 240, 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. **
12.2	Certification by the Chief Financial Officer to 17 CFR 240, 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. **
13.1	Certification by the Chief Executive Officer to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. **
13.2	Certification by the Chief Financial Officer to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. **

Table of Contents

15.1 Consent of Grant Thornton India LLP, independent registered public accounting firm. **

** Filed herewith.

Certain portions of this exhibit have been omitted pursuant to a confidential treatment order of the Commission. The omitted portions have been separately filed with the Commission.

Page 153

Table of Contents

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Date: April 26, 2012

WNS (HOLDINGS) LIMITED

By:	/s/ Keshav R. Murugesh
Name:	Keshav R. Murugesh
Title:	Group Chief Executive Officer

154

Table of Contents

INDEX TO WNS (HOLDINGS) LIMITED S CONSOLIDATED FINANCIAL STATEMENTS

Table of Contents

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Shareholders of

WNS (Holdings) Limited

We have audited the accompanying consolidated statements of financial position of WNS (Holdings) Limited and subsidiaries (the Company) as of March 31, 2012, March 31, 2011 and April 1, 2010, and the related consolidated statements of income, comprehensive income/(loss), changes in equity, and cash flows for each of the two years in the period ended March 31, 2012. These consolidated financial statements are the responsibility of the Company s management. Our responsibility is to express an opinion on the consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of WNS (Holdings) Limited and subsidiaries as of March 31, 2012, March 31, 2011 and April 1, 2010, and the results of their operations and their cash flows for each of the two years in the period ended March 31, 2012, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company s internal control over financial reporting as of March 31, 2012, based on the criteria established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated April 26, 2012 expressed an unqualified opinion thereon.

/s/ Grant Thornton India LLP

Mumbai, India

April 26, 2012

Table of Contents

Part I FINANCIAL INFORMATION

WNS (HOLDINGS) LIMITED

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	Notes	As at March 31, 2012	As at March 31, 2011	As at April 1, 2010
ASSETS				
Current assets:				
Cash and cash equivalents	4	$ 46,725	$ 27,090	$ 32,311
Bank deposits and marketable securities	5	26,384	12	45
Trade receivables, net	6	66,421	78,586	44,821
Unbilled revenue		35,878	30,837	40,892
Funds held for clients		20,706	8,799	11,372
Current tax assets		3,860	8,502	5,602
Derivative assets	12	3,724	11,182	22,808
Prepayments and other current assets	7	21,925	16,447	16,694
Total current assets		225,623	181,455	174,545
Non-current assets:				
Investments		2	2	
Goodwill	8	86,695	93,533	90,662
Intangible assets	9	115,141	156,587	188,079
Property and equipment	10	45,418	47,178	48,547
Derivative assets	12	1,550	2,282	8,375
Deferred tax assets	23	43,712	33,518	25,200
Other non-current assets	7	6,880	8,040	8,611
Total non-current assets		299,398	341,140	369,474
TOTAL ASSETS		**$ 525,021**	**$ 522,595**	**$ 544,019**
LIABILITIES AND EQUITY				
Current liabilities:				
Trade payables		$ 47,304	$ 43,748	$ 27,900
Provisions and accrued expenses	14	31,854	32,933	43,390
Derivative liabilities	12	9,849	9,963	17,597
Pension and other employee obligations	13	29,027	31,029	31,023
Short term line of credit	11	23,965	14,593	
Current portion of long term debt	11	26,031	49,392	39,567
Deferred revenue	15	6,180	6,962	4,891
Current taxes payable	23	8,183	3,088	2,550
Other liabilities	16	5,208	4,126	8,745
Total current liabilities		187,601	195,834	175,663
Non-current liabilities:				
Derivative liabilities	12	1,210	431	7,600
Pension and other employee obligations	13	4,565	4,485	4,286
Long term debt	11	36,674	42,889	94,658
Deferred revenue	15	4,072	5,976	3,515

Other non-current liabilities	16	2,675	2,978	3,727
Deferred tax liabilities	23	4,097	5,146	8,226
Total non-current liabilities		53,293	61,905	122,012
TOTAL LIABILITIES		**240,894**	**257,739**	**297,675**
Shareholders equity:				
Share capital (ordinary shares $0.16 (10 pence) par value, authorized 60,000,000 shares; issued: 50,078,881, 44,443,726 and 43,743,953 shares each as at March 31,2012, March 31,2011 and April 1, 2010, respectively)	17	7,842	6,955	6,848
Share premium		263,529	211,430	206,968
Retained earnings		59,122	46,589	28,676
Other components of equity		(46,366)	(118)	3,852
Total shareholders equity		284,127	264,856	246,344
TOTAL LIABILITIES AND EQUITY		**$ 525,021**	**$ 522,595**	**$ 544,019**

See accompanying notes.

F - 3

Table of Contents

WNS (HOLDINGS) LIMITED

CONSOLIDATED STATEMENTS OF INCOME

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

		Year ended March 31,	
	Notes	**2012**	**2011**
Revenue	18	$ 474,122	$ 616,251
Cost of revenue	18,19	340,951	490,021
Gross profit		133,171	126,230
Operating expenses:			
Selling and marketing expenses	19	26,336	23,454
General and administrative expenses	19	51,344	56,363
Foreign exchange gains, net		(1,948)	(15,123)
Amortization of intangible assets		29,476	31,810
Operating profit		27,963	29,726
Other income, net	21	(43)	(1,125)
Finance expense	20	4,017	11,446
Profit before income taxes		23,989	19,405
Provision for income taxes	23	11,456	1,492
Profit		$ 12,533	$ 17,913
Earnings per share of ordinary share	24		
Basic		$ 0.28	$ 0.40
Diluted		$ 0.27	$ 0.40

See accompanying notes.

F - 4

Table of Contents

WNS (HOLDINGS) LIMITED

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)

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

	Notes	Year ended March 31, 2012	2011
Profit		$ 12,533	$ 17,913
Other comprehensive income/(loss), net of taxes	23		
Pension adjustment		108	683
Changes in fair value of cash flow hedges:			
Current year (loss)/gain		(5,992)	(11,466)
Reclassification to profit/(loss)		(2,967)	(378)
Foreign currency translation		(37,397)	7,191
Total other comprehensive loss, net of taxes		$ (46,248)	$ (3,970)
Total comprehensive (loss)/income		$ (33,715)	$ 13,943

See accompanying notes.

F - 5

Table of Contents

WNS (HOLDINGS) LIMITED

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in thousands, except per share data)

	Share capital				Other components of equity			
	Number	Par value	Share premium	Retained earnings	Foreign currency translation reserve	Cash flow hedging reserve	Pension adjustments	Total shareholders equity
Balance as at April 1, 2010	43,743,953	$ 6,848	$ 206,968	$ 28,676	$ (11,578)	$ 15,430	$	$ 246,344
Shares issued for exercised options and restricted share units (RSUs)	699,773	107	672					779
Share-based compensation			3,221					3,221
Excess tax benefits from exercise of share-based options and RSUs			569					569
Transactions with owners	699,773	107	4,462					4,569
Profit				17,913				17,913
Other comprehensive income/(loss), net of taxes					7,191	(11,844)	683	(3,970)
Total comprehensive income for the period				17,913	7,191	(11,844)	683	13,943
Balance as at March 31, 2011	44,443,726	$ 6,955	$ 211,430	$ 46,589	$ (4,387)	$ 3,586	$ 683	$ 264,856

	Share capital				Other components of equity			
	Number	Par value	Share premium	Retained earnings	Foreign currency translation reserve	Cash flow hedging reserve	Pension adjustments	Total shareholders equity
Balance as at April 1, 2011	44,443,726	$ 6,955	$ 211,430	$ 46,589	$ (4,387)	$ 3,586	$ 683	$ 264,856
Issue of ordinary shares net of issuance cost (net of tax)	5,400,000	849	45,448					46,297
Shares issued for exercised options and restricted share units (RSUs)	235,155	38	93					131
Share-based compensation			5,316					5,316
Excess tax benefits from exercise of share-based options and RSUs			1,242					1,242
Transactions with owners	5,635,155	887	52,099					52,986

Profit				12,533				12,533
Other comprehensive income/(loss), net of taxes					(37,397)	(8,959)	108	(46,248)
Total comprehensive income for the period				12,533	(37,397)	(8,959)	108	(33,715)
Balance as at March 31, 2012	50,078,881	$ 7,842	$ 263,529	$ 59,122	$ (41,784)	$ (5,373)	$ 791	$ 284,127

See accompanying notes

F - 6

Table of Contents

WNS (HOLDINGS) LIMITED

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in thousands, except per share data)

	Year ended March 31, 2012	2011
Cash flows from operating activities:		
Profit	$ 12,533	$ 17,913
Adjustments to reconcile profit to net cash generated from operating activities:		
Depreciation and amortization	45,436	49,429
Share-based compensation	5,309	3,218
Amortization of debt issue cost	669	1,281
Allowance for doubtful accounts	1,171	1,249
Unrealized exchange loss, net	1,880	1,040
Current tax expense	22,832	13,263
Interest expense	3,348	10,165
Interest income	(63)	(101)
Dividend income	(424)	
Gain on sale of property and equipment	(9)	(19)
Deferred income taxes	(11,376)	(11,771)
Deferred rent	214	(16)
Excess tax benefit from share based compensation	(1,242)	(569)
Unrealized gain on derivative instruments	20	(5,445)
Others, net	56	56
Changes in operating assets and liabilities:		
Accounts receivable and unbilled revenue	4,657	(20,409)
Other current assets	(11,113)	7,423
Accounts payable	3,763	13,643
Deferred revenue	(2,594)	4,381
Other liabilities	1,501	(26,914)
Cash generated from operating activities before interest and income taxes	76,568	57,817
Income taxes paid	(13,946)	(13,711)
Interest paid	(5,437)	(8,412)
Interest received	62	112
Net cash provided by operating activities	57,247	35,806
Cash flows from investing activities		
Earn-out payment		(494)
Purchase of remaining (35%) stake in joint venture	(2,132)	
Subscription of shares in a non-profit organization		(2)
Purchase of property and equipment and intangibles	(21,218)	(15,263)
Proceeds from release of deposit		34
Marketable securities purchased, net	(27,995)	
Proceeds from sale of property and equipment, net	212	309
Dividend received	437	
Net cash used in investing activities	(50,696)	(15,416)

Cash flows from financing activities		
Proceeds from issuance of ordinary shares through public offering	49,950	
Direct cost incurred in relation to public offering	(3,636)	
Proceeds from exercise of stock options	131	779
Repayment of long term debt	(50,000)	(107,750)
Proceeds from long term debt	20,396	64,895
Payment of debt issuance cost	(102)	(1,093)
Proceeds from short term borrowings, net	9,454	13,608
Excess tax benefit from share based compensation	1,242	569
Net cash provided (used) by financing activities	27,435	(28,992)
Exchange difference on cash and cash equivalents	(14,351)	3,381
Net change in cash and cash equivalents	19,635	(5,221)
Cash and cash equivalents at the beginning of the period	27,090	32,311
Cash and cash equivalents at the end of the period	**$ 46,725**	**$ 27,090**

See accompanying notes.

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

1. Company overview

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

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

These consolidated financial statements were authorized for issue by the Board of Directors on April 26, 2012.

2. Summary of significant accounting policies

a. Basis of preparation

These consolidated financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board.

These consolidated financial statements for the fiscal year ended March 31, 2012 are covered by International Financial Reporting Standards (IFRS) 1, *First-time Adoption of International Financial Reporting Standards* (IFRS 1), as they are Company s first annual IFRS financial statements.

The Company has adopted IFRS and the adoption was carried out in accordance with IFRS 1. The transition was carried out from United States generally accepted accounting principles (US GAAP) which is considered as the Previous GAAP. An explanation of the effect of the transition from Previous GAAP to IFRS on the Company s equity and profit and comprehensive income is provided in note 2.y.

Accounting policies have been applied consistently to all periods presented in the consolidated financial statements including the preparation of the IFRS opening statement of financial position as at April 1, 2010 (Transition Date) for the purpose of the transition to IFRS and as required by IFRS 1.

b. Basis of measurement

The consolidated financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant IFRS:-

a. Derivative financial instruments;

b. Share based payment transactions; and

c. Marketable securities.

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

c. Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the consolidated financial statements is included in the following notes:

i. Revenue recognition:

The Company has, in limited instances, minimum commitment arrangements, wherein the service contracts provide for a minimum revenue commitment on a cumulative basis over multiple years, stated in terms of annual minimum amounts. However, when the shortfall in a particular year can be offset with revenue received in excess of minimum commitments in subsequent years, 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 recognized as revenue in that period.

Key factors that are used to determine whether the Company has sufficient experience include:

- 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;
- the length of time for which the Company has such historical experience;
- future volume expected based on projections received from the client; and
- the Company s internal expectations of the ongoing volume with the client.

Otherwise the deferred revenue will remain until such time the Company concludes that it will not receive revenue in excess of the minimum commitment.

For certain agreements, the Company has retroactive discounts related to meeting agreed volumes. In such situations, the Company records revenue at the discounted rate, although the Company initially bills at the higher rate, unless the Company can determine that the agreed volumes will not be met, based on the factors discussed above.

The Company provides automobile claims handling services, wherein the Company enters into contracts with its clients to process all their claims over the contract period and the fees are determined either on a per claim basis or is a fixed payment for the contract period. Where the contracts are on a per claim basis, the Company invoices the client at the inception of the claim process. The Company estimates the processing period for the claims and recognizes 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.

ii. Allowance for doubtful accounts:

The allowance for doubtful accounts is evaluated on a regular basis and adjusted based upon management s best estimate of probable losses inherent in accounts receivable. In estimating probable losses, the Company reviews accounts that are past due, non-performing or in bankruptcy. The Company determines an estimated loss for specific accounts and estimates an additional amount for the remainder of receivables based on historical trends and other factors. Adverse economic conditions or other factors that might cause deterioration of the financial health of customers could change the timing and levels of payments received and necessitate a change in estimated losses.

iii. Current income taxes:

The major tax jurisdictions for the Company are India, United Kingdom and the United States of America, though the Company also files tax returns in other foreign jurisdictions. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. The recognition of taxes that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

iv. Deferred income taxes:

The assessment of the probability of future taxable profit in which deferred tax assets can be utilized is based on the Company s latest approved budget forecast, which is adjusted for significant non-taxable profit and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in the numerous jurisdictions in which the Company operates are also carefully taken into consideration. If a positive forecast of taxable profit indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, that deferred tax asset is usually recognized in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

v. Impairment:

An impairment loss is recognized for the amount by which an asset s or cash-generating unit s carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each asset or cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the Company s assets within the next financial year.

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

vi. Valuation of derivative financial instrument:

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

vii. Accounting for defined benefit plans:

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

viii. Other estimates:

Other significant estimates and assumptions that affect the financial statements include, but are not limited to, income-tax uncertainties and other contingencies, depreciation and amortization periods and the share based compensation expense is determined based on the Company s estimate of equity instruments that will eventually vest.

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

d. Basis of consolidation

The Company consolidates entities over which it owns or controls. Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable are taken into account. Subsidiaries are consolidated from the date control commences until the date control ceases.

i. Business combinations

Business combinations consummated subsequent to the Transition Date are accounted for using the acquisition method under the provisions of IFRS 3 (Revised), *Business Combinations*.

The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable tangible and intangible assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets.

Transaction costs that the Company incurs in connection with a business combination such as finders fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

ii. Transactions eliminated on consolidation

All significant inter-company balances, transactions, income and expenses including unrealized income or expenses are eliminated on consolidation.

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

e. Functional and presentation currency

The consolidated financial statements of each of the Company s subsidiaries are measured using the currency of the primary economic environment in which these entities operate (i.e. the functional currency). The consolidated financial statements are presented in US dollars (USD) which is the presentation currency of the Company and has been rounded off to the nearest thousands.

f. Foreign currency transactions and translation

i. Transactions in foreign currency

Transactions in foreign currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of income. Gains/losses relating to translation or settlement of trading activities are disclosed under foreign exchange gains/losses and translation or settlements of financing activities are disclosed under finance expenses except the foreign exchange gains/losses on borrowings which are considered as a natural economic hedge for the foreign currency monetary assets which are classified as foreign exchange gains/losses, net within results from operating activities.

ii. Foreign operations

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Company s foreign operations that have local functional currency are translated into USD using exchange rates prevailing at the reporting date. Income and expense are translated at the average exchange rates for the period. Exchange differences arising, if any, are recorded in equity as part of the Company s other comprehensive income. Such exchange differences are recognized in the statement of income in the period in which such foreign operations are disposed. Goodwill and fair value adjustments arising on the acquisition of foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate prevailing at the reporting date.

g. Financial instruments initial recognition and subsequent measurement

Financial instruments are classified in the following categories:

- Non-derivative financial assets comprising loans and receivables and available-for-sale.
- Non-derivative financial liabilities comprising long term and short term borrowings and trade and other payables.
- Derivative financial instruments under the category of financial assets or financial liabilities at fair value through profit or loss (FVTPL).

The classification of financial instruments depends on the purpose for which those were acquired. Management determines the classification of the Company s financial instruments at initial recognition.

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

i. Non-derivative financial assets

a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest rate method, less any impairment loss or provisions for doubtful accounts. Loans and receivables are represented by trade receivables, net of allowances for impairment, unbilled revenue, cash and cash equivalents, funds held for clients and other assets.

b) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or are not classified in any of the other categories. Available-for-sale financial assets are recognized initially at fair value plus transactions costs. Subsequent to initial recognition, these are measured at fair value and changes therein, other than impairment losses, are recognized directly in other comprehensive income. When an investment is derecognized, the cumulative gain or loss in other comprehensive income is transferred to the statement of income. These are presented as current assets unless management intends to dispose of the assets after 12 months from the balance sheet date.

ii. Non derivative financial liabilities

All financial liabilities are recognized initially at fair value, except in the case of loans and borrowings which are recognized at fair value net of directly attributable transaction costs. The Company s financial liabilities include trade and other payables, bank overdrafts, loans and borrowings.

Trade and other payables maturing later than 12 months after the balance sheet date are presented as non-current liabilities.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the statement of income when the liabilities are derecognized as well as through the effective interest rate method amortization process.

iii. Derivative financial instruments and hedge accounting

The Company is exposed to foreign currency fluctuations on foreign currency assets, liabilities, net investment in foreign operations and forecasted cash flows denominated in foreign currency. The Company limits the effect of foreign exchange rate fluctuation by following established risk management policies including the use of derivatives. The Company enters into derivative financial instruments where the counter party is a bank. The Company holds derivative financial instruments such as foreign exchange forward and option contracts and interest rate swaps to hedge certain foreign currency and interest rate exposures.

Cash flow hedges

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

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

iv. Offsetting of financial instruments

Financial assets and financial liabilities are offset against each other and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

v. Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations, without any deduction for transaction costs. For financial instruments not traded in an active market, the fair value is determined using appropriate valuation models. Where applicable, these models project future cash flows and discount the future amounts to a present value using market-based observable inputs including interest rate curves, credit risk, foreign exchange rates, and forward and spot prices for currencies.

vi. Impairment of financial assets

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset is considered impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

a) Loans and receivables

Impairment loss in respect of loans and receivables measured at amortized cost are calculated as the difference between their carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Such impairment loss is recognized in the statement of income.

b) Available-for-sale financial assets

Significant or prolonged decline in the fair value of the security below its cost and the disappearance of an active trading market for the security are objective evidence that the security is impaired. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value. The cumulative loss that was recognized in the equity is transferred to the statement of income upon impairment.

h. Equity and share capital

i. Share capital and share premium

The Company has only one class of equity shares. Par value of the equity share is recorded as the share capital and the amount received in excess of par value is classified as share premium. The credit corresponding to the share-based compensation and excess tax benefit related to the exercise of share options is recorded in share premium.

ii. Retained earnings

Retained earnings comprise the Company s undistributed earnings after taxes.

iii. Other components of equity

Other components of equity consist of the following:

Cash flow hedging reserve

Changes in fair value of derivative hedging instruments designated and effective as a cash flow hedge are recognized net of taxes.

Foreign currency translation reserve

Foreign currency translation consists of the exchange difference arising from the translation of financial statement of foreign subsidiaries.

Pension adjustments

This reserve represents cumulative actuarial gain and losses recognized on defined benefits plans.

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

i. Cash and cash equivalents

The Company considers all highly liquid investments with an initial maturity of up to three months to be cash equivalents. Cash equivalents are readily convertible into known amounts of cash and subject to an insignificant risk of changes in value.

j. 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 earning daily dividend income. All additions and redemptions 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 under Available-for-sale category of financial instruments and are recorded at amortized cost, with changes in fair value, if any recognized in the other comprehensive income. Interest and dividend income earned on these investments are recorded in statement of income.

k. 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.

l. Property and equipment

Property and equipment are stated at historical cost, except for certain items of furniture, fixture and office equipment and leasehold improvements for which fair value as of the Transition Date is taken as its deemed cost (see note 2 x. a)ii.), 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	2-5
Vehicles	3
Leasehold improvements	Lesser of estimated useful life or lease term

Assets acquired under finance 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 finance leases and leasehold improvements are depreciated over the shorter of the lease term or the estimated useful life of the assets. Where the fair valuation of an asset on the Transition Date is taken as the deemed cost, the depreciation is calculated over its estimated remaining useful life.

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.

The Company assesses property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets may not be recoverable. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount of an asset or cash generating unit is the higher of its fair value less cost to sell (FVLCTS) and its value-in-use (VIU). If the recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of income. If at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment losses previously recognized are reversed such that the asset is recognized at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognized initially.

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

m. Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Company s share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is allocated to the cash-generating units expected to benefit from the synergies of the combination for the purpose of impairment testing. Goodwill is tested, at the cash-generating unit (or group of cash generating units) level, for impairment annually or if events or changes in circumstances indicate that the carrying amount may not be recoverable. Goodwill is carried at cost less accumulated impairment losses. Impairment loss on goodwill is not reversed. See further, discussion on impairment testing under Impairment of intangible assets and goodwill below.

n. Intangible assets

Intangible assets are recognized only when it is probable that the expected future economic benefits attributable to the assets will accrue to the Company and the cost can be reliably measured. Intangible assets acquired in a business combination are recorded at fair 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. See further, discussion on impairment testing under Impairment of intangible assets and goodwill below.

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
Software	56

o. Impairment of intangible assets and goodwill

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

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

p. Employee benefits
i. Defined contribution plans

US Savings Plan

Eligible employees of the Company in the US 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.

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 in an independently administered fund. The pension expense represents contributions payable to the fund maintained by the Company.

Provident Fund

Eligible employees of the Company in India, the Philippines and Sri Lanka participate in a defined contribution fund in accordance with the regulatory requirements in the respective jurisdictions. Both the employee and the Company contribute an equal amount to the fund which is equal to a specified percentage of the employee s salary.

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.

ii. Defined benefit plans

Employees in India, the Philippines and Sri Lanka are entitled to 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, and incapacitation or on termination of employment, of an amount based on the respective employees salary and tenure of employment (subject to a maximum of approximately $20 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, the 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.

Gratuity liabilities are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability, respectively, in accordance with IAS 19, *Employee Benefits* . The discount rate is based on the Government securities yield. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in other comprehensive income in the statement of comprehensive income in the period in which they arise.

iii. Compensated absences

The Company s 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.

q. Share-based payments

The Company accounts for share-based compensation expense relating to share-based payments using a fair-value method in accordance with IFRS 2, *Share-based Payments* . Grants issued by the Company vest in a graded manner. Under the fair value method, the estimated fair value of awards is charged to income over the requisite service period, which is generally the vesting period of the award, for each separately vesting portion of the award as if the award was, in substance, multiple awards. The Company includes a forfeiture estimate in the amount of compensation expense being recognized based on the Company s estimate of equity instruments that will eventually vest.

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

r. Provisions and accrued expenses

A provision is recognized in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are recognized at present value by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

s. Revenue recognition

The Company derives revenue from BPO services comprised of back office administration, data management, contact center management and auto claims handling services.

Revenue is recognized to the extent it is probable that the economic benefit will flow to the Company, the amount of revenue can be measured reliably, collection is probable, the cost incurred or to be incurred can be measured reliably. Revenue from rendering services is recognized on an accrual basis when services are performed.

Revenue earned by back office administration, data management and contact center management services

Back office administration, data management and contact center management contracts are based on the following pricing models:

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

b) per transaction arrangements, which typically involve billings based on the number of transactions processed (such as the number of e-mail responses, or airline coupons or insurance claims processed);

c) fixed-price arrangements, which typically involve billings based on achievements of pre-defined deliverables or milestones;

d) outcome-based arrangements, which typically involve billings based on the business result achieved by our clients through our service efforts (such as measured based on a reduction in days sales outstanding, improvement in working capital, increase in collections or a reduction in operating expenses); or

e) other pricing arrangements, including cost-plus arrangements, which typically involve billing the contractually agreed direct and indirect costs and a fee based on the number of employees deployed under the arrangement.

Revenues from the Company s services are recognized primarily on a time-and-material, cost-plus or unit-priced basis. Revenues under time-and-material contracts are recognized as the services are performed. Revenues are recognized on cost-plus contracts on the basis of contractually agreed direct and indirect costs incurred on a client contract plus an agreed upon profit mark-up. Revenues are recognized on unit-price based contracts based on the number of specified units of work delivered to a client. Such revenues are recognized as the related services are provided in accordance with the client contract.

Amounts billed or payments received, where revenue recognition criteria have not been met, are recorded as deferred revenue and are recognized as revenue when all the 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 in which the services are rendered. An upfront payment received towards future services is recognized ratably over the period when such services are provided.

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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.

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 using the guidance in IAS 18 *Revenue* (IAS 18), 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.

Revenue earned by auto claims handling services

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 revenue for fixed fee 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 IAS 18, Illustrative example (IE) 21 *Determining whether an entity is acting as a principal or as an agent* . 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

a) the Company has the primary responsibility for providing the services,

b) the Company negotiates labor rates with repair centers,

c) the Company is responsible for timely and satisfactory completion of repairs, and

d) 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 on to customers.

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

t. 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 lease term. When a lease agreement undergoes a substantial modification of the existing terms, it would be accounted as a new lease agreement with the resultant deferred rent liability credited to the statement of income.

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower.

u. Income taxes

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

i. Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable profit for the period. The tax rates and tax laws used to compute the amount are those that are enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and liability simultaneously.

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

ii. Deferred income tax

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

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

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

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

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

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

v. Finance expense

Finance expense comprises interest cost on borrowings, transaction cost and the gains/losses on settlement of related derivative instruments. The foreign exchange gains/losses on borrowings are considered as a natural economic hedge for the foreign currency monetary assets which are classified as foreign exchange gains/losses, net within results from operating activities. Borrowing costs are recognized in the statement of income using the effective interest method.

w. Earnings per share

Basic earnings per share are computed using the weighted-average number of ordinary shares outstanding during the period. Diluted earnings 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 during the period, except where the results would be anti-dilutive.

x. Transition to IFRS

The Company s consolidated financial statements for the year ended March 31, 2012 are the first annual consolidated financial statements prepared in compliance with IFRS.

The adoption of IFRS was carried out in accordance with IFRS 1, using April 1, 2010 as the Transition Date. IFRS 1 requires that all IFRS standards and interpretations that are effective for the first IFRS consolidated financial statements for the year ended March 31, 2012, be applied consistently and retrospectively for all fiscal years presented.

Until the adoption of IFRS, the financial statements included in the Company s annual reports on Form 20-F and reports on Form 6-K were prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP), which is considered as the Previous GAAP.

All applicable IFRS have been applied consistently and retrospectively wherever required. The resulting difference between the carrying amounts of the assets and liabilities in the consolidated financial statements under IFRS and Previous GAAP as of the Transition Date are recognized directly in equity at the Transition Date.

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing these consolidated financial statements, the Company has availed itself of certain exemptions and complied with exceptions in accordance with IFRS 1 as explained below:

a) Exemptions from retrospective application

The following are the optional exemptions available and elected by the Company:

i. **Business combinations exemption** The Company has applied the exemption as provided in IFRS 1 on non-application of IFRS 3 (Revised) to business combinations consummated prior to Transition Date, pursuant to which goodwill and other assets acquired under business combinations prior to Transition Date have been stated at the carrying amount as per Previous GAAP.

ii. **Fair value as deemed cost exemption** The Company has applied the exemption as provided in IFRS 1 and measured specific items of property and equipment, on a selective basis within certain classes of assets, at its fair value as at the date of transition. The Company has chosen to fair value items of following classes of assets namely, furniture and fixtures, equipment and fittings, generators and leasehold improvements, as at the Transition Date. Consequent to this, the fair value as of Transition Date is taken as its deemed cost for all those assets within these classes of assets where the fair value was lower than the carrying value. Such impact has been taken to retained earnings. For all other assets within these classes of assets where the fair value was greater than the carrying value, those assets have not been restated and their Previous GAAP amount has been considered as cost under IFRS. For all other asset classes namely building, computers and software and vehicles, their Previous GAAP amount have been considered as cost under IFRS.

iii. **Employee benefits exemption** The Company has applied the exemption as provided in IFRS 1 relating to application of the corridor approach and recognized all cumulative actuarial gains and losses up to the date of transition to retained earnings. Any actuarial gains and losses after Transition Date would be recognized in other comprehensive income.

iv. **Fair value measurement of financial assets or liabilities at initial recognition** The Company has not applied the amendment offered by the revision of IAS 39, *Financial Instruments: Recognition and Measurement*, on the initial recognition of the financial assets and financial liabilities that are not traded in an active market.

b) Exceptions from full retrospective application

The following are the exceptions from full retrospective application:

i. **De-recognition of financial assets and liabilities exception** No arrangements were identified that had to be assessed under this exception.

ii. **Hedge accounting exception** The Company has followed hedge accounting under Previous GAAP which is aligned to IFRS. Accordingly, this exception of not reflecting in its opening IFRS statement of financial position a hedging relationship of a type that does not qualify for hedge accounting under IAS 39, is not applicable to the Company.

iii. **Estimates exception** Upon an assessment of the estimates made under Previous GAAP, the Company has concluded that there was no necessity to revise such estimates under IFRS, except where estimates were required by IFRS and not required by Previous GAAP.

iv. **Noncontrolling Interest** The Company does not have noncontrolling interests under IFRS. Hence this exception is not applicable to the Company.

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

y. Reconciliations

As required under IFRS 1, the Company has prepared the reconciliations of equity and profit and comprehensive income in accordance with IFRS 1 to provide a quantification of the effect of the transition to IFRS from previous GAAP;

equity as at April 1, 2010;

equity as at March 31, 2011;

profit and comprehensive income for the year ended March 31, 2011

There is no material changes in cash flows statements, accordingly the reconciliation has not been presented.

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Reconciliation of equity as at April 1, 2010

	Notes	Amount as per Previous GAAP	Effect of transition to IFRS	Amount as per IFRS
ASSETS				
Current assets:				
Cash and cash equivalents		$ 32,311	$	$ 32,311
Bank deposits and marketable securities		45		45
Trade receivables		44,821		44,821
Unbilled revenue		40,892		40,892
Funds held for clients		11,372		11,372
Current tax assets		5,602		5,602
Derivative assets		22,808		22,808
Prepayments and other current assets	1	17,127	(433)	16,694
Total current assets		174,978	(433)	174,545
Goodwill		90,662		90,662
Intangible assets		188,079		188,079
Property and equipment	2	51,700	(3,153)	48,547
Derivative assets		8,375		8,375
Deferred tax assets	3	27,143	(1,943)	25,200
Other non-current assets	1	8,953	(342)	8,611
TOTAL ASSETS		**$ 549,890**	**$ (5,871)**	**$ 544,019**
LIABILITIES AND EQUITY				
Current liabilities:				
Trade payables		$ 27,900	$	$ 27,900
Provisions	4	42,919	471	43,390
Derivative liabilities		17,597		17,597
Pension and other employee obligations	5	30,977	46	31,023
Current portion of long term debt	1	40,000	(433)	39,567
Deferred revenue		4,891		4,891
Income taxes payable		2,550		2,550
Other liabilities	6	7,069	1,676	8,745
Total current liabilities		173,903	1,760	175,663
Derivative liabilities		7,600		7,600
Pension and other employee obligations	5	3,921	365	4,286
Long term debt	1	95,000	(342)	94,658
Deferred revenue		3,515		3,515
Other non-current liabilities		3,727		3,727

Deferred tax liabilities	3	8,343	(117)	8,226
Redeemable noncontrolling interest	6	278	(278)	
TOTAL LIABILITIES		**296,287**	**1,388**	**297,675**
Shareholders equity:				
Share capital		6,848		6,848
Share premium	7,8	203,531	3,437	206,968
Retained earnings	2,3,4,5,6,7,8,9	50,797	(22,121)	28,676
Other components of equity	3,5,6,9	(7,573)	11,425	3,852
Total shareholders equity		253,603	(7,259)	246,344
TOTAL LIABILITIES AND EQUITY		**$ 549,890**	**$ (5,871)**	**$ 544,019**

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Notes:

1. Under IFRS, debt is a financial liability recognized initially at fair value adjusted for transaction costs that are directly attributable to the issue of the financial liability and measured subsequently at amortized cost. Accordingly, debt issue costs have been netted off against long term debt. Under Previous GAAP, such debt issue costs were recorded as deferred charges. Due to the netting off of debt issue cost with the carrying amount of long term debt, prepayment and other current assets and other non-current assets are lower by $433 and $342 and current portion and non-current portion of the long term debt are lower by $433 and $342, respectively.

2. The Company has applied the exemption as provided in IFRS 1 with respect to deemed cost and measured specific items of property and equipment, on a selective basis within certain classes of assets, at their fair values at the Transition Date. Consequent to this, the fair value as of the Transition Date is taken as their deemed cost for all those assets within these classes of assets where the fair value is lower than the carrying value. For all other assets within these classes of assets where the fair value is greater than the carrying value, those assets have been carried at their Previous GAAP amounts. As a result, property and equipment under IFRS is lower by $3,153, with a corresponding impact to retained earnings.

3. Certain deferred tax credits (net) amounting to $1,826 not recognized under Previous GAAP are now recognized under IFRS due to a difference in accounting treatment on account of:

    a) accelerated amortization of share-based compensation expense in the initial years following the grant of share options and measurement of deferred tax asset based on share price at each reporting date under IFRS amounting to a credit of $1,408;

    b) time value of purchased options amounting to a credit of $720;

    c) application of substantially enacted tax rates amounting to a credit of $203; and

    d) deferred tax debit amounting to $505 on account of election of IFRS 1 exemption on the Transition Date relating to selective measurement of items of property and equipment at their fair value.

The above adjustments have an impact on retained earnings and other components of equity.

4. Under IFRS, any contingent consideration payable on the date of acquisition shall be recognized at the fair value on the acquisition date and shall be recognized as a liability. The transition guidance on IFRS 3 requires contingent consideration balances arising from previous business combinations to be accounted as cost of acquisition and adjusted to goodwill, which do not apply to a first time adopter of IFRS. However IFRS 1 states that only intangible assets and its related deferred tax recognized under Previous GAAP that do not meet the recognition criteria under IFRS be adjusted against goodwill. Under IFRS, the Company has recognized $471 of contingent consideration as liability and the corresponding impact to retained earnings. Under Previous GAAP, such earn out consideration was recorded as an addition to goodwill.

5. Under employee benefits in India, the defined benefit plan provides for a lump-sum payment to eligible employees at retirement, death and incapacitation or on termination of employment, of an amount based on the respective employees salary and tenure of employment, subject to a maximum of approximately $8 per employee. In March 2010, the Indian Union Cabinet gave its consent for enhancing the gratuity limit at the time of retirement from $8 to $22 per employee in India. The amendment was subsequently passed in the Parliament on May 2010. As a result of the law being substantially enacted on the Transition Date, the carrying value of employee benefits increased by $255 with a corresponding impact to retained earnings. The impact of the above change was accounted in the first quarter of fiscal 2011 under Previous GAAP.

Under IFRS, the Company uses the projected unit credit method to determine the present value of defined benefit obligations using the market yields on Government bonds. Under Previous GAAP, the Company used a discount rate that reflects Government bond yield plus a spread for credit risk. As a result, the carrying value of employee benefits increased by $156 with a corresponding impact to retained earnings.

The Company has applied the exemption as provided in IFRS 1 with respect to employee benefits and has elected to recognize all cumulative actuarial gains and losses up to the Transition Date. As a result, the Company has recognized $454 in retained earnings under IFRS with a corresponding debit to other comprehensive income.

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

6. Under IFRS, the noncontrolling interest is derecognized, since the Company believes that the risk and reward of ownership of the joint venture always vested with the Company.

Under IFRS, the put option in the joint venture agreement has been classified as a financial liability and valued based on the probability weighted assessment of possible outcomes of the various conditions for the put option. Further, the exercise of the put option is not under the control of the Company. Accordingly, under IFRS, a liability has been recorded based on the obligation existing as at the Transition Date based on the present value of the put option amounting to $1,676.

Under Previous GAAP, redeemable noncontrolling interest was classified as temporary equity as the net settlement of the put option and call option is not possible and hence was not classified as a derivative. The Company recognized the changes in redemption value of the redeemable noncontrolling interest at the end of each reporting period.

As a result, under IFRS, the redemption value of redeemable noncontrolling interest of $278 has been reclassed to other liabilities. Further, this liability was increased by $1,398 to record the existing obligation as at the Transition Date with a corresponding debit to retained earnings of $1,354 and a debit of $44 to other components of equity.

7. The Company grants share options to its employees. These share options vest in a graded manner over the vesting period. Under IFRS, each tranche of vesting is treated as a separate award and the share-based compensation expense relating to that tranche is amortized over the vesting period of the underlying tranche. This results in accelerated amortization of share-based compensation expense in the initial years following the grant of share options.

Under Previous GAAP, an entity was allowed to recognize the share-based compensation expense, relating to share options which vest in a graded manner, on a straight-line basis over the requisite vesting period for the entire award. However, the amount of compensation cost recognized at any date must at least equal the portion of the grant-date value of the award that is vested at that date.

Accordingly, the share-based compensation expense recognized under IFRS is higher by $2,150 as at the Transition Date in respect of the unvested awards.

8. Under the Indian tax laws, Fringe Benefit Tax (FBT) was imposed on all stock options exercised on or after April 1, 2007. Under this legislation, on exercise of an option or Restricted Share Unit (RSUs), employers were responsible for a tax equal to the intrinsic value at its vesting date multiplied by the applicable tax rate. The FBT was included as a component of the exercise price while computing the fair value of the grant. In August 2009, the Indian tax laws withdrew the levy of FBT with effect from April 1, 2009. Consequent to this change in legislation, no FBT were recovered for options and RSUs issued to Indian option holders, resulting in a reduction in the exercise price of the options and RSUs. Under Previous GAAP, the charge in FBT was treated as a modification.

Under IFRS, the levy of FBT is accounted as reimbursement under IAS 37, *Provisions, Contingent Liabilities and Contingent Assets* . The grant date fair values of options and RSUs computed under Previous GAAP have been recomputed to remove the effect of FBT component included in the exercise price. As a result of the change in accounting treatment under IFRS, share-based compensation expense is higher by $1,287 as on the Transition Date.

9. Under IFRS, the time value of the options are separated from the option value and recorded at fair value at each reporting period with the resultant gains or losses reported in the statement of income. Consequently under IFRS, the change in accounting treatment resulted in an increase to other components of equity by $11,015 (net of tax) and a corresponding debit to retained earnings. Under Previous GAAP, for effective hedges the premium paid for purchased options were recorded in other components of equity.

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Reconciliation of equity as at March 31, 2011

	Notes	Amount as per Previous GAAP	Effect of transition to IFRS	Amount as per IFRS
ASSETS				
Current assets:				
Cash and cash equivalents		$ 27,090	$	$ 27,090
Bank deposits and marketable securities		12		12
Trade receivables		78,586		78,586
Unbilled revenue		30,837		30,837
Funds held for clients		8,799		8,799
Current tax assets		8,502		8,502
Derivative assets		11,182		11,182
Prepayments and other current assets	1	16,679	(232)	16,447
Total current assets		181,687	(232)	181,455
Investments		2		2
Goodwill	2	94,036	(503)	93,533
Intangible assets		156,587		156,587
Property and equipment	3	48,592	(1,414)	47,178
Derivative assets		2,282		2,282
Deferred tax assets	4	36,820	(3,302)	33,518
Other non-current assets	1	8,413	(373)	8,040
TOTAL ASSETS		**$ 528,419**	**$ (5,824)**	**$ 522,595**
LIABILITIES AND EQUITY				
Current liabilities:				
Trade payables		$ 43,748	$	$ 43,748
Provisions		32,933		32,933
Derivative liabilities		9,963		9,963
Pension and other employee obligations	5	31,034	(5)	31,029
Short term line of credit		14,593		14,593
Current portion of long term debt	1	50,000	(608)	49,392
Deferred revenue		6,962		6,962
Income taxes payable		3,088		3,088
Other liabilities	9	2,359	1,767	4,126
Total current liabilities		194,680	1,154	195,834
Derivative liabilities		431		431
Pension and other employee obligations	5	4,087	398	4,485
Long term debt	1	43,095	(206)	42,889

Deferred revenue		5,976		5,976
Other non-current liabilities		2,978		2,978
Deferred tax liabilities	4	5,953	(807)	5,146
TOTAL LIABILITIES		257,200	539	257,739
Shareholders equity:				
Share capital		6,955		6,955
Share premium	6,7,10	208,050	3,380	211,430
Retained earnings	2,3,4,5,6,7,8,9,10	60,259	(13,670)	46,589
Other components of equity	4,5,8,9	(4,045)	3,927	(118)
Total shareholders equity		271,219	(6,363)	264,856
TOTAL LIABILITIES AND EQUITY		**$ 528,419**	**$ (5,824)**	**$ 522,595**

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Notes:

1. Under IFRS, debt is a financial liability recognized initially at fair value adjusted for transaction costs that are directly attributable to the issue of the financial liability and measured subsequently at amortized cost. Accordingly, debt issue costs have been netted off against long term debt. Under Previous GAAP, such debt issue costs were recorded as deferred charges. Due to the netting off of debt issue cost with the carrying amount of long term debt, prepayment and other current assets and other non-current assets are lower by $505 and $90 and current portion and non-current portion of the long term debt are lower by $505 and $90, respectively.

Further, under Previous GAAP, in connection with the refinancing of the long term debt, the debt issue cost incurred with third parties for the new loan pertaining to existing lenders continuing as new lenders were charged to the statement of income. Under IFRS, the same has been netted off against the long term debt. As a result, under IFRS, the long term debt is lower by $219.

Under IFRS, lease deposits have been recorded at fair value, and the resultant difference between the fair value and carrying value is shown as prepaid rent. As a result, prepayment and other current assets have increased by $273 and other non-current assets have reduced by $283.

2. Under IFRS, contingent consideration relating to acquisitions is recognized if it is probable that such consideration would be paid and can be measured reliably. Under Previous GAAP, contingent consideration is recognized after the contingency is resolved and additional consideration becomes payable. As a result, under IFRS, the Company has recognized contingent consideration as additional liability and retained earnings on the Transition Date. Consequently, goodwill under IFRS is lower by $503.

3. The Company has applied the exemption as provided in IFRS 1 with respect to deemed cost and measured specific items of property and equipment, on a selective basis within certain classes of assets, at their fair values at the Transition Date. Consequent to this, the fair value as of the Transition Date is taken as their deemed cost for all those assets within these classes of assets where the fair value was lower than the carrying value. For all other assets within these classes of assets where the fair value is greater than the carrying value, those assets have been carried at their Previous GAAP amounts. As a result, under IFRS, property and equipment is lower by $1,414, with a corresponding impact to retained earnings.

4. Certain deferred tax credits (net) amounting to $2,495 not recognized under Previous GAAP are now recognized under IFRS due to a difference in accounting treatment on account of:

   a) accelerated amortization of share-based compensation expense amounting to a credit of $1,119;

   b) time value of purchased options amounting to a credit of $1,672;

   c) application of substantially enacted tax rates amounting to $198; and

d) deferred tax debit amounting to $494 on account of the following:

i) $426 on account of selective measurement of items of property and equipment at its fair value; and

ii) deferred tax created on employee benefits plan in India of $68.

The above adjustment has an impact on retained earnings and other components of equity.

5. Under IFRS, the Company uses the projected unit credit method to determine the present value of defined benefit obligations using the market yields on Government bonds. Under Previous GAAP, the Company used a discount rate that reflects Government bond yield plus a spread for credit risk. As a result, the carrying value of employee benefits increased by $393 with a corresponding impact to retained earnings.

The Company has applied the exemption as provided in IFRS 1 with respect to employee benefits and has elected to recognize all cumulative actuarial gains and losses up to the Transition Date. As a result, under IFRS, the Company has recognized $425 into retained earnings.

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

6. The Company grants share options to its employees. These share options vest in a graded manner over the vesting period. Under IFRS, each tranche of vesting is treated as a separate award and the share-based compensation expense relating to that tranche is amortized over the vesting period of the underlying tranche. This results in accelerated amortization of share-based compensation expense in the initial years following the grant of share options.

Previous GAAP permits an entity to recognize the share-based compensation expense, relating to share options which vest in a graded manner on a straight-line basis over the requisite vesting period for the entire award. However, the amount of compensation cost recognized at any date must at least equal the portion of the grant-date value of the award that is vested at that date. As a result of the change in accounting treatment under IFRS, share premium is higher by $1,858 on account of higher share-based compensation expense.

7. Under the Indian tax laws, FBT was imposed on all stock options exercised on or after April 1, 2007. Under this legislation, on exercise of an option or RSUs, employers were responsible for a tax equal to the intrinsic value at its vesting date multiplied by the applicable tax rate. The FBT was included as a component of the exercise price while computing the fair value of the grant. In August 2009, Indian tax laws withdrew the levy of FBT with effect from April 1, 2009. Consequent to this change in legislation, no FBT were recovered for options and RSUs issued to Indian optionees, resulting in a reduction in the exercise price of the options and RSUs. Under Previous GAAP, FBT charge was treated as a modification.

Under IFRS, the levy of FBT is accounted as reimbursement under IAS 37. The grant date fair values of options and RSUs computed under the Previous GAAP have been recomputed to remove the effect of FBT component included in the exercise price. As a result of the change in accounting treatment under IFRS, share premium is higher by $782 on account of higher share-based compensation expense.

8. Under Previous GAAP, for effective hedges the premium paid for purchased options were recorded in other components of equity. Under IFRS, the time value of the options are separated from the option value and recorded at fair value at each reporting period with the resultant gains or losses reported in the statement of income. Consequently under IFRS, the change in accounting treatment resulted in an increase to other components of equity by $3,613 (net of tax).

9. Under IFRS the redeemable noncontrolling interest is derecognized, since the Company believes that the risks and rewards of the joint venture always vested with the Company.

Under IFRS, the put option in the joint venture agreement has been classified as a financial liability and valued based on the probability weighted assessment of possible outcomes of the various conditions for the put option. Further, the exercise of the put option is not under the control of the Company. Accordingly, under IFRS, a liability has been recorded based on the obligation existing as at the Transition Date based on the present value of the put option.

Under Previous GAAP, redeemable noncontrolling interest was classified as temporary equity as the net settlement of the put option and call option is not possible and hence was not classified as a derivative. The Company recognized the changes in redemption value of the redeemable noncontrolling interest at the end of each reporting period. As a result, under IFRS, the share of losses on redeemable noncontrolling interest amounting to $53 recorded in other components of equity has been transferred to retained earnings.

10. Under IFRS, the deferred tax asset on share-based compensation expense is adjusted based on the prevailing share price at each reporting date. Any fluctuation in share price will result in a change in deferred tax. At the time of exercise of options, any excess deferred tax created is recognized as a charge in the statement of income.

Under Previous GAAP, deferred tax asset on share-based compensation expense is calculated at the date of the grant of option. At the time of exercise of option, the shortfall is recorded as a debit to equity to the extent prior excess tax benefits exist.

As a result of the change in accounting treatment under IFRS, the Company has recognized $740 of tax deficiency in the statement of income with a corresponding credit to share premium.

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Reconciliation of profits for the year ended March 31, 2011

	Relevant notes for adjustment	Amount as per Previous GAAP	Effect of transition to IFRS	Amount as per IFRS	Reclassification	Amount as per IFRS
Revenue		$ 616,251	$	$ 616,251	$	$ 616,251
Cost of revenue	1,2,3,4	491,847	(1,826)	490,021		490,021
Gross profit		**124,404**	**1,826**	**126,230**		**126,230**
Operating expenses:						
Selling and marketing expenses	1,3	23,787	(333)	23,454		23,454
General and administrative expenses	1,3	56,756	(393)	56,363		56,363
Foreign exchange gain	9				(15,123)	(15,123)
Amortization of intangible assets		31,810		31,810		31,810
Operating profits		**12,051**	**2,552**	**14,603**	**15,123**	**29,726**
Other (income)/expense, net	4,6,9	(6,106)	(6,914)	(13,020)	11,895	(1,125)
Finance expense	5	8,018	200	8,218	3,228	11,446
Profit before income taxes		**10,139**	**9,266**	**19,405**		**19,405**
Provision for income taxes	7	1,052	440	1,492		1,492
Profit after tax		**9,087**	**8,826**	**17,913**		**17,913**
Redeemable noncontrolling interest	8	(730)	730			
Profit		**$ 9,817**	**$ 8,096**	**$ 17,913**	**$**	**$ 17,913**

F - 30

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Reconciliation of comprehensive income for the year ended March 31, 2011

	Relevant notes for adjustments	Amount as per Previous GAAP	Effect of transition to IFRS	Amount as per IFRS	Reclassification	Amount as per IFRS
Profit		**$ 9,087**	**$ 8,826**	**$ 17,913**	**$**	**$ 17,913**
Other comprehensive income for the period, net of taxes						
Pension adjustment	10	788	(105)	683		683
Changes in fair value of cash flow hedges	11	(4,707)	(7,137)	(11,844)		(11,844)
Foreign currency translation	1	7,544	(353)	7,191		7,191
Total other comprehensive income/ (loss), net of taxes		**3,625**	**(7,595)**	**(3,970)**		**(3,970)**
Less: Comprehensive income attributable to redeemable noncontrolling interest	12	(633)	633			
Total comprehensive income		**$ 13,345**	**$ 598**	**$ 13,943**	**$**	**$ 13,943**

Notes:

1. Under IFRS, the Company has applied the exemption as provided in IFRS 1 with respect to deemed cost and measured specific items of property and equipment, on a selective basis within certain classes of assets, at their fair values at the Transition Date. Consequent to this, the fair value as of the Transition Date is taken as their deemed cost for all those classes of assets where the fair value is lower than the carrying value. As a result, under IFRS, the depreciation charge is lower by $1,524 in cost of revenue, $206 in selling and marketing expenses and $12 in general and administrative expenses.

2. Under IFRS, the Company uses the projected unit credit method to determine the present value of defined benefit obligations using the market yields on Government bonds. Under Previous GAAP, the Company used a discount rate that reflects Government bond yield plus a spread for credit risk. As a result of the change in discount rates, under IFRS, the employee benefit expense has reduced by $49 in cost of revenue.

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

3. Under IFRS, the Company amortizes share-based compensation expense, relating to share options which vest in a graded manner on an accelerated basis. Under Previous GAAP, share-based compensation expense is recorded on a straight-line basis. Accordingly, due to the change in expense recognition method under IFRS, the Company has recognized lower share-based compensation expense of $286 in cost of revenue, $127 in selling and marketing expenses and $381 in general and administrative expenses.

4. Under IFRS, the Company has recorded at fair value lease deposits and the resultant difference between the amount paid and fair value is recognized as prepaid rent difference. As a result of the fair valuation, under IFRS, the cost of revenue has increased by $33 on account of the amortization of deferred rent cost on a straight line basis and recorded interest income $23 based on the effective interest rate method.

5. Under Previous GAAP, in connection with the refinancing of the long term debt, the debt issue cost for the new loan pertaining to existing lenders continuing as new lenders were charged to the statement of income. Under IFRS, the debt issue costs have been netted off against the long term debt and amortized to the statement of income over the period of the loan. As a result, under IFRS, the expenses are higher on account of debt issue cost amortization by $200.

6. Under Previous GAAP, for effective hedges, the premium paid for purchased options is recorded in other comprehensive income. Under IFRS, the time value of the options are separated from the option value and recorded at fair value at each reporting period and the resultant gains or losses are reported under the statement of income. As a result, under IFRS, the Company has recognized foreign exchange gains of $6,496.

Under Previous GAAP, in connection with the refinancing of the long term debt, the debt issuance cost incurred with third parties for the new loan pertaining to existing lenders continuing as new lenders were charged to the statement of income. Under IFRS, the debt issue cost has been netted off against the long term debt. As a result, under IFRS, the other (income)/expenses are lower by $418.

The Company recorded revaluation loss on account of payout made in respect of contingent consideration amounting to $23.

7. Certain deferred tax debit (net) amounting to $440 not recognized under Previous GAAP are now recognized under IFRS due to a difference in accounting treatment on account of:

    a) tax deficiencies on exercise of options recognized in the statement of income amounting to a debit of $738;

    b) selective measurement of items of property and equipment at their fair value amounting to a debit of $83;

    c) time value of purchased option amounting to a debit of $46;

    d) accelerated amortization of share-based compensation expense amounting to a credit of $132;

e) deferred tax asset created on employee benefits in India amounting to a credit of $100; and

f) application of substantially enacted rate amounting to a credit of $196.

8. Under Previous GAAP, redeemable noncontrolling interest was classified as temporary equity as certain conditions of the put option and call option are not within the control of the Company. Under IFRS, the shares held by redeemable noncontrolling interest do not meet the conditions for being classified as equity since the Company has a contractual obligation to deliver cash and hence they have been classified as financial liability. As a result, under IFRS, the Company bears all the losses attributable to noncontrolling interest amounting to $730.

9. Under IFRS, the Company has reclassified and presented foreign exchange (gain)/losses as a separate line item under Operating Profits. Under Previous GAAP, these transactions were presented under Other (income)/expenses, net. Similarly, under IFRS, the mark to market loss of $3,228 on interest rate swap has been reclassified into finance expense from Other (income)/expense.

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

10. Under Previous GAAP the Company recognizes actuarial gains and losses in other comprehensive income and subsequently, accumulated gains and losses over and above the 10% corridor are recognized, systematically over the expected working lives of the employees, as an expense component of net periodic benefit cost. Under IFRS, the Company has applied the exemption as provided in IFRS 1 with respect to employee benefits and has elected to recognize all cumulative actuarial gains and losses in other comprehensive income and subsequently not to recognize the same in the statement of income. As a result, under IFRS, the other comprehensive income with respect to pension adjustment is lower by $105.

11. Under Previous GAAP, for effective hedges the premium paid for purchased options were recorded in other components of equity. Under IFRS, the time value of the options are separated from the option value and recorded at fair value at each reporting period with the resultant gains or losses reported in the statement of income. As a result, under IFRS, the other comprehensive income with respect to cash flow hedges (net of tax) is lower by $7,137.

12. Under IFRS, the shares held by redeemable noncontrolling interest do not meet the conditions for being classified as equity since the Company has a contractual obligation to deliver cash and hence they have been classified as financial liability.

Under Previous GAAP, redeemable noncontrolling interest was classified as temporary equity as certain conditions of the put option and call option are not within the control of the Company. The Company recognized the changes in redemption value of the redeemable noncontrolling interest at the end of each reporting period.

Under IFRS, the Company bears all the changes attributable to redeemable noncontrolling interest. Consequently, the other comprehensive income with respect to noncontrolling interest is higher by $633.

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

3. New accounting pronouncements not yet adopted by the Company

Certain new standards, interpretations and amendments to existing standards have been published that are mandatory for the Company s accounting periods beginning on or after April 1, 2012 or later periods. Those which are considered to be relevant to the Company s operations are set out below.

i. International Accounting Standards Board (IASB) issued an amendment in IFRS 7 *Financial Instruments: Disclosure* (IFRS 7) that requires additional quantitative and qualitative disclosures relating to transfers of financial assets effective for annual periods beginning on or after July 1, 2011 with earlier application permitted, where:

- financial assets are derecognized in their entirety, but where the entity has a continuing involvement in them (e.g., options or guarantees on the transferred assets); and

- financial assets are not derecognized in their entirety.

The Company envisage there will be no impact of this additional disclosure requirement on its consolidated financial statements.

ii. In November 2009, the IASB issued IFRS 9 *Financial Instruments: Classification and Measurement* (IFRS 9). This standard introduces certain new requirements for classifying and measuring financial assets and liabilities and divides all financial assets that are currently in the scope of IAS 39 into two classifications, viz. those measured at amortized cost and those measured at fair value. In October 2010, the IASB issued a revised version of IFRS 9, Financial Instruments (IFRS 9 R). The revised standard adds guidance on the classification and measurement of financial liabilities. IFRS 9 R requires entities with financial liabilities designated at fair value through profit or loss to recognize changes in the fair value due to changes in the liability s credit risk in other comprehensive income. However, if recognizing these changes in other comprehensive income creates an accounting mismatch, an entity would present the entire change in fair value within profit or loss. There is no subsequent recycling of the amounts recorded in other comprehensive income to profit or loss, but accumulated gains or losses may be transferred within equity.

IFRS 9 is effective for fiscal years beginning on or after January 1, 2015. Earlier application is permitted. The Company is currently evaluating the impact that this new standard will have on its consolidated financial statements.

iii. In May 2011, the IASB issued IFRS 13 *Fair Value Measurements* (IFRS 13). IFRS 13 defines fair value, provides single IFRS framework for measuring fair value; and requires disclosure about fair value measurements. IFRS 13 is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. The Company is currently evaluating the impact that this new standard will have on its consolidated financial statements.

iv. In May, 2011, the IASB issued IFRS 10 *Consolidated Financial Statements* (IFRS 10) which replaces consolidation requirements in IAS 27 *Consolidated and Separate Financial Statements* and SIC-12 *Consolidation Special Purpose Entities* and builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. This pronouncement is effective for the annual period beginning on or after

January 1, 2013 with earlier application permitted so long as each of this standard is applied together with other four standards as mentioned below;

IFRS 11 *Joint Arrangements*

IFRS 12 *Disclosure of Interest in Other Entities*

IAS 27 (Revised) *Separate Financial Statements*

IAS 28 (Revised) *Investments in Associates and Joint Ventures*

The remainder of IAS 27, *Separate Financial Statements*, now contains accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates only when an entity prepares separate financial statements and is therefore not applicable in the Company s consolidated financial statements.

IFRS 11 *Joint Arrangements* (IFRS 11), which replaces IAS 31, *Interests in Joint Ventures* and SIC-13, *Jointly Controlled Entities Non-monetary Contributions by Ventures*, requires a single method, known as the equity method, to account for interests in jointly controlled entities. The proportionate consolidation method in joint ventures is prohibited. IAS 28, *Investments in Associates and Joint Ventures*, was amended as a consequence of the issuance of IFRS 11. In addition to prescribing the accounting for investment in associates, it now sets out the requirements for the application of the equity method when accounting for joint ventures. The application of the equity method has not changed as a result of this amendment.

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

IFRS 12 *Disclosure of Interest in Other Entities* is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The standard includes disclosure requirements for entities covered under IFRS 10 and IFRS 11.

The Company is currently evaluating the impact of the above pronouncements on the Company s consolidated financial statements.

v. In June 2011, the IASB published amendments to IAS 1 *Presentation of Financial Statements* (IAS 1). The amendments to IAS 1 require companies preparing financial statements in accordance with IFRS to group items within other comprehensive income that may be reclassified to the profit or loss separately from those items which would not be recyclable in the profit or loss section of the statement of income. It also requires the tax associated with items presented before tax to be shown separately for each of the two groups of other comprehensive income items (without changing the option to present items of other comprehensive income either before tax or net of tax). The amendments also reaffirm existing requirements that items in other comprehensive income and profit or loss should be presented as either a single statement or two consecutive statements. This amendment is applicable to annual periods beginning on or after 1 July 2012, with early adoption permitted. The Company is required to adopt IAS 1 (Amended) by accounting year commencing April 1, 2013. The Company has evaluated the requirements of IAS 1 (Amended) and the Company does not believe that the adoption of IAS 1 (Amended) will have a material effect on its consolidated financial statements.

vi. In June 2011, the IASB issued an amended IAS 19 *Employee Benefits* . This amendment is applicable on a modified retrospective basis to annual periods beginning on or after January 1, 2013, with early adoption permitted. Apart from certain miscellaneous changes, key changes are:

a. recognition of changes in the net defined liability/(assets) in other comprehensive income;

b. introduced enhanced disclosures about defined benefit plans; and

c. modified accounting for termination benefits.

The Company is currently evaluating the impact that the above amendment will have on its consolidated financial statements.

vii. In December 2011, the IASB amended the accounting requirements and disclosures related to offsetting of financial assets and financial liabilities by issuing an amendment to IAS 32 *Financial Instruments: Presentation* and IFRS 7 *Financial Instruments: Disclosure* . The amendment to IFRS 7 requires companies to disclose information about rights of offset and related arrangements for financial instruments under an enforceable master netting agreement or similar arrangement. The new disclosure are effective for interim or annual periods beginning on or after January 1, 2013. It requires retrospective application for comparative periods.

The IASB has amended IAS 32 to clarify the meaning of currently has a legally enforceable right of set off and simultaneous realization and settlement . The amendment s clarify that to result in offset of a financial assets and financial liability, a right to set off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

Also the amendments clarify that the determination of whether the rights meets the legally enforceable criterion will depend on both the contractual terms entered into between the counterparties as well as the law governing the contract and the bankruptcy process in the event of bankruptcy or insolvency. The amendments are effective for annual periods beginning on or after January 1, 2014 and are required to be applied retrospectively for comparative periods.

The Company is currently evaluating the impact that the above amendments will have on its consolidated financial statements.

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

4. Cash and cash equivalents

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

		As at	
	March 31, 2012	March 31, 2011	April 1, 2010
Cash and bank balance	$ 34,821	$ 21,631	$ 25,320
Short term deposits with bank	11,904	5,459	6,991
Total	**$ 46,725**	**$ 27,090**	**$ 32,311**

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

5. 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 short term investments and are acquired principally for the purpose of earning dividend income. Bank deposits and marketable securities consist of the following:

		As at	
	March 31, 2012	March 31, 2011	April 1, 2010
Bank deposits	$	$ 12	$ 45
Marketable securities	26,384		
Total	**$ 26,384**	**$ 12**	**$ 45**

6. Trade receivables

Trade receivables consist of the following:

		As at	
	March 31, 2012	March 31, 2011	April 1, 2010
Trade receivables	$ 71,287	$ 82,427	$ 47,234
Trade receivables from related parties	604	556	739
Allowances for doubtful account receivables	(5,470)	(4,397)	(3,152)

Total	**$ 66,421**	**$ 78,586**	**$ 44,821**

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

		As at	
	March 31, 2012	**March 31, 2011**	**April 1, 2010**
Balance at the beginning of the period	$ 4,397	$ 3,152	$ 1,935
Charged to operations	1,381	1,794	1,666
Write-off, net of collections	(27)	(183)	(20)
Reversal	(226)	(510)	(428)
Translation adjustment	(55)	144	(1)
Balance at the end of the period	$ 5,470	$ 4,397	$ 3,152

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

7. Prepayment and other assets

Prepayment and other assets consist of the following:

		As at	
	March 31, 2012	**March 31, 2011**	**April 1, 2010**
Current:			
Value Added Tax (VAT) receivables	$ 10,118	$ 10,103	$ 8,644
Deferred transition cost	944	1,153	907
Employee receivables	1,504	1,232	1,526
Advances to suppliers	2,341	1,006	1,035
Deposit with client	3,206		
Prepaid expenses	3,551	2,581	2,101
Other assets	261	372	2,481
Total	**$ 21,925**	**$ 16,447**	**$ 16,694**
Non-current:			
Deferred transition cost	$ 428	$ 734	$ 1,224
Transition premium	190	246	301
Deposits	6,262	7,060	7,086
Total	**$ 6,880**	**$ 8,040**	**$ 8,611**

8. Goodwill

The movement in goodwill balance by reportable segment as at March 31, 2012 and 2011 is as follows:

	WNS Global BPO	**WNS Auto Claims**	**Total**
Balance as at April 1, 2010	$ 59,515	$ 31,147	$ 90,662
Foreign currency translation	774	2,097	2,871
Balance as at March 31, 2011	$ 60,289	$ 33,244	$ 93,533
Foreign currency translation	(6,719)	(119)	(6,838)
Balance as at March 31, 2012	**$ 53,570**	**$ 33,125**	**$ 86,695**

The carrying value of goodwill allocated to the cash generating units (CGU) is as follows:

	March 31, 2012	As at March 31, 2011	April 1, 2010
WNS Global BPO*	$ 4,453	$ 4,941	$ 4,903
Research & Analytics	44,962	51,177	50,704
Technology Services	4,155	4,171	3,908
WNS Auto Claims BPO	33,125	33,244	31,147
	$ 86,695	**$ 93,533**	**$ 90,662**

* Excluding Research & Analytics and Technology Services

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Goodwill is tested for impairment annually in accordance with the Company s procedure for determining the recoverable value of such assets. For the purpose of impairment testing, goodwill is allocated to a CGU representing the lowest level within the Group at which goodwill is monitored for internal management purposes, and which is not higher than the Group s operating segment. The recoverable amount of the CGU is the higher of its FVLCTS and its VIU. The FVLCTS of the CGU is determined based on the market capitalization approach, using the turnover and earnings multiples derived from observed market data. The VIU is determined based on discounted cash flow projections.

Key assumptions on which the Company has based its determination of VIUs include:

a) Estimated cash flows for five years based on approved internal management budgets with extrapolation for the remaining period, wherever such budgets were shorter than 5 years period.

b) Terminal value arrived by extrapolating last forecasted year cash flows to perpetuity using long-term growth rates. These long-term growth rates take into consideration external macro-economic sources of data. Such long-term growth rate considered does not exceed that of the relevant business and industry sector

c) The discount rates used are based weighted average cost of capital of a comparable market participant, which are adjusted for specific country risks.

The key assumptions used in performing the impairment test, by CGU, were as follows:

	CGU s			
	WNS Global BPO	**Research and Analysis**	**Technology Services**	**WNS Auto Claims BPO**
Discount rate	16%	16%	13%	13%
Perpetual growth rate	3%	3%	3%	2%

The assumptions used were based on the Company s internal budget. The Company projected revenue, operating margins and cash flows for a period of five years, and applied a perpetual long-term growth rate thereafter.

In arriving at its forecasts, the Company considered past experience, economic trends and inflation as well as industry and market trends. The projections also took into account factors such as the expected impact from new client wins and expansion from existing clients businesses and efficiency initiatives, and the maturity of the markets in which each business operates.

Based on the above, no impairment was identified as at March 31, 2012 as the recoverable value of the CGUs exceeded the carrying value.

An analysis of the calculation s sensitivity to a reasonably possible change in the key parameters (revenue growth, operating margin, discount rate and long-term growth rate) did not identify any probable scenarios where the CGU s recoverable amount would fall below its carrying amount.

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

9. Intangibles

The changes in the carrying value of acquired intangible for the year ended March 31, 2011 are as follows:

Gross carrying value	Customer contracts	Customer relationship	Intellectual property rights	Leasehold benefits	Covenant not-to-compete	Total
Balance as at April 1, 2010	$ 189,961	$ 64,891	$ 4,660	$ 1,835	$ 337	$ 261,684
Translation adjustments	249	617	314		16	1,196
Balance as at March 31, 2011	$ 190,210	$ 65,508	$ 4,974	$ 1,835	$ 353	$ 262,880
Accumulated amortization and impairment						
Balance as at April 1, 2010	$ 49,301	$ 19,962	$ 3,344	$ 789	$ 209	$ 73,605
Amortization	21,270	8,822	1,198	459	61	31,810
Translation adjustments	248	351	270		9	878
Balance as at March 31, 2011	$ 70,819	$ 29,135	$ 4,812	$ 1,248	$ 279	$ 106,293
Net carrying value as at March 31, 2011	**$ 119,391**	**$ 36,373**	**$ 162**	**$ 587**	**$ 74**	**$ 156,587**

The changes in the carrying value of acquired intangible for the year ended March 31, 2012 are as follows::

Gross carrying value	Customer contracts	Customer relationship	Intellectual property rights	Leasehold benefits	Covenant not-to-compete	Software	Total
Balance as at April 1, 2011	$ 190,210	$ 65,508	$ 4,974	$ 1,835	$ 353	$	$ 262,880
Additions						1,053	1,053
Translation adjustments	(14,243)	(1,026)	(18)			(36)	(15,323)
Balance as at March 31, 2012	$ 175,967	$ 64,482	$ 4,956	$ 1,835	$ 353	$ 1,017	$ 248,610
Accumulated amortization and impairment							
Balance as at April 1, 2011	$ 70,819	$ 29,135	$ 4,812	$ 1,248	$ 279	$	$ 106,293
Amortization	19,949	8,792	161	459	64	51	29,476
Translation adjustments	(1,396)	(884)	(17)			(3)	(2,300)
Balance as at March 31, 2012	$ 89,372	$ 37,043	$ 4,956	$ 1,707	$ 343	$ 48	$ 133,469

Net carrying value as at March 31, 2012	**$**	**86,595**	**$**	**27,439**	**$**		**$**	**128**	**$**	**10**	**$**	**969**	**$ 115,141**

F - 39

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

As at March 31, 2012, the estimated remaining weighted average amortization periods for intangibles are as follows:

	Balance Life (In months)
Customer contracts	56
Customer relationship	53
Leasehold benefits	3
Covenant not-to-compete	3
Software	54

The estimated annual amortization expense based on intangible balance and exchange rates, each as at March 31, 2012 are as follows:

	Amount
2013	$ 26,438
2014	24,622
2015	24,544
2016	24,495
2017	15,042
	$ 115,141

F - 40

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

10. Property and equipment, net

The changes in the carrying value of property and equipment for the year ended March 31, 2011 are as follows:

Gross carrying value	**Buildings**	**Computers and software**	**Furniture, fixtures and office equipment**	**Vehicles**	**Leasehold improve-ments**	**Total**
Balance as at April 1, 2010	$ 12,424	$ 59,828	$ 51,269	$ 2,299	$ 40,193	$ 166,013
Additions	170	5,375	5,184	1,180	4,326	16,235
Disposal/retirements		294	422	1,174	590	2,480
Translation adjustments	79	1,573	686	22	514	2,874
Balance as at March 31, 2011	$ 12,673	$ 66,482	$ 56,717	$ 2,327	$ 44,443	$ 182,642
Accumulated depreciation and impairment						
Balance as at April 1, 2010	$ 846	$ 51,293	$ 41,128	$ 1,807	$ 27,885	$ 122,959
Depreciation	674	5,792	5,175	408	5,571	17,620
Disposal/retirements		256	452	547	605	1,860
Translation adjustments	19	1,334	566	15	403	2,337
Balance as at March 31, 2011	$ 1,539	$ 58,163	$ 46,417	$ 1,683	$ 33,254	$ 141,056
Capital work-in-progress						5,592
Net carrying value as at March 31, 2011						**$ 47,178**

The changes in the carrying value of property and equipment for the year ended March 31, 2012 are as follows:

Gross carrying value	**Buildings**	**Computers and software**	**Furniture, fixtures and office equipment**	**Vehicles**	**Leasehold improve-ments**	**Total**
Balance as at April 1, 2011	$ 12,673	$ 66,482	$ 56,717	$ 2,327	$ 44,443	$ 182,642
Additions		4,846	6,678	939	8,526	20,989
Disposal/Retirements		790	1,325	1,359	26	3,500
Translation adjustments	(1,178)	(5,870)	(6,209)	(259)	(5,019)	(18,535)
Balance as at March 31, 2012	$ 11,495	$ 64,668	$ 55,861	$ 1,648	$ 47,924	$ 181,596

Accumulated depreciation and impairment

Balance as at April 1, 2011	$ 1,539	$ 58,163	$ 46,417	$ 1,683	$ 33,254	$ 141,056
Depreciation	594	5,843	4,376	234	4,913	15,960
Disposal/Retirements		822	1,089	551	15	2,477
Translation adjustments	(287)	(5,380)	(5,285)	(189)	(3,977)	(15,118)
Balance as at March 31, 2012	$ 1,846	$ 57,804	$ 44,419	$ 1,177	$ 34,175	$ 139,421
Capital work-in-progress						3,243
Net carrying value as at March 31, 2012						**$ 45,418**

Certain property and equipment are pledged as collateral against borrowings with a carrying amount of $15,030 and $16,848 as at March 31, 2012 and 2011, respectively.

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

The Company has applied the exemption as provided in IFRS 1 with respect to deemed cost and measured specific items of property and equipment, on a selective basis within certain classes of assets, at their fair values at the Transition Date. Consequent to this, the fair value as of the Transition Date is taken as their deemed cost for all those assets within these classes of assets where the fair value is lower than the carrying value. For all other assets within these classes of assets where the fair value is greater than the carrying value, those assets have been carried at their Previous GAAP amounts.

The reconciliation of property and equipment from Previous GAAP to IFRS as at April 1, 2010 is as follows:

Assets	**Carrying amount as per Previous GAAP**	**Effect of fair value as deemed cost**	**Carrying amount as per IFRS**
Buildings	$ 11,578	$	$ 11,578
Computers and Software	8,535		8,535
Furniture, fixtures and office equipment	13,086	(2,945)	10,141
Vehicles	492		492
Leasehold improvements	12,516	(208)	12,308
	$ 46,207	$ (3,153)	$ 43,054
Capital work-in-progress	5,493		5,493
Property and equipment, net	$ 51,700	$ (3,153)	$ 48,547

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

11. Loans and borrowings

Short-term line of credit

The Company s Indian subsidiary, WNS Global, has set up unsecured lines of credit of960,000 ($18,872 based on the exchange rate on March 31, 2012) from The Hongkong and Shanghai Banking Corporation Limited, $15,000 from BNP Paribas and $9,057 from Citibank N.A, interest on which would be determined on the date of the borrowing. As at March 31, 2012 11,482 ($226 based on the exchange rate on March 31, 2012) was utilized for obtaining bank guarantees from the line of credit available with The Hongkong and Shanghai Banking Corporation Limited, and $14,908 and $9,057 was utilized for working capital requirements from the lines of credit available with BNP Paribas and Citibank N.A. respectively. These lines of credit can be withdrawn by bank at any point of time.

Long-term debt

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

				As at			
				March 31, 2012		March 31, 2011	
Currency	**Interest rate**		**Final maturity (fiscal year)**	**Foreign currency**	**Total**	**Foreign currency**	**Total**
Indian Rupee	11.25%	*	2015	510,000	$ 10,026		$
US dollars	3M USD Libor +2%	**	2013	$	23,907	$	73,297
US dollars	3M USD Libor +3%		2014	$	3,189	$	3,181
Pound Sterling	Bank of England base rate+1.95%	***	2016	£ 9,880	15,822	£ 9,880	15,803
Pound Sterling	Bank of England base rate+2.25%		2015	£ 6,120	9,761	£	
					$ 62,705		$ 92,281
Current portion of long term debt					$ 26,031		$ 49,392
Long term debt					$ 36,674		$ 42,889

* The Company has entered into a currency swap to effectively reduce the overall cost
** The Company has entered into a floating to fixed interest rate swap
*** From July 7, 2012 the revised rate will be Bank of England base rate+2.25%

On July 12, 2010 the Company entered into a term loan facility of $94,000 in Mauritius with interest equal to the three month US dollar LIBOR plus a margin of 2% per annum. In connection with the term loan, the Company has entered into an interest rate swap with banks to swap the variable portion of the interest based on US dollar LIBOR to a fixed average rate. This term loan was repayable in semi-annual installments of

$20,000 on each of January 10, 2011 and July 11, 2011 and $30,000 on January 10, 2012 with the final installment of $24,000 payable on July 10, 2012. On January 10, 2011, July 11, 2011 and January 10, 2012, the Company made scheduled installment repayments of $20,000, $20,000 and $30,000, respectively, following which the amount outstanding under the facility is $24,000.

The Company has also established a £19,760 ($31,676 based on the exchange rate on March 31, 2012) line of credit in UK pursuant to a facility agreement dated June 30, 2010. This facility consists of a two year term loan facility of £9,880 ($15,838 based on the exchange rate on March 31, 2012) at the Bank of England (BOE) base rate plus a margin of 1.95% per annum and a working capital facility of £9,880 ($15,838 based on the exchange rate on March 31, 2012) at the BOE base rate plus a margin of 2.45% per annum which has been renewed on June 30, 2011.

On March 30, 2012, the Company signed a facility agreement in UK to roll over its existing term loan of £9,880 ($15,838 based on the exchange rate on March 31, 2012) from HSBC Bank plc (which was originally scheduled to mature on July 7, 2012) for three years until July 7, 2015 and obtained from HSBC Bank plc an additional three-year term loan facility of £6,120 ($9,810 based on the exchange rate on March 31, 2012). The facilities will bear interest at BOE base rate plus a margin of 2.25% per annum with 20% of the principal amount of each loan to be repayable at the end of each of 18, 24 and 30 months and a final installment of 40% at the end of 36 months after drawdown. The Company has also renewed its working capital facility of £9,880 ($15,838 based on the exchange rate on March 31, 2012) in UK (which was originally scheduled to mature on July 1, 2012) up to March 31, 2013 at an interest rate of BOE base rate plus a margin of 2.45% per annum. As at March 31, 2012, the amount outstanding under the term loan facility was £16,000 ($25,648 based on the exchange rate on March 31, 2012) and there was no amount outstanding under the working capital facility.

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

The Company has also established a $3,200 line of credit in the Philippines pursuant to a facility agreement dated September 8, 2010. This facility consists of a three year term loan facility at the three-month US dollar LIBOR plus a margin of 3% per annum. As at March 31, 2012, the amount outstanding under the facility was $3,200.

On March 9, 2012, WNS Global entered into a three year term loan facility of 510,000 ($10,026 based on the exchange rate on March 31, 2012) in India with interest equal to 11.25% per annum for the first year with reset at the end of the first year. This term loan is repayable in two installments of 255,000 ($5,013 based on the exchange rate on March 31, 2012) on each of January 30, 2015 and February 27, 2015. In order to reduce the cost on this rupee-denominated term loan, the Company also entered into a currency swap to convert the rupee-denominated loan to a US dollar-denominated loan. The facility was fully drawn on March 12, 2012.

On March 30, 2012, WNS Global also signed a facility agreement with HSBC Bank (Mauritius) Limited for a three year external commercial borrowing of $7,000. The loan registration number for the said facility has been allotted by the Reserve Bank of India on April 11, 2012. The facility may be drawn in four tranches within six months from the date of the facility agreement This facility bears interest at a rate equivalent to three-month US dollar LIBOR plus a margin of 3.5% per annum. The principal amount of each tranche will be repayable at the end of three years from the date of each drawdown. On April 16, 2012, the Company has drawn $2,000 from this facility.

The Company has pledged trade receivables, other financial assets, property and equipment with a carrying amount of $196,652 and $161,964 as of March 31, 2012 and March 31, 2011 respectively as collaterals for the above borrowings. In addition, the above facility agreements contains certain restrictive covenants on the indebtedness of the Company, total borrowings to tangible net worth ratio, total borrowings to EBITDA ratio and a minimum interest coverage ratio. As of March 31, 2012 the Company was in compliance with all of its covenants.

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

12. Financial instruments

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at March 31, 2012 are as follows:

Financial assets

	Loans and receivables	Financial assets at FVTPL	Derivative designated as cash flow hedges (carried at fair value)	Available for sale	Total carrying value
Cash and cash equivalents	$ 46,725	$	$	$	$ 46,725
Bank deposits and marketable securities				26,384	26,384
Trade receivables	66,421				66,421
Unbilled revenue	35,878				35,878
Funds held for clients	20,706				20,706
Prepayments and other assets(1)	1,765				1,765
Investments				2	2
Other non-current assets(2)	6,262				6,262
Derivative assets		1,787	3,487		5,274
Total carrying value	**$ 177,757**	**$ 1,787**	**$ 3,487**	**$ 26,386**	**$ 209,417**
Total fair value	**$ 176,192**	**$ 1,787**	**$ 3,487**	**$ 26,386**	**$ 207,852**

Financial liabilities

	Financial liabilities at FVTPL	Derivative designated as cash flow hedges (carried at fair value)	Financial liabilities at amortized cost	Total carrying value
Trade payables	$	$	$ 47,304	$ 47,304
Current portion of long term debt			26,031	26,031
Long term debt			36,674	36,674
Short term line of credit			23,965	23,965
Other employee obligations(3)			25,621	25,621
Provision and accrued expenses(4)			31,049	31,049
Other liabilities(5)			961	961
Derivative liabilities	1,131	9,928		11,059

Total carrying value	**$ 1,131**	**$ 9,928**	**$ 191,605**	**$ 202,664**
Total fair value	**$ 1,131**	**$ 9,928**	**$ 191,319**	**$ 202,378**

Notes:

1. Excluding non-financial assets $20,160.
2. Excluding non-financial assets $618.
3. Excluding non-financial liabilities $7,971.
4. Excluding non-financial liabilities $805.
5. Excluding non-financial liabilities $4,247.

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

The carrying value and fair value of financial instruments by categories as at March 31, 2011 are as follows:

Financial assets

	Loans and receivables	Financial assets at FVTPL	Derivative designated as cash flow hedges (carried at fair value)	Available for sale	Total carrying value
Cash and cash equivalents	$ 27,090	$	$	$	$ 27,090
Bank deposits and marketable securities	12				12
Trade receivables	78,586				78,586
Unbilled revenue	30,837				30,837
Funds held for clients	8,799				8,799
Prepayments and other assets(1)	1,604				1,604
Investments				2	2
Other non-current assets(2)	7,060				7,060
Derivative assets		8,409	5,055		13,464
Total carrying value	**$ 153,988**	**$ 8,409**	**$ 5,055**	**$ 2**	**$ 167,454**
Total fair value	**$ 152,843**	**$ 8,409**	**$ 5,055**	**$ 2**	**$ 166,309**

Financial liabilities

	Financial liabilities at FVTPL	Derivative designated as cash flow hedges (carried at fair value)	Financial liabilities at amortized cost	Total carrying value
Trade payables	$	$	$ 43,748	$ 43,748
Current portion of long term debt			49,392	49,392
Long term debt			42,889	42,889
Short term line of credit			14,593	14,593
Other employee obligations(3)			26,132	26,132
Provision and accrued expenses(4)			31,421	31,421
Other liabilities(5)	1,767		1,125	2,892
Derivative liabilities	5,410	4,984		10,394
Total carrying value	**$ 7,177**	**$ 4,984**	**$ 209,300**	**$ 221,461**
Total fair value	**$ 7,177**	**$ 4,984**	**$ 208,747**	**$ 220,908**

Notes:

1. Excluding non-financial assets $14,843.
2. Excluding non-financial assets $980.
3. Excluding non-financial liabilities $9,382.
4. Excluding non-financial liabilities $1,512.
5. Excluding non-financial liabilities $1,234.

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

The carrying value and fair value of financial instruments by categories as at April 01, 2010 are as follows:

Financial assets

	Loans and receivables	Financial assets at FVTPL	Derivative designated as cash flow hedges (carried at fair value)	Available for sale	Total carrying value
Cash and cash equivalents	$ 32,311	$	$	$	$ 32,311
Bank deposits and marketable securities	45				45
Trade receivables	44,821				44,821
Unbilled revenue	40,892				40,892
Funds held for clients	11,372				11,372
Prepayments and other assets(1)	4,007				4,007
Other non-current assets(2)	7,086				7,086
Derivative assets		2,155	29,028		31,183
Total carrying value	**$ 140,534**	**$ 2,155**	**$ 29,028**	**$**	**$ 171,717**
Total fair value	**$ 140,521**	**$ 2,155**	**$ 29,028**	**$**	**$ 171,704**

Financial liabilities

	Financial liabilities at FVTPL	Derivative designated as cash flow hedges (carried at fair value)	Financial liabilities at amortized cost	Total carrying value
Trade payables	$	$	$ 27,900	$ 27,900
Current portion of long term debt			39,567	39,567
Long term debt			94,658	94,658
Other employee obligations(3)			27,308	27,308
Provision and accrued expenses(4)			42,516	42,516
Other liabilities(5)	1,676		4,341	6,017
Derivative liabilities	749	24,448		25,197
Total carrying value	**$ 2,425**	**$ 24,448**	**$ 236,290**	**$ 263,163**
Total fair value	**$ 2,425**	**$ 24,448**	**$ 236,199**	**$ 263,072**

Notes:

1. Excluding non-financial assets $12,687.
2. Excluding non-financial assets $1,525.
3. Excluding non-financial liabilities $8,001.
4. Excluding non-financial liabilities $874.
5. Excluding non-financial liabilities $2,728.

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

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

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

The assets and liabilities measured at fair value on a recurring basis as at March 31, 2012 are as follows:-

		Fair value measurement at reporting date using		
Description	**March 31, 2012**	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Assets				
Financial assets at FVTPL				
Foreign exchange contracts	$ 1,787	$	$ 1,787	$
Financial assets at fair value through other comprehensive income				
Foreign exchange contracts	3,487		3,487	
Investments available for sale	26,386	26,384	2	
Total assets	**$ 31,660**	**$ 26,384**	**$ 5,276**	**$**
Liabilities				
Financial liabilities at FVTPL				
Foreign exchange contracts	$ 838	$	$ 838	$
Currency swap	293		293	
Financial liabilities at fair value through other comprehensive income				
Foreign exchange contracts	9,702		9,702	
Interest rate swaps	226		226	
Total liabilities	**$ 11,059**	**$**	**$ 11,059**	**$**

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

The assets and liabilities measured at fair value on a recurring basis as at March 31, 2011 are as follows:-

		Fair value measurement at reporting date using		
Description	**March 31, 2011**	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Assets				
Financial assets at FVTPL				
Foreign exchange contracts	$ 8,409	$	$ 8,409	$
Financial assets at fair value through other comprehensive income				
Foreign exchange contracts	5,055		5,055	
Investments available for sale	2		2	
Total assets	**$ 13,466**	**$**	**$ 13,466**	**$**
Liabilities				
Financial liabilities at FVTPL				
Foreign exchange contracts	$ 5,410	$	$ 5,410	$
Put option liability	1,767		1,767	
Financial liabilities at fair value through other comprehensive income				
Foreign exchange contracts	3,083		3,083	
Interest rate swaps	1,901		1,901	
Total liabilities	**$ 12,161**	**$**	**$ 12,161**	**$**

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. During the year ended March 31, 2012 and 2011, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Derivative financial instruments

The primary risks managed by using derivative instruments are foreign currency exchange risk and interest rate risk. Forward and option contracts up to 24 months 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 the Company s floating rate borrowings. The Company has entered into a currency swap to convert Rupee liability into a US dollar liability, thereby reducing the overall borrowing cost. The Company s 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, the Company records the effective portion of gain or loss from changes in the fair value of the derivative instruments in 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 the Company 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, the Company discontinues the hedge accounting and recognizes immediately in the statement of income, the gains and losses attributable to such derivative instrument that were accumulated in other comprehensive income/(loss).

The notional values of outstanding foreign exchange forward contracts and foreign exchange option contracts are as follows:

	March 31, 2012	March 31, 2011	April 01, 2010
Forward contracts (Sell)			
In US dollars	$ 140,306	$ 175,494	$ 168,244
In United Kingdom Pound Sterling	104,554	83,907	45,845
In Euro	8,953	5,394	3,317
In Australian dollars	5,511		
Others	9,715	8,705	1,330
	$ 269,039	**$ 273,500**	**$ 218,736**
Option contracts (Sell)			
In US dollars	$ 116,145	$ 126,597	$ 151,454
In United Kingdom Pound Sterling	126,336	114,535	57,752
In Euro	11,233	4,760	1,179
In Australian dollars	6,008		
Others	4,500	4,120	778
	$ 264,222	**$ 250,012**	**$ 211,163**

The amount of gain/(loss) reclassified from other comprehensive income into statement of income, net of taxes in respective line items for the year ended March 31, 2012 and March 31, 2011 are as follows:

	March 31, 2012	March 31, 2011
Revenue	$ 1,552	$ (2,409)
Foreign exchange gains, net	1,145	9,309
Finance expense	270	(6,522)
Total	**$ 2,967**	**$ 378**

As at March 31, 2012 the loss amounting to $5,373 on account of cash flow hedges, is expected to be reclassified from other comprehensive income into statement of income over a period of 24 months.

The ineffectiveness due to discontinuance of cash flow hedge on account of non-occurrence of original forecasted transactions by the end of the originally specified time period recognized in the statement of income for the years ended March 31, 2012 and March 31, 2011 amounted to a gain of $1,923 and a loss of $3,703.

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Financial risk management

Financial risk factors

The Company s activities expose it to a variety of financial risks: market risk, interest risk, credit risk and liquidity risk. The Company s primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company s exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The demographics of the customer including the default risk of the industry and country in which the customer operates also has an influence on credit risk assessment.

Risk management procedures

The Company manages market risk through treasury operations. Senior management and Board of Directors approve the Company s treasury operations objectives and policies. The activities of 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. The Company s foreign exchange committee, comprising the Chairman of the Board, Group Chief Executive Officer and Group Chief Financial Officer, is the approving authority for all hedging transactions.

Components of market risk

Exchange rate risk:

The Company s exposure to market risk arises principally from exchange rate risk. Although substantially all of revenue is denominated in pound sterling and US dollars, a significant portion of expenses for the year ended March 31, 2012 (net of payments to repair centers made as part of the Company s WNS Auto Claims BPO segment) 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. The Company hedges a portion of forecasted external and inter-company revenue denominated in foreign currencies with forward contracts and options. The Company does not enter into hedging agreements for speculative purposes and does not anticipate non-performance by the counterparties.

Based upon the Company s level of operations for the year ended March 31, 2012, a sensitivity analysis shows that a 10% appreciation in the pound sterling against the US dollar would have increased revenue for the year ended March 31, 2012 by approximately $36,223. Similarly, a 10% appreciation or depreciation in the Indian rupee against the US dollar would have increased or decreased, respectively, the Company s expenses incurred and paid in Indian rupee for the year ended March 31, 2012 by approximately $8,774.

The foreign currency risk from non-derivative financial instruments as at March 31, 2012 is as follows:

	As at March 31, 2012					
	US Dollar	Pound Sterling	Indian Rupees	Euro	Other Currencies	Total
Cash and cash equivalents	$ 932	$ 559	$	$ 88	$ 777	$ 2,356
Trade receivables	118,070	38,179	2,908	3,052	4,455	166,664
Unbilled revenue	1,801	2,484		1,524	482	6,291
Prepayments and other current assets	361	328	61	49	322	1,121
Other non-current assets	3	54			17	74

Trade payables	(43,575)	(12,345)	(4,439)	(3,254)	(1,503)	(65,116)
Provision and accrued expenses	(3,950)	(47)	(10)	(398)	(201)	(4,606)
Current portion of long term debt	(2,133)					(2,133)
Pension and other employee obligations	(28)		(9)	(18)	(277)	(332)
Short term line of credit	(9,057)	(14,908)				(23,965)
Long term debt	(1,067)					(1,067)
Other liabilities	(13)	1			(1)	(13)
Net assets (liabilities)	**$ 61,344**	**$ 14,305**	**$ (1,489)**	**$ 1,043**	**$ 4,071**	**$ 79,274**

F - 51

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

The foreign currency risk from non-derivative financial instruments as at March 31, 2011 is as follows:

	As at March 31, 2011					
	US Dollar	Pound Sterling	Indian Rupees	Euro	Other Currencies	Total
Cash and cash equivalents	$ 2,826	$ 752	$	$ 125	$ 748	$ 4,451
Trade receivables	139,217	32,392	736	2,536	1,947	176,828
Unbilled revenue	1,722	1,925		2,406	127	6,180
Prepayments and other current assets	306	505	16	138	37	1,002
Non-current assets	15	62				77
Trade payables	(145,523)	(28,400)	(3,737)	(1,343)	(274)	(179,277)
Provision and accrued expenses	(2,332)	(110)	(112)	(48)	(122)	(2,724)
Pension and other employee obligations	(22)	(15)		(41)	(54)	(132)
Short term line of credit	(5,000)					(5,000)
Long term debt	(3,200)					(3,200)
Other liabilities	(13)	(561)		(1)		(575)
Net assets (liabilities)	**$ (12,004)**	**$ 6,550**	**$ (3,097)**	**$ 3,772**	**$ 2,409**	**$ (2,370)**

The foreign currency risk from non-derivative financial instruments as at April 1, 2010 is as follows:

	As at April 1, 2010					
	US Dollar	Pound Sterling	Indian Rupees	Euro	Other Currencies	Total
Cash and cash equivalents	$ 485	$ 650	$	$ 261	$ 1,069	$ 2,465
Trade receivables	88,228	30,702	240	3,465	1,499	124,134
Unbilled revenue	592	33		3	1	629
Prepayments and other current assets	862	430	(1)	139	16	1,446
Non-current assets	22	60				82
Trade payables	(28,192)	(20,554)	(2,633)	(2,797)	(324)	(54,500)
Provision and accrued expenses	(2,633)	(870)	(12)	(70)	(1)	(3,586)
Pension and other employee obligations	(48)	(14)		(68)	(47)	(177)
Other liabilities	(714)	(3,585)				(4,299)
Net assets (liabilities)	**$ 58,602**	**$ 6,852**	**$ (2,406)**	**$ 933**	**$ 2,213**	**$ 66,194**

Other currencies reflect currencies such as Philippines Peso (PHP), Sri Lankan Rupee (LKR), Romanian Leu (RON) etc.

As at March 31, 2012 and March 31, 2011 and April 1, 2010, every 5% increase/(decrease) of the respective foreign currencies compared to the functional currency of the Company would impact results from operating activities by approximately $3,964, $(119) and $3,310, respectively.

Interest risk:

The Company s exposure to interest rate risk arises principally from borrowings which have a floating rate of interest, a portion of which is linked to the US dollar LIBOR and the remainder is linked to the BOE base rate. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings and by the use of interest rate swap contracts. The costs of floating rate borrowings may be affected by the fluctuations in the interest rates. In connection with the term loan facility entered into in 2008, which was refinanced in 2010, the Company entered into interest rate swap agreements with banks in fiscal 2009. These swap agreements effectively converted the term loan from a variable US dollar LIBOR interest rate to a fixed rate, thereby managing the Company s exposure to changes in market interest rates under the term loan. The outstanding swap agreements as at March 31, 2012 aggregated $24,000. If interest rates were to increase by 100 bps, additional annual interest expense on the Company s floating rate borrowings would amount to approximately $208.

The Company monitors positions and does not anticipate non-performance by the counterparties. It intends to selectively use interest rate swaps, options and other derivative instruments to manage exposure to interest rate movements. These exposures are reviewed by appropriate levels of management on a periodic basis. The Company does not enter into hedging agreements for speculative purposes.

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Credit risk:

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in the United Kingdom and the United States. Credit risk is managed through periodical assessment of the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable.

The percentages of revenue generated from top customer and top five customers are as follows:

	Year ended March 31, 2012	2011
Revenue from top customer	17.3%	16.4%
Revenue from top five customers	41.4%	54.0%

Financial assets that are neither past due nor impaired

Cash equivalents, bank deposits and marketable securities, unbilled revenue and other assets, are neither past due and nor impaired except trade receivables as described below.

Financial assets that are past due but not impaired

There is no other class of financial assets that is past due but not impaired except for trade receivables. The Company s credit period generally ranges from 30- 60 days. The age wise break up of trade receivables, net of allowances that are past due beyond credit period, are as follows:

	As at		
	March 31, 2012	March 31, 2011	April 01, 2010
Neither past due nor impaired	$ 48,854	$ 44,323	$ 18,144
Past due but not impaired Past due 0-30 days	6,742	9,362	8,962
Past due 31-60 days	1,094	1,580	8,684
Past due 61-90 days	2,722	4,934	4,975
Past due over 90 days	12,479	22,784	7,208
Total	$ 71,891	$ 82,983	$ 47,973
Allowances for doubtful account receivables	$ (5,470)	$ (4,397)	$ (3,152)
Trade receivables net of allowances for doubtful account receivables	$ 66,421	$ 78,586	$ 44,821

Liquidity risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company s approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the reputation. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses and service financial obligations. In addition, the Company has concluded arrangements with well reputed banks and has unused lines of credit of $34,576 as of March 31, 2012 that could be drawn upon should there be a need.

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

The contractual maturities of significant financial liabilities are as follows.

	As at March 31, 2012			
	Less than 1 Year	1-2 years	2-4 years	Total
Long term debt[(1)]	$ 26,133	$ 8,159	$ 28,581	$ 62,873
Trade Payables	47,304			47,304
Short term line of credit	23,965			23,965
Provision and accrued expenses	31,049			31,049
Other liabilities	961			961
Other employee obligations	25,621			25,621
Derivative financial instruments	9,849	917	293	11,059
Total	**$ 164,882**	**$ 9,076**	**$ 28,874**	**$ 202,832**

Note:

1. Before netting off debt issuance cost of $168.
2. Non-financial liabilities are explained in financial instruments categories table above.

	As at March 31, 2011			
	Less than 1 Year	1-2 years	2-4 years	Total
Long term debt[(1)]	$ 50,000	$ 42,028	$ 1,067	$ 93,095
Trade Payables	43,748			43,748
Short term line of credit	14,593			14,593
Provision and accrued expenses	31,421			31,421
Other liabilities	2,892			2,892
Other employee obligations	26,132			26,132
Derivative financial instruments	9,963	431		10,394
Total	**$ 178,749**	**$ 42,459**	**$ 1,067**	**$ 222,275**

Note:

1. Before netting off debt issuance cost of $814.
2. Non-financial liabilities are explained in financial instruments categories table above.

The balanced view of liquidity and financial indebtedness is stated in the table below. This calculation of the net cash position is used by the management for external communication with investors, analysts and rating agencies:

	As at March 31, 2012	As at March 31, 2011	As at April 1, 2010
Cash and cash equivalents	$ 46,725	$ 27,090	$ 32,311
Bank deposits and marketable securities	26,384	12	45
Short term line of credit	(23,965)	(14,593)	
Long term debt[1]	(62,873)	(93,095)	(135,000)
Net cash position	**$ (13,729)**	**$ (80,586)**	**$ (102,644)**

Note:

1. Before netting off debt issuance costs of $168, $814 and $775 as at March 31, 2012, 2011 and April 1, 2010, respectively.

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

13. Employee benefits

Pension and other employee obligations consist of the following:

	As at		
	March 31, 2012	March 31, 2011	April 1, 2010
Current:			
Salaries and bonus	$ 25,569	$ 26,004	$ 27,308
Pension	1,201	1,365	923
Withholding taxes on salary and statutory payables	2,205	3,532	2,792
Other employees payable	52	128	
Total	**$ 29,027**	**$ 31,029**	**$ 31,023**
Non-current:			
Pension	**$ 4,565**	**$ 4,485**	**$ 4,286**

Employee costs consist of the following**:**

	Year ended March 31,	
	2012	2011
Salaries and bonus	$ 201,292	$ 187,921
Employee benefit plans		
Defined contribution plan	6,583	6,762
Defined benefit plan	1,893	1,957
Share based compensation	5,309	3,218
Total	**$ 215,077**	**$ 199,858**

The employee benefit cost consists of the following:

	Year ended March 31,	
	2012	2011
Cost of revenue	$ 159,897	$ 153,251
Selling and marketing expenses	19,800	16,518
General and administrative expenses	35,380	30,089
Total	**$ 215,077**	**$ 199,858**

Defined contribution plan

The Company s contribution to defined contribution plans are as follows:

	Year ended March 31, 2012	2011
India	$ 5,141	$ 5,292
Philippines	40	37
Sri Lanka	280	324
United Kingdom	808	781
United States	314	328
	$ 6,583	**$ 6,762**

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Defined benefit plan

The net periodic cost recognized by the Company in respect of gratuity payments under the Company s gratuity plans covering eligible employees of the Company in India, the Philippines and Sri Lanka is as follows.

	Year ended March 31, 2012	2011
Service cost	$ 1,430	$ 1,539
Interest cost	471	418
Expected return on plan asset	(8)	
Net gratuity cost	**$ 1,893**	**$ 1,957**

	As at March 2012	March 2011
Change in projected benefit obligations		
Obligation at beginning of the year	$ 5,964	$ 5,405
Foreign currency translation	(715)	75
Service cost	1,430	1,539
Interest cost	471	418
Benefits paid	(976)	(780)
Plan Amendments		
Actuarial (gain)/loss	(86)	(692)
Benefit obligation at end of the year	**$ 6,088**	**$ 5,965**
Change in plan assets		
Plan assets at beginning of the year	$ 115	$ 231
Foreign currency translation	(27)	
Expected return on plan asset	8	
Actuarial gain/(loss)	22	(9)
Actual contributions	1,180	673
Benefits paid	(976)	(780)
Plan assets at end of the year	**$ 322**	**$ 115**
Accrued pension liability		
Current	$ 1,201	$ 1,365
Non-current	4,565	4,485
Net amount recognized	**$ 5,766**	**$ 5,850**

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

The assumptions used in accounting for the gratuity plan are as follows:

	As at March 31, 2012	2011
Discount rate	6% to 10%	7% to 9%
Rate of increase in compensation level	8% to 10%	8% to 10%
Rate of return on plan assets	7.50%	7.50%

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.

As at March 31, 2012, $1 and $321 ($35 and $80, respectively, as at March 31, 2011) of the fund assets are invested with LIC and AICPL, 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 4%, 17%, 9% and 70% 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.

The expected benefits are based on the same assumptions used to measure the Company s benefit obligations as at March 31, 2012.

	As at, March 2012	March 2011
Obligation at end of the year	$ 6,088	$ 5,964
Fair value of plan assets at end of the year	322	115
Deficit	(5,806)	(5,849)
Experience adjustments on plan liabilities	(7)	(315)
Experience adjustments on plan assets	21	(9)

The Company expects to contribute $575 for the year ending March 31, 2013.

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

14. Provisions and accrued expenses

Provisions and accrued expenses are as follows:

	As at		
	March 31, 2012	March 31, 2011	April 1, 2010
Provisions	$ 805	$ 1,512	$ 874
Accrued expenses	31,049	31,421	42,516
Total	**$ 31,854**	**$ 32,933**	**$ 43,390**

A summary of activity for provision is as follows:

	As at	
	March 31, 2012	March 31, 2011
Balance at the beginning of the year	$ 1,512	$ 874
Additional provision	1,169	1,477
Provision used	1,729	859
Translation adjustments	(147)	20
Balance at the end of the period	**$ 805**	**$ 1,512**

15. Deferred revenue

Deferred revenue consists of the following:

	As at		
	March 31, 2012	March 31, 2011	April 1, 2010
Payments in advance of services	$ 1,898	$ 4,356	$ 5,234
Advance billings	6,591	6,546	1,615
Claims handling services	585	1,399	862
Others	1,178	637	695
Total	**$ 10,252**	**$ 12,938**	**$ 8,406**

16. Other liabilities

Other liabilities consist of the following:

	As at		
	March 31, 2012	**March 31, 2011**	**April 1, 2010**
Current:			
Withholding taxes and VAT payables	$ 3,830	$ 1,005	$ 2,728
Put option liability		1,767	1,676
Deferred rent	417	229	
Other liabilities	961	1,125	4,341
Total	**$ 5,208**	**$ 4,126**	**$ 8,745**
Non-current:			
Deferred rent	$ 2,675	$ 2,851	$ 3,071
Other liabilities		127	656
Total	**$ 2,675**	**$ 2,978**	**$ 3,727**

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

17. Share capital

On February 9, 2012, the Company completed a public offering of its American Depositary Shares (ADS). The Company sold 5,400,000 ADSs and certain selling stockholders sold an aggregate of 6,847,500 ADSs at a price of $9.25 per ADS less underwriting discount. The Company received net proceeds of $46,297 from the offering.

As at March 31, 2012, the authorized share capital was £6,100 divided into 60,000,000 ordinary shares of 10 pence each and 1,000,000 preferred shares of 10 pence each. The Company had 50,078,881 ordinary shares outstanding as at March 31, 2012. There were no preferred shares outstanding as at March 31, 2012.

As at March 31, 2011, the authorized share capital was £5,100 divided into 50,000,000 ordinary shares of 10 pence each and 1,000,000 preferred shares of 10 pence each. The Company had 44,443,726 ordinary shares outstanding as at March 31, 2011. There were no preferred shares outstanding as at March 31, 2011.

As at April 1, 2010, the authorized share capital was £5,100 divided into 50,000,000 ordinary shares of 10 pence each and 1,000,000 preferred shares of 10 pence each. The Company had 43,743,953 ordinary shares outstanding as at April 1, 2010. There were no preferred shares outstanding as at April 1, 2010.

18. Revenue recognition

In the WNS Auto Claims BPO segment, the Company has been re-negotiating contractual terms with insurance companies and the repair centers as and when they come up for renewal. The Company has renewed its contract with one of its customers and negotiated a new contract with a repair center in April 2011. In May 2011, the Company has further negotiated a new contract with a repair center, which is appended as part of the main revenue contract with two other insurance customers.

The key changes to the Principal Agent Consideration are summarized below:

a) The primary responsibility of the repair work has now shifted from the Company to the repair center.

b) The credit risk that the client may not pay for the services is no longer borne by the Company.

c) The true economic benefit which the Company earns in the process is the claims handling fee with the repairs cost being a pass through from the insurance company to the repair center without any significant risk and reward involved on the Company s part.

The Company has evaluated the principal or agent recognition criteria as per IAS 18. Based on the evaluation of the terms of the contracts with these repair centers and arrangements with these insurance companies, the Company has concluded that it is not the principal in providing claims handling services and hence it would be appropriate to record revenue from repair services on a net basis i.e. net of repair cost.

Accordingly, the Company no longer accounts for the amount received from three of the Company s clients in the WNS Auto Claims BPO segment for payments to repair centers as its revenue and the payments made to repair centers for cases referred by these customers as its cost of revenue, resulting in lower revenue and cost of revenue being recognized in respect of the services rendered to these clients, as the revenues have been recorded net of repair cost. The change in revenue accounting for one of its clients is effective from April 2011 and the balance two clients are effective from May 2011. The process of re-negotiation of the contracts with other clients is ongoing and is aimed at establishing consistent accounting for all such contracts entered into by the Company.

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

19. Expenses by nature

Expenses by nature are as follows:

	Year ended March 31, 2012	2011
Employee cost	$ 215,077	$ 199,858
Repair payments	79,065	246,850
Facilities cost	58,295	56,472
Depreciation cost	15,960	17,619
Legal and professional expenses	13,788	15,710
Travel expenses	13,236	12,554
Other cost	23,210	20,775
Total cost of revenue, selling and marketing and general and administrative expenses	**$ 418,631**	**$ 569,838**

20. Finance expense

Finance expense consists of the following:

	Year ended March 31, 2012	2011
Interest expense	$ 2,858	$ 3,373
Interest rate swap	490	6,792
Debt issue cost	669	1,281
Total	$ **4,017**	$ **11,446**

21. Other income, net

Other income, net consists of the following:

	Year ended March 31, 2012	2011
Income from interest and dividend on marketable securities	$ 487	$ 360
Share issue expense	(827)	
Others	383	765

Total	**$ 43**	**$ 1,125**

22. Share-based payments

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 and September 2011 (collectively referred to as the Plans). Under the Plans, share based awards may be granted to eligible participants. Awards are generally granted for a term of ten years and have a graded vesting period of up to four years. The Company settles employee share-based award exercises with newly issued ordinary shares. As at March 31, 2012, the Company had 243,695 ordinary shares available for future grants.

Share-based compensation expense during the year ended March 31, 2012 and 2011 are as follows:

	Year ended March 31,	
	2012	**2011**
Share-based compensation expense recorded in		
Cost of revenue	$ 1,012	$ 651
Selling and marketing expenses	361	218
General and administrative expenses	3,936	2,349
Total share-based compensation expense	**$ 5,309**	**$ 3,218**

Upon exercise of share options and RSUs, the Company issued 235,155 and 699,773 shares, respectively, for the year ended March 31, 2012 and 2011.

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Share-based options

A summary of option activity under the Plans as at March 31, 2012, and changes during the year then ended is as follows:

	Shares	Weighted average exercise price	Weighted average remaining contract term (in years)	Aggregate intrinsic value
Outstanding as at April 1, 2011	1,015,250	$ 19.84	5.24	$ 796
Granted				
Exercised	(30,391)	4.92		
Forfeited				
Lapsed	(10,344)	12.25		
Outstanding as at March 31, 2012	974,515	$ 20.38	4.37	$ 764
Options vested	974,515	$ 20.38	4.37	$ 764
Options exercisable	974,515	$ 20.38	4.37	$ 764

The aggregate intrinsic value of options exercised during the year ended March 31, 2012 and 2011 was $178 and $728, respectively. The total grant date fair value of options vested during the year ended March 31, 2012 and 2011 was $nil and $319, respectively. Total cash received as a result of option exercises during the year ended March 31, 2012 and 2011 was $131 and $779, respectively.

The fair value of options granted is estimated on the date of grant using the Black-Scholes-Merton option-pricing model. No options were granted during the year ended March 31, 2012 and 2011.

The expected term of options is based on the historic exercise pattern of the Company s employees. The volatility was calculated based on the volatility of the Company s share price. 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.

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 at March 31, 2012, and changes during the year then ended is as follows:

	Shares	Weighted average fair value	Weighted average remaining contract term	Aggregate intrinsic value

			(in years)	
Outstanding as at April 1, 2011	1,338,225	$ 12.46	8.37	$ 14,118
Granted	935,183	10.53		
Exercised	(204,524)	14.70		
Forfeited	(89,440)	9.41		
Lapsed				
Outstanding as at March 31, 2012	1,979,444	$ 11.46	8.48	$ 23,852
RSUs vested and expected to vest	1,688,769	$ 11.46	8.48	$ 20,519
RSUs exercisable	531,136	$ 13.81	7.06	$ 6,400

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

The fair value of RSUs is generally the market price of the Company s shares on the date of grant. As at March 31, 2012, there was $7,234 of unrecognized compensation cost related to unvested RSUs. 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, 2012 and 2011 was $10.53 and $9.17 per ADS, respectively. The aggregate intrinsic value of RSUs exercised during the year ended March 31, 2012 and 2011 was $2,152 and $5,870, respectively. The total grant date fair value of RSUs vested during the year ended March 31, 2012 and 2011 was $5,817 and $8,315, respectively.

Performance share units

The 2006 Incentive Award Plan also allows for grant of performance share units (PSUs). Each PSU represents the right to receive one ordinary share based on the Company s performance against specified targets and vests over a period of up to four years.

A summary of PSU activity under the 2006 Incentive Award Plan as at March 31, 2012, and changes during the year then ended is as follows:

	Shares	Weighted average fair value	Weighted average remaining contract term (in years)	Aggregate intrinsic value
Outstanding as at April 1, 2011	285,159	$ 9.00	9.42	$ 3,008
Granted	771,906	10.84		
Vested/exercised				
Forfeited	(51,000)	9.38		
Lapsed				
Outstanding as at March 31, 2012	1,006,065	$ 10.39	9.16	$ 12,123
PSUs, net of estimated forfeiture	804,148	$ 10.39	9.16	$ 9,690
PSUs exercisable		$		$

The fair value of PSUs is generally the market price of the Company s shares on the date of grant, and assumes that performance targets will be achieved. As at March 31, 2012, there was $1,708 of unrecognized compensation cost related to unvested PSUs, net of forfeitures. This amount is expected to be recognized over a weighted average period of 2.2 years. Over the performance period, the number of shares that will be issued will be adjusted upward or downward based upon the probability of achievement of the performance targets. The ultimate number of shares issued and the related compensation cost recognized as expense will be based on a comparison of the final performance metrics to the specified targets.

The weighted average grant date fair value of PSUs granted during the year ended March 31, 2012 and 2011 was $10.84 and $8.98 respectively per ADS. No PSUs vested during the years ended March 31, 2012 and 2011.

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

23. Income taxes

The domestic and foreign source component of profit/(loss) before income taxes is as follows:

	Year ended March 31, 2012	2011
Domestic	$ (3,451)	$ (94)
Foreign	27,440	19,499
Profit before income taxes	**$ 23,989**	**$ 19,405**

The Company s provision for income taxes consists of the following:

	Year ended March 31, 2012	2011
Current taxes		
Domestic taxes	$	$
Foreign taxes	22,832	13,262
	$ 22,832	$ 13,262
Deferred taxes		
Domestic taxes	$	$
Foreign taxes	(11,376)	(11,770)
	$ (11,376)	$ (11,770)
	$ 11,456	**$ 1,492**

Domestic taxes are nil as there are no statutory taxes applicable in Jersey, Channel Islands. Foreign taxes are based on applicable tax rates in each subsidiary s jurisdiction.

The Company has 13 delivery centers in India which were eligible to claim income-tax exemption with respect to profits earned from export revenue from operating units registered under the Software Technology Parks of India (STPI) which expired on April 1, 2011. The Company 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. During fiscal 2012, the Company has also started its operations in delivery centers in Pune, Navi Mumbai & Chennai, India registered under the SEZ scheme and eligible for 100% income tax exemption until fiscal 2016 and 50% income tax exemption from fiscal 2017 till fiscal 2026. The Government of India pursuant to the Indian Finance Act, 2011 has levied minimum alternate tax (MAT) on the profits earned by the SEZ units at the rate of 20.01%. The Company s operations in Costa Rica and Philippines are also eligible for tax exemptions which expire in fiscal 2017 and fiscal 2013, respectively. The Company s operations in Sri Lanka were also eligible for tax exemptions which expired in fiscal 2011. However, the Government of Sri Lanka has exempted the profits earned from export revenue from tax. This will enable the Company s Sri Lankan subsidiary to continue to claim tax exemption under Sri Lankan Inland Revenue Act following the expiry of the tax holiday provided by Board of Investment, Sri Lanka.

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Income taxes recognized directly in equity are as follows:

	Year ended March 31, 2012	2011
Current taxes		
Excess tax deductions related to share-based payments	(1,188)	(569)
	$ (1,188)	$ (569)
Deferred taxes		
Excess tax deductions related to share-based payments	(53)	
	$ (53)	$
Total income tax recognized directly in equity	**$ (1,241)**	**$ (569)**

Income taxes recognized in other comprehensive income are as follows:

	Year ended March 31, 2012	2011
Current taxes	$	$
Deferred taxes		
Unrealized gain/ (loss) on cash flow hedging derivatives	(4,198)	871
Total income tax recognized directly in other comprehensive income	**$ (4,198)**	**$ 871**

The reconciliation of the Jersey statutory income tax rate with the effective tax rate is as under:

	Year ended March 31, 2012	2011
Net income before taxes	$ 23,989	$ 19,405
Enacted tax rates in Jersey	0%	0%
Statutory income tax		
Increase/(decrease) due to:		
Effect of foreign tax rates in foreign jurisdictions	8,896	(13,675)
Tax exempt income	1,841	14,109
Current year losses for which no deferred tax asset was recognized	719	1,058

Provision for income taxes	**$ 11,456**	**$ 1,492**

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

The movement in deferred taxes for the year ended March 31, 2012 is as follows:

	Opening balance	Recognized in statement of income	Recognized in equity	Recognized in other comprehensive income	Translation differences	Closing balance
Deferred tax assets:						
Property and equipment	$ 11,374	$ 532	$	$	$ (1,332)	$ 10,574
Net operating loss carry forward	555	(70)			(15)	470
Accruals deductible on actual payment	2,317	63			(296)	2,084
Share-based compensation	654	2,428	53		(78)	3,057
Minimum alternate tax	20,398	8,873			(2,810)	26,461
Others	1,088	(82)			(3)	1,003
Total deferred tax assets	**$ 36,386**	**$ 11,744**	**$ 53**	**$**	**$ (4,534)**	**$ 43,649**
Deferred tax liabilities:						
Intangibles	6,471	570			(156)	6,885
Unrealized gain/(loss) on cash flow hedging	1,543	(202)		(4,198)	6	(2,851)
Total deferred tax liabilities	**$ 8,014**	**$ 368**	**$**	**$** (4,198)	**$ (150)**	**$ 4,034**
Net deferred tax assets/(liabilities)	**$ 28,372**	**$ 11,376**	**$** 53	**$** (4,198)	**$ (4,384)**	**$ 39,615**

The movement in deferred taxes for the year ended March 31, 2011 is as follows:

	Opening balance	Recognized in statement of income	Recognized in equity	Recognized in other comprehensive income	Translation differences	Closing balance
Deferred tax assets:						
Property and equipment	$ 9,827	$ 1,395	$	$	$ 152	$ 11,374
Net operating loss carry forward	1,225	(732)			62	555
Accruals deductible on actual payment	633	1,633			51	2,317
Share-based compensation	2,011	(1,381)			24	654
Minimum alternate tax	12,904	7,204			290	20,398
Others	706	353			29	1,088
Total deferred tax assets	**$ 27,306**	**$ 8,472**	**$**	**$**	**$ 608**	**$ 36,386**
Deferred tax liabilities:						

Intangibles	9,704	(3,342)			109	6,471
Unrealized gain/(loss) on cash flow hedging	628	44		871		1,543
Total deferred tax liabilities	**$ 10,332**	**$ (3,298)**	**$**	**$ 871**	**$ 109**	**$ 8,014**
Net deferred tax assets/(liabilities)	**$ 16,974**	**$ 11,770**	**$**	**$ (871)**	**$ 499**	**$ 28,372**

F - 65

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Deferred tax presented in the statement of financial position is as follows:

		As at	
	March 31, 2012	**March 31, 2011**	**April 1, 2010**
Deferred tax assets	$ 43,712	$ 33,518	$ 25,200
Deferred tax liabilities	(4,097)	(5,146)	(8,226)
Net deferred tax assets	**$ 39,615**	**$ 28,372**	**$ 16,974**

Deferred tax asset is not recognized in some of the group entities for the unused tax losses amounting to $45,945, since it is not certain that these assets will be realized in the future. The expiry dates of the tax benefit for these losses depend on the local tax laws of each jurisdiction and, if not utilized, would expire on various dates starting from financial year 2013 till 2019. However in UK, Sri Lanka and Australia there is no expiry period for the unused tax losses.

MAT paid by the Indian entity as per the Indian Income tax Act can be carried forward and set-off against future income tax liabilities of the Company under normal tax provisions within a period of ten years. Such credit for MAT paid, has been recognized on the basis of estimated taxable income in future years and, if not utilized, would expire on various dates between financial years 2017 to 2022.

Deferred income tax liabilities on earnings of Company s subsidiaries have not been provided as such earnings are deemed to be permanently reinvested in the business and the Company is able to control the timing of the reversals of temporary differences associated with these investments. Accordingly, the temporary differences on which deferred tax liability has not been recognized amounts to $105,464 and $122,987 as at March 31, 2012 and 2011, respectively.

From time to time, the Company receives orders of assessment from the Indian tax authorities assessing additional taxable income on the Company and/or its subsidiaries in connection with their review of their tax returns. The Company currently has orders of assessment outstanding for various years through fiscal 2009, which assess additional taxable income that could in the aggregate give rise to an estimated $36,929 in additional taxes, including interest of $13,115. These orders of assessment allege that the transfer price the Company applied to certain of the international transactions between WNS Global and its other wholly-owned subsidiaries were not on arm s length terms, disallow a tax holiday benefit claimed by the Company, deny the set off of brought forward business losses and unabsorbed depreciation and disallow certain expenses claimed as tax deductible by WNS Global. The Company has appealed against these orders of assessment before higher appellate authorities.

In addition, the Company has orders of assessment pertaining to similar issues that have been decided in favor of the Company by first appellate authorities, vacating the tax demands of $44,125 in additional taxes, including interest of $13,403. The income tax authorities have filed appeals against these orders at higher appellate authorities.

Uncertain tax positions are reflected at the amount likely to be paid to the taxation authorities. A liability is recognized in connection with each item that is not probable of being sustained on examination by taxing authority. The liability is measured using single best estimate of the most likely outcome for each position taken in the tax return. Thus the provision would be the aggregate liability in connection with all uncertain tax positions. As of March 31, 2012, the Company has provided a tax reserve of $13,790 primarily on account of the Indian tax authorities denying the set off of brought forward business losses and unabsorbed depreciation.

As at March 31, 2012, corporate tax returns for years ended March 31, 2009 and onward remain subject to examination by tax authorities in India.

Based on the facts of these cases, certain legal opinions from counsel, the nature of the tax authorities disallowances and the orders from first level appellate authorities deciding similar issues in favor of the Company in respect of assessment orders for earlier fiscal years and after consultation with the Company s external tax advisors, the Company believe these orders are unlikely to be sustained at the higher appellate authorities. The Company has deposited $7,822 of the disputed amounts with the tax authorities and may be required to deposit the remaining portion of the disputed amounts with the tax authorities pending final resolution of the respective matters.

Others

On March 21, 2009, the Company received an order from the Indian service tax authority, demanding $6, 806 of service tax and related penalty for the period from March 1, 2003 to January 31, 2005. The assessment order alleges that service tax is payable in India on BPO services provided by the Company to clients based abroad as the export proceeds are repatriated outside India by the Company. The Company has filed an appeal to the appellate tribunal against the assessment order and the appeal is currently pending. After consultation with Indian tax advisors, the Company believes this order of assessment is more likely than not to be upheld in favor of the Company. The Company intends to continue to vigorously dispute the assessment.

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

24. Earnings per share

The computation of basic and diluted earnings per share is as following:

	Year ended March 31,	
	2012	**2011**
Numerator:		
Profit	$ 12,533	$ 17,913
Denominator:		
Basic weighted average ordinary shares outstanding	45,261,411	44,260,713
Dilutive impact of equivalent stock options and RSUs	1,242,871	971,700
Diluted weighted average ordinary shares outstanding	46,504,282	45,232,413

The computation of earnings per ordinary share (EPS) was determined by dividing profit by the weighted average ordinary shares outstanding during the respective periods.

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 year ended March 31, 2012 the Company excluded from the calculation of diluted EPS options to purchase 880,714 shares, respectively. In the year ended March 31, 2011, the Company excluded from the calculation of diluted EPS options to purchase 913, 048 shares, respectively.

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

25. Related party

The list of the Company s subsidiaries as at March 31, 2012 is as follows:

Direct subsidiaries	Step subsidiaries			Place of incorporation
WNS Global Services Netherlands Cooperative U.A.				The Netherlands
	WNS Philippines Inc.			Philippines
		WNS Global Services Philippines Inc.		Philippines
	WNS Global Services (Romania) S.R.L.			Romania
WNS North America Inc.				Delaware, USA
	WNS Business Consulting Services Private Limited			India
	WNS Global Services Inc.			Delaware, USA
WNS Global Services (UK) Limited				United Kingdom
	WNS Workflow Technologies Limited			United Kingdom
	Accidents Happen Assistance Limited			United Kingdom
Business Applications Associates Limited				United Kingdom
WNS (Mauritius) Limited				Mauritius
	WNS Capital Investment Limited			Mauritius
		WNS Customer Solutions (Singapore) Private Limited		Singapore
			Baizan International Software Technology (Beijing) Co. Limited	China
			WNS Customer Solutions (Private) Limited	Sri Lanka
			WNS Global Services (Australia) Pty Limited	Australia
	WNS Global Services Private Limited (1)			India
	WNS Global Services (Private) Limited			Sri Lanka
	WNS BPO Services Costa Rica, S.A.			Costa Rica

1. WNS Global Services Private Limited is being held jointly by WNS (Mauritius) Limited and WNS Customer Solutions (Singapore) Limited. The percentage of holding for WNS (Mauritius) Limited is 81% and for WNS Customer Solutions (Singapore) Limited is 19%.

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Name of the related party	Relationship
Warburg Pincus and its affiliates	Principal shareholder
Datacap Software Private Limited (Datacap)	A company of which a member of management is a principal shareholder
Students in free Enterprise (SIFE)	A company having a director in common with WNS Holdings
HDFC ERGO General Insurance Company Limited (HDFC)	A company having a director in common with WNS Holdings

Key management personnel	
Eric B. Herr	Non-Executive Chairman
Keshav R. Murugesh	Director and Group Chief Executive Officer
Jeremy Young	Director
Deepak S. Parekh	Director
Richard O. Bernays	Director
Anthony A. Greener	Director
Albert Aboody (Appointed on June 28, 2010)	Director
Alok Misra	Group Chief Financial Officer
Johnson J. Selvadurai	Managing Director - Europe
Michael Garber	Chief Sales and Marketing Officer
Ronald Strout	Chief of Staff and Head Americas
Swaminathan Rajamani (Appointed on November 29, 2010)	Chief People Officer
Karthikeya N. Sarma (Resigned on December 31 2010)	Chief People Officer

Nature of transaction with related parties	Year ended March 31, 2012	Year ended March 31, 2011	Amount receivable As at March 31 2012	Amount receivable As at March 31 2011
Revenue				
Warburg Pincus and its Affiliates	$ 3,954	$ 3,752	$ 604	$ 556
Cost of Revenue				
Warburg Pincus and its Affiliates		20		
HDFC	8			
Datacap	29	1		
Selling and marketing expenses				
SIFE		55		
Key management personnel*				
Remuneration and short-term benefits	3,147	3,044		
Defined contribution plan	108	93		
Other benefits	5			
Share based compensation	3,074	3,264		

* Defined benefit plan is not disclosed as these are determined at Company level.

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

26. Operating segments

The Company has several operating segments based on a mix of industry and the types of services. The composition and organization of these operating segments currently is designed in such a way that the back office shared processes, i.e. the horizontal structure, delivers service to industry specific back office and front office processes i.e. the vertical structure. These structures represent a matrix form of organization structure, accordingly operating segments have been determined based on the core principle of segment reporting in accordance with IFRS 8 *Operating segments* (IFRS 8). These operating segments include travel, insurance, banking and financial services, healthcare, utilities, retail and consumer products groups, auto claims 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, banking and financial services, healthcare, utilities, retail and consumer products groups 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 in accordance with IFRS 8. WNS Assistance and AHA (WNS Auto Claims BPO), which provide automobile claims handling services, do not meet the aggregation criteria. Accordingly, the Company has determined that it has two reportable segments WNS Global BPO and WNS Auto Claims BPO .

The Chief Operating Decision Maker (CODM) has been identified as the Group Chief Executive Officer. The CODM evaluates the Company s performance and allocates resources based on revenue growth of vertical structure.

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. 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 measure in the segmental information provides useful information for investors regarding the segment s financial performance. The presentation of this information is not meant to be considered in isolation or as a substitute for the Company s financial results prepared in accordance with IFRS.

F - 70

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

The segment results for the year ended March 31, 2012 are as follows:

	Year ended March 31, 2012			
	WNS Global BPO	WNS Auto Claims BPO	Inter segments*	Total
Revenue from external customers	$ 361,143	$ 112,979	$	$ 474,122
Segment revenue	$ 361,824	$ 112,979	$ (681)	$ 474,122
Payments to repair centers		79,065		79,065
Revenue less repair payments	361,824	33,914	(681)	395,057
Depreciation	14,454	1,506		15,960
Other costs	289,986	27,044	(681)	316,349
Segment operating profit	57,384	5,364		62,748
Other income, net	193	(236)		(43)
Finance expense	4,017			4,017
Segment profit before income taxes	53,174	5,600		58,774
Provision for income taxes	10,378	1,078		11,456
Segment profit	42,796	4,522		47,318
Amortization of intangible assets				29,476
Share based compensation expense				5,309
Profit				$ 12,533
Addition to non-current assets	$ 21,395	$ 647	$	$ 22,042
Total assets, net of elimination	403,562	121,459		525,021
Total liabilities, net of elimination	$ 170,534	$ 70,360	$	$ 240,894

One customer in the WNS Global BPO segment and one customer in WNS Auto Claims BPO accounted for 17.3% and 10.4%, respectively, of the Company s total revenue for the year ended March 31, 2012. The receivables from these two customers comprised 10.3% and 12.4% of the Company s total accounts receivables, respectively, as at March 31, 2012.

* Transactions between inter segments represent invoices raised by WNS Global BPO on WNS Auto Claims BPO on an arm s length basis for business process outsourcing services rendered by the former to latter.

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

The segment results for the year ended March 31, 2011 are as follows:

	Year ended March 31, 2011			
	WNS Global BPO	**WNS Auto Claims BPO**	**Inter segments***	**Total**
Revenue from external customers	$ 331,822	$ 284,429	$	$ 616,251
Segment revenue	$ 332,647	$ 284,429	$ (825)	$ 616,251
Payments to repair centers		246.850		246,850
Revenue less repair payments	332,647	37,579	(825)	369,401
Depreciation	16,303	1,316		17,619
Other costs	260,622	27,231	(825)	287,028
Segment operating profit	55,722	9,032		64,754
Other income, net	(843)	(282)		(1,125)
Finance expense	11,443	3		11,446
Segment profit before income taxes	45,122	9,311		54,433
(Benefit) provision for income taxes	(135)	1,627		1,492
Segment profit	45,257	7,684		52,941
Amortization of intangible assets				31,810
Share based compensation expense				3,218
Profit				$ 17,913
Addition to non-current assets	$ 14,412	$ 1,823	$	$ 16,235
Total assets, net of elimination	399,616	122,979		522,595
Total liabilities, net of elimination	$ 198,606	$ 59,133	$	$ 257,739

Two customers in the WNS Auto Claims BPO segment and one customer in WNS Global BPO accounted for 16.4%, 13.2% and 12.2%, respectively, of the Company s total revenue for the year ended March 31, 2011. The receivables from these three customers comprised nil, 7.6% and 10.3% of the Company s total accounts receivables, respectively, as at March 31, 2011.

* Transactions between inter segments represent invoices raised by WNS Global BPO on WNS Auto Claims BPO on an arm s length basis for business process outsourcing services rendered by the former to latter.

External Revenue

The Company s external revenue by geographic area is as follows:

Year ended

	March 31, 2012	March 31, 2011
Jersey, Channel Islands	$	$
UK	290,116	375,046
North America	144,763	136,772
Europe (excluding UK)	26,563	98,073
Rest of the world	12,680	6,360
Total	**$ 474,122**	**$ 616,251**

The Company s non-current assets (excluding goodwill and intangibles) by geographic area are as follows:

	As at March 31, 2012	As at March 31, 2011	As at April 1, 2010
Jersey, Channel Islands	$	$	$
UK	2,936	3,605	2,249
US	357	268	411
India	34,083	35,579	40,905
Rest of the world	8,042	7,726	4,982
Total	**$ 45,418**	**$ 47,178**	**$ 48,547**

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

27. Commitment 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 2011 and 2026. The details of future minimum lease payments under non-cancelable operating leases as at March 31, 2012 are as follows:

		Operating leases
Less than 1 year	$	17,162
1-3 years		30,283
3-5 years		16,507
More than 5 years		21,726
Total minimum lease payments	$	**85,678**

Rental expenses were $19,353 and $20,666, respectively for the year ended March 31, 2012 and March 31, 2011.

Capital commitments

As at March 31, 2012 and 2011, the Company had committed to spend approximately $3,696 and $8,238, respectively, under agreements to purchase property and equipment. These amounts are net of capital advances paid in respect of these purchases.

Bank guarantees and others

Certain subsidiaries in India, Romania and Australia hold bank guarantees aggregating to $413 as at March 31, 2012 and $483 in India and Romania as at March 31, 2011. These guarantees have a remaining expiry term ranging from one to five years.

Restricted time deposits placed with bankers as security for guarantees given to lessors in Romania and US and to regulatory authorities in United Arab Emirates and Australia aggregating to $243 as at March 31, 2012 and $194 to regulatory authorities in India and lessors in Romania as at March 31, 2011, 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.

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.

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

28. Joint venture with ACS

In April 2008, the Company formed a joint venture, WNS Philippines, Inc., with Advanced Contact Solutions, Inc. (ACS), a BPO services and customer care provider, in the Philippines. ACS assigned its rights and obligations under the joint venture agreement in favor of its holding company Paxys. This joint venture was initially majority owned by the Company (65%) and the balance by Paxys. WNS Philippines, Inc. offers contact center services to global clients across industries. This entity 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 had a call option to acquire from Paxys the remaining shares owned by Paxys and Paxys had 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.

As the Company always had the risk and rewards for the ownership of the joint venture and with the existence of put option, the Company had a contractual obligation to deliver cash, hence the noncontrolling interest was classified as liability in accordance with IAS 32.

As at the Transition Date, the Company had done the probability weighted assessment of possible outcomes of the put and call options under the various conditions of contract and recorded its obligation towards the put option liability. Accordingly, a liability had been recorded based on the obligation existing at the Transition Date based on the present value of the put option with the initial recognition to equity amounting to $1,676.

At every period end, the Company re-measured the put liability. As at June 30, 2011, the non-performance event was triggered as the joint venture had incurred six months of continuous losses for the period January 2011 to June 2011.

The Company had evaluated the trigger of non-performance event and the consequent put and call option liability and concluded that the liability recorded in the books of accounts was adequate as at June 30, 2011.

In the three months ended September 30, 2011, the joint venture continued to incur losses. As a result, the Company and Paxys, after discussions, decided to mutually terminate the joint venture. Accordingly, the Company s Board of Directors, in its meeting held in September 2011, determined that its call option had become exercisable as a result of the non-performance event being triggered in the prior quarter and approved the exercise of the call option. Accordingly, the Company shared its intention to exercise the call option with Paxys.

As at September 30, 2011, the Company had not yet exercised its call option but assessed that the event of the Company exercising the call option was highly probable as against Paxys exercising their put option and since the Company anticipated that there would be an outflow of cash in connection with the exercise of the call option in the near future, the liability was re-measured at the fair value of the call option as at September 30, 2011. Accordingly, the Company recorded an additional charge of $346 towards the interest payable and increased its liability from $1,676 (as measured based on put liability) to $2,033 as at September 30, 2011.

On November 2, 2011, the Company entered into an agreement with Paxys to acquire the latter s 35% stake in the joint venture and terminate the joint venture. The Company s acquisition of Paxys 35% stake in the joint venture was completed on November 16, 2011 by a payment of the cash consideration amounting to $2,132, including interest expense of $346. Following the acquisition of Paxys stake, WNS Philippines Inc. has become a wholly-owned subsidiary of WNS Holdings.

Table of Contents

WNS (HOLDINGS) LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

29. Additional capital disclosures

The key objective of the Company s capital management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor, and customer confidence and to ensure future development of its business. The Company focuses on keeping a strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required, without impacting the risk profile of the Company.

The capital structure as at March 31, 2012 and 2011 is as follows:

		As at	
	March 31, 2012	**March 31, 2011**	**% Change**
Total equity attributable to the equity shareholders of the Company	$ 284,127	$ 264,856	7%
As percentage of total capital	77%	71%	
Short term line of credit	23,965	14,593	
Long term debt[(1)]	62,873	93,095	
Total debt	$ 86,838	$ 107,688	(19)%
As percentage of total capital	23%	29%	
Total capital (debt and equity)	**$ 370,965**	**$ 372,544**	**(0)%**

The Company is predominantly equity-financed. This is also evident from the fact that debt represented only 23% and 29% of total capital as at March 31, 2012 and 2011, respectively.

Note:

1) Before netting off debt issuance cost of $168 and $814 as at March 31, 2012 and March 31, 2011, respectively.

F - 75