WNS (HOLDINGS) LTD
Form 6-K
November 04, 2009

Table of Contents

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 6-K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 of the Securities Exchange Act of 1934
For the quarter ended September, 2009
Commission File Number 001 32945

WNS (HOLDINGS) LIMITED
(Exact name of registrant as specified in the charter)
Not Applicable
(Translation of Registrant s name into English)
Jersey, Channel Islands
(Jurisdiction of incorporation or organization)

Gate 4, Godrej & Boyce Complex
Pirojshanagar, Vikroli (W)
Mumbai 400 079, India
+91-22-6797-6100
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F þ Form 40-F o

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): o

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): o

Indicate by check mark whether the Registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes o No þ

If Yes is marked, indicate below the file number assigned to registrant in connection with Rule 12g3-2(b): **Not applicable.**

TABLE OF CONTENTS

Table of Contents

WNS (Holdings) Limited is incorporating by reference the information and exhibits set forth in this Form 6-K into its registration statement on Form S-8 (Registration No: 333-136168).

Conventions used in this Report

In this report, references to US are to the United States of America, its territories and its possessions. References to UK are to the United Kingdom. References to India are to the Republic of India. References to $ or dollars or US dollars are to the legal currency of the US and references to Rs. or rupees or Indian rupees are to the legal currency o India. References to GBP or pounds sterling or £ are to the legal currency of the UK and references to EUR or Euros. References to pence are to the legal currency of Jersey, Channel Islands. Our financial statements are presented in US dollars and are prepared in accordance with US generally accepted accounting principles, or US GAAP. References to a particular fiscal year are to our fiscal year ended March 31 of that year. Any discrepancies in any table between totals and sums of the amounts listed are due to rounding.

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

Special note regarding forward looking statements

This report contains forward-looking statements that are based on our current expectations, assumptions, estimates and projections about our company and our industry. The forward-looking statements are subject to various risks and uncertainties. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as anticipate, believe, estimate, expect, intend, will, project, seek, should and simi Those statements include, among other things, the discussions of our business strategy and expectations concerning our market position, future operations, margins, profitability, liquidity and capital resources. We caution you that reliance on any forward-looking statement involves risks and uncertainties, and that although we believe that the assumptions on which our forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate, and, as a result, the forward-looking statements based on those assumptions could be materially incorrect. These factors include but are not limited to:

- worldwide economic and business conditions;
- political or economic instability in the jurisdictions where we have operations
- regulatory, legislative and judicial developments;
- our ability to attract and retain clients;
- technological innovation;
- telecommunications or technology disruptions;
- future regulatory actions and conditions in our operating areas;
- our dependence on a limited number of clients and a limited number of industries;
- our ability to expand our business or effectively manage growth;

Table of Contents

our ability to hire and retain enough sufficiently trained employees to support our operations;

negative public reaction in the US or the UK to offshore outsourcing;

increasing competition in the business process outsourcing industry;

our ability to successfully grow our revenue, expand our service offerings and market share and achieve accretive benefits from our acquisition of Aviva Global Services Singapore Pte. Ltd. (which we have renamed as WNS Customer Solutions (Singapore) Private Limited following our acquisition), or Aviva Global, and our master services agreement with Aviva Global Services (Management Services) Private Limited, or AVIVA MS, as described below; and

our ability to successfully consummate strategic acquisitions.

These and other factors are more fully discussed in our other filings with the Securities and Exchange Commission, or the SEC, including in Risk Factors, Management s Discussion and Analysis of Financial Condition and Results of Operations and elsewhere in our annual report on Form 20-F for our fiscal year ended March 31, 2009. In light of these and other uncertainties, you should not conclude that we will necessarily achieve any plans, objectives or projected financial results referred to in any of the forward-looking statements. Except as required by law, we do not undertake to release revisions of any of these forward-looking statements to reflect future events or circumstances.

Table of Contents

Part I FINANCIAL INFORMATION
WNS (HOLDINGS) LIMITED
CONDENSED CONSOLIDATED BALANCE SHEETS
(Amounts in thousands, except share and per share data)

	September 30, 2009 (Unaudited)	March 31, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	$ 40,211	$ 38,931
Bank deposits and marketable securities	3,378	8,925
Accounts receivable, net of allowance of $2,276 and $1,935, respectively	62,520	61,257
Accounts receivable related parties	1,174	64
Funds held for clients	6,997	5,379
Employee receivables	1,481	745
Prepaid expenses	3,201	2,082
Prepaid income taxes	6,050	5,768
Deferred tax assets	1,207	1,743
Other current assets	23,412	38,647
Total current assets	149,631	163,541
Goodwill	89,565	81,679
Intangible assets, net	204,378	217,372
Property and equipment, net	52,655	55,992
Other assets	7,948	11,449
Deposits	6,966	6,309
Deferred tax assets	21,370	15,584
TOTAL ASSETS	$ 532,513	$ 551,926
LIABILITIES AND EQUITY		
Current liabilities:		
Account payable	$ 30,230	$ 30,879
Accounts payable related parties		42
Current portion of long term debt	40,000	45,000
Short term line of credit		4,331
Accrued employee costs	25,471	23,754
Deferred revenue	4,703	5,583
Income taxes payable	3,622	3,995
Accrued expenses	34,588	31,194
Other current liabilities	20,827	22,932
Total current liabilities	159,441	167,710
Long term debt	130,000	155,000
Deferred revenue	3,369	3,561

Other liabilties		5,563		1,967
Accrued pension liability		2,925		2,570
Deferred tax liabilities		8,985		9,946
Derivative contracts		13,864		23,163
TOTAL LIABILITIES		324,147		363,917
Commitments and contingencies				
WNS (Holdings) Limited shareholders equity:				
Ordinary shares, $0.16 (10 pence) par value, authorized: 50,000,000 shares; issued and outstanding: 43,076,459 and 42,607,403 shares, respectively		6,742		6,667
Ordinary shares subscribed: 9,001 and nil shares, respectively		68		
Additional paid-in capital		192,764		184,122
Retained earnings		49,339		46,917
Accumulated other comprehensive loss		(40,086)		(49,710)
WNS (Holdings) Limited shareholders equity		208,827		187,996
Noncontrolling interest		(461)		13
Total equity		208,366		188,009
TOTAL LIABILITIES AND EQUITY	$	532,513	$	551,926

See accompanying notes.

3

Table of Contents

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

	Three months ended September 30,		Six months ended September 30,	
	2009	2008	2009	2008
Revenue				
Third parties	$ 151,532	$ 148,925	$ 287,425	$ 270,961
Related parties	1,515	872	2,317	1,780
	153,047	149,797	289,742	272,741
Cost of revenue	116,139	114,912	215,648	213,399
Gross profit	36,908	34,885	74,094	59,342
Operating expenses				
Selling, general and administrative expenses	22,098	21,304	42,864	39,500
Amortization of intangible assets	8,081	8,012	16,281	9,481
Operating income	6,729	5,569	14,949	10,361
Other expense, net	2,058	275	4,882	1,788
Interest expense	3,445	3,220	7,561	3,367
Income before income taxes	1,226	2,074	2,506	5,206
Provision for income taxes	227	1,847	554	1,639
Consolidated net income	999	227	1,952	3,567
Less: Net loss attributable to non controlling interest	(356)		(470)	
Net income attributable to WNS (Holdings) Limited shareholders	$ 1,355	$ 227	$ 2,422	$ 3,567
Earnings per share of ordinary shares				
Basic	$ 0.03	$ 0.01	$ 0.06	$ 0.08
Diluted	$ 0.03	$ 0.01	$ 0.06	$ 0.08

See accompanying notes.

Table of Contents

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

	Six months ended September 30,	
	2009	**2008**
Cash flows from operating activities		
Net cash provided by operating activities	$ 31,513	$ 13,555
Cash flows from investing activities		
Acquisitions, net of cash received		(288,788)
Facility and property cost	(6,365)	(5,579)
Proceeds from sale of assets, net	462	169
Marketable securities and deposits sold, net	5,987	7,841
Net cash provided by (used in) investing activities	84	(286,357)
Cash flows from financing activities		
Proceeds from exercise of stock options	1,021	1,036
Excess tax benefits from share-based compensation	969	1,177
Repayment of long term debt	(30,000)	
Payment of debt issuance cost	(47)	
Proceeds from long term debt, net		199,482
Short term (repayments) borrowing, net	(4,814)	1,032
Short term borrowing related parties		6,336
Principal payment under capital leases	(57)	(169)
Net cash (used in) provided by financing activities	(32,928)	208,894
Effect of exchange rate changes on cash and cash equivalents	2,611	(7,462)
Net change in cash and cash equivalents	1,280	(71,370)
Cash and cash equivalents at beginning of period	38,931	102,698
Cash and cash equivalents at end of period	$ 40,211	$ 31,328

See accompanying notes.

Table of Contents

WNS (HOLDINGS) LIMITED
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
SEPTEMBER 30, 2009
(Amounts in thousands, except share and per share data)

1. Basis of presentation

The accompanying unaudited condensed consolidated financial statements of WNS (Holdings) Limited (the Company or WNS) have been prepared in accordance with United States generally accepted accounting principles (US GAAP) for interim financial reporting and with the instructions of Rule 10-01 of Regulation S-X. Accordingly, they do not include all information and footnotes required by US GAAP for complete financial statements. In the opinion of management, all adjustments (including normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three-month and six month period ended September 30, 2009 are not necessarily indicative of the results that may be expected for the year ending March 31, 2010.

The balance sheet at March 31, 2009 has been derived from the audited financial statements at that date, but does not include all of the information and footnotes required by US GAAP for complete financial statements. For further information, refer to the audited consolidated financial statements and footnotes thereto of the Company for the year ended March 31, 2009.

Previous period amounts have been reclassified for the adoption of Financial Accounting Standards Board (FASB), Accounting Standard Codification (ASC) , ASC 810-10-65 *Non-controlling interests in consolidated financial statements, an amendment to ARB No. 51* (Refer to Note 2 below).

2. Adoption of new accounting principles

Effective April 1, 2009, the Company adopted ASC 810-10-65 in respect of the non-controlling interest in the operations of WNS Philippines, Inc. and the profits or losses associated with the non-controlling interest in these operations. The adoption of ASC 810-10-65 has resulted in the reclassification of amounts previously attributable to minority interest (now referred to as non-controlling interest) to a separate component of shareholders equity on the balance sheets. Additionally, (i) net income includes net income or loss attributable to non-controlling interest; (ii) the components of net income attributable to the shareholders of the Company and the net income attributable to non-controlling interest are displayed in the statements of income; and (iii) losses are allocated to the non-controlling interests even if the losses exceed the equity attributable to non-controlling interests. As a result of adopting ASC 810-10-65, losses attributable to non-controlling interests in excess of the related equity was allocated to the non-controlling interests and accordingly, the net income attributable to the Company s shareholders for the three month and six month periods ended September 30, 2009 was higher by $356 and $457, respectively.

Effective April 1, 2009, the Company adopted FASB ASC 855-10, *Subsequent Events* . ASC 855-10 establishes general standards for accounting and disclosure of events that occur after the balance sheet date but before financial statements are issued (subsequent events). These standards are largely the same guidance on subsequent events which previously existed only in auditing literature. ASC 855-10 also requires disclosure of the date through which subsequent events have been evaluated, as well as whether that date is the date the financial statements were issued or the date the financial statements were available to be issued. For purposes of these interim financial statements, November 4, 2009 is the date through which subsequent events have been evaluated and represents the date the financial statements were issued.

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

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

In April 2009, the FASB issued ASC 320-10-65-1, *Recognition and Presentation of Other-Than-Temporary Impairments* . ASC 320-10-65-1 was issued contemporaneously with ASC 820-10-65-4, *Determining Fair Value When the Volume and Level of Activity for the Asset or Liability has Significantly Decreased and Identifying Transactions that are Not Orderly* and ASC 825-10-65-1, *Interim Disclosures About Fair Value of Financial Instruments* . ASC 320-10-65-1 establishes a new model for measuring other than temporary impairments for debt securities, including establishing criteria for when to recognize a write-down through earnings versus other comprehensive income. ASC 820-10-65-4 clarifies the objective and method of fair value measurement even when there has been a significant decrease in market activity for the asset being measured. ASC 825-10-65-1 expands the fair value disclosures required for all financial instruments within the scope of ASC 825-10-50, *Disclosures about Fair Value of Financial Instruments* , to interim periods. Adoption of ASC 320-10-65-1 and ASC 820-10-65-1 did not have any impact on the Company s results of operations, cash flows or financial position. Adoption of ASC 825-10-65-1 resulted in increased disclosures in the interim periods (Refer to Note 11 for the additional disclosures).

Table of Contents

WNS (HOLDINGS) LIMITED
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
SEPTEMBER 30, 2009
(Amounts in thousands, except share and per share data)

3. Acquisitions

AVIVA Global Services Singapore Private Limited (Aviva Global)

On July 11, 2008, the Company entered into a transaction with Aviva International Holdings Limited (AVIVA), comprising a share sale and purchase agreement (SSPA) and a master services agreement with Aviva Global Services (Management Services) Private Limited (AVIVA MSA). Pursuant to the SSPA with AVIVA, the Company acquired all the shares of Aviva Global Services Singapore Private Limited (Aviva Global) in July 2008. The final purchase price paid to AVIVA for the acquisition of Aviva Global and its subsidiaries was $249,093, including direct transaction costs of $8,200.

On August 3, 2009, the Company completed the final settlement and agreed to pay AVIVA approximately £3,177 ($5,282) for certain liabilities of Aviva Global that existed as of the date of its acquisition and the net asset value settlement for Customer Operational Solutions (Chennai) Private Limited, Noida Customer Operation Private Limited and Ntrance Global Services Private Limited arising out of the sale and purchase agreements. The payment of this liability will be made in 18 equal monthly installments commencing December 2009.

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

The following table summarizes the allocation:

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

The Company has valued intangible for customer contracts and customer relationships using the income approach by discounting future cash flows and tax amortization benefit. The customer relationships and customer contracts are being amortized over the duration of the AVIVA MSA, being a period of eight years and four months.

Table of Contents

WNS (HOLDINGS) LIMITED
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
SEPTEMBER 30, 2009
(Amounts in thousands, except share and per share data)

Business Applications Associates Limited (BizAps)

On June 12, 2008, the Company acquired all outstanding shares of Business Applications Associates Limited (BizAps), a provider of systems applications and products (SAP) solutions to optimize enterprise resource planning (ERP) functionality for finance and accounting processes. The results of operations of BizAps have been included in the Company s consolidated statement of income from June 1, 2008. The purchase price for the acquisition was a cash payment of £5,000 ($9,749) plus direct transaction costs of $469. The consideration also included a contingent earn-out consideration of up to of £4,500 ($9,000) based on satisfaction of certain performance obligation over a two-year period up to June 2010 as set out in the share purchase agreement. On August 1, 2009, the Company and the sellers entered into an agreement to amend certain earn-out provisions.

The initial purchase consideration of $10,218 was allocated to intangible assets of $5,927 and net tangible assets of $624 based on a determination of their fair value, with the residual $3,667 allocated to goodwill. Consequent to the satisfaction of certain performance obligations for the 12 month period ended June 30, 2009; the Company has recorded a liability of $1,168 towards earn-out consideration as on June 30, 2009. Such amount was recorded as an addition to goodwill.

4. Stock-based compensation

The fair value of restricted share units (RSUs) granted during the three month and six month periods ended September 30, 2009 and 2008 was estimated at the date of grant using the following weighted average assumptions:

	Three months ended September 30,		Six months ended September 30,	
	2009	**2008**	**2009**	**2008**
Expected life (in years)	2.4 years	2 years	2.4 years	2 years
Risk free interest rate	1.2%	2.8%	1.4%	2.3%
Volatility	67.7%	32.9%	55.4%	32.4%
Dividend yield	0%	0%	0%	0%

Share-based compensation expense during the three month and six month periods ended September 30, 2009 and 2008 are as follows:

	Three months ended September 30,		Six months ended September 30,	
	2009	**2008**	**2009**	**2008**
Share-based compensation recorded in				
Cost of revenue	$1,176	$ 990	$ 2,052	$ 1,788
Selling, general and administrative expenses	3,153	2,470	5,573	4,737
Total share-based compensation expense	4,329	3,460	7,625	6,525
Estimated income tax benefit	(662)	(811)	(1,466)	(1,452)
Share-based compensation expense, net of estimated taxes	$3,667	$2,649	$ 6,159	$ 5,073

In May 2007, the Indian government extended fringe benefit tax (FBT) to include stock options and RSUs issued to employees in India. Under this legislation, on exercise of an option or RSU, employers were responsible for a tax equal to the intrinsic value at its vesting date multiplied by the applicable tax rate. The employer could seek reimbursement of the tax from the optionee, but could not transfer the obligation to the optionee. The Company recovered the FBT from the optionees in India. The options and RSUs issued subsequent to the introduction of the FBT were fair valued after considering the FBT as an additional component of the exercise price at the grant date.

In August 2009, the Government of India passed the Finance (No.2) Bill, 2009 which withdrew the levy of FBT with effect from April 1, 2009. Consequent to this change in legislation, no FBT will be recovered for options and RSUs issued to Indian optionees, resulting in a reduction in the exercise price of the options and RSUs. The Company considered the change in exercise price as a modification. As a result of that modification, the Company recognized additional compensation expense of $1,267 for the three and six month period ended September 30, 2009. As of September 30, 2009, $3,323 of unrecognized compensation cost arising from such modification, net of forfeitures is expected to be recognized over a weighted average period of 2 years.

Table of Contents

WNS (HOLDINGS) LIMITED
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
SEPTEMBER 30, 2009
(Amounts in thousands, except share and per share data)

5. Comprehensive income (loss)

Components of comprehensive income (loss) for the three and six month periods ended September 30, 2009 and 2008 are as follows:

	Three months ended September 30,		Six months ended September 30,	
	2009	2008	2009	2008
Net income	$ 999	$ 227	$ 1,952	$ 3,567
Cumulative translation adjustment	(3,549)	(19,750)	14,568	(25,724)
Change in fair value of cash flow hedges	3,146	(340)	(6,571)	(14,897)
Change in fair value of interest rate swaps	(320)		1,141	
Unrecognized actuarial gain on pension liability	381	270	482	197
Total comprehensive income (loss)	657	(19,593)	11,572	(36,857)
Less : Comprehensive (loss) attributable to non-controlling interest	(352)		(474)	
Comprehensive income (loss) attributable to WNS (Holdings) Limited shareholders	$ 1,009	$(19,593)	$12,046	$(36,857)

6. Capital structure

The following table sets forth the movement of the number of ordinary shares:

	Three months ended September 30,		Six months ended September 30,	
	2009	2008	2009	2008
Shares outstanding at the beginning of the period	42,819,656	42,460,059	42,607,403	42,363,100
Shares issued upon exercise of options and RSUs	256,803	109,180	469,056	206,139
Shares outstanding at the end of the period	43,076,459	42,569,239	43,076,459	42,569,239

7. Income per share of ordinary shares

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

	Three months ended September 30,		Six months ended September 30,	
	2009	2008	2009	2008

Numerator:				
Net income attributable to WNS (Holdings) Limited shareholders	$ 1,355	$ 227	$ 2,422	$ 3,567
Denominator:				
Basic weighted average ordinary shares outstanding	42,941,588	42,513,108	42,838,295	42,459,307
Dilutive impact of equivalent stock options outstanding	1,695,562	673,316	1,157,034	884,600
Diluted weighted average ordinary shares outstanding	44,637,150	43,186,424	43,995,329	43,343,907

The Company computes net income per share in accordance with ASC 260-10, *Earnings Per Share*. The computation of net income per ordinary share was determined by dividing net income by the weighted average ordinary shares outstanding during the respective periods.

Table of Contents

WNS (HOLDINGS) LIMITED
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
SEPTEMBER 30, 2009
(Amounts in thousands, except share and per share data)

8. Retirement benefits

Defined Contribution Plan

The following table sets forth the Company s contribution to defined contribution plans:

	Three months ended September 30,		Six months ended September 30,	
	2009	2008	2009	2008
Provident fund India	$1,322	$1,438	$2,620	$2,806
Pension scheme UK	135	173	257	386
401(k) Plan US	129	123	259	249
	$1,586	$1,734	$3,136	$3,441

Defined Benefit Plan Gratuity

The following table sets forth 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 and Sri Lanka.

	Three months ended September 30,		Six months ended September 30,	
	2009	2008	2009	2008
Net periodic gratuity cost				
Service cost	$284	$395	$546	$544
Interest cost	85	134	170	189
Expected return on plan asset	(34)	(63)	(43)	(79)
Recognized net actuarial loss	41	119	100	181
Net periodic gratuity cost for the period	$376	$585	$773	$835

Table of Contents

WNS (HOLDINGS) LIMITED
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
SEPTEMBER 30, 2009
(Amounts in thousands, except share and per share data)

9. Segments

The Company has several operating segments including travel, insurance, auto claims (WNS Assistance and Call 24-7) and others. The Company believes that the business process outsourcing services that it provides to customers in industries other than auto-claims such as travel, insurance and others are similar in terms of services, service delivery methods, use of technology, and long-term gross profit and hence meet the aggregation criteria under ASC 280-10, *Segment Reporting* . WNS Assistance and Call 24-7 (WNS Auto Claims BPO), which provide automobile claims handling services, do not meet the aggregation criteria under ASC 280-10. Accordingly, the Company has determined that it has two reportable segments WNS Global BPO and WNS Auto Claims BPO .

In order to provide accident management services, the Company arranges for the repair through a network of repair centers. Repair costs paid to automobile repair centers are invoiced to customers and recognized as revenue. The Company uses revenue less repair payments for Fault repairs as a p