

WNS (HOLDINGS) LTD
Form 6-K
August 13, 2008

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**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 June 30, 2008
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

Form 40-F

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):

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):

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

No

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

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

- 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 attract and retain clients;
- our ability to expand our business or effectively manage growth;
- our ability to hire and retain enough sufficiently trained employees to support our operations;
- negative public reaction in the US or the UK to offshore outsourcing;
- regulatory, legislative and judicial developments;

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increasing competition in the business process outsourcing industry;

political or economic instability in India, Sri Lanka and Jersey;

worldwide economic and business conditions;

our ability to successfully grow our revenues, expand our service offerings and market share and achieve accretive benefits from our acquisition of Aviva Global Services Singapore Private Limited, 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, 2008. 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.

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

	June 30 2008 (Unaudited)	March 31 2008
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 73,338	\$ 102,698
Bank deposits and marketable securities	3,113	8,074
Accounts receivable, net of allowance of \$2,019 and \$1,784, respectively	70,841	47,302
Accounts receivable related parties	136	586
Funds held for clients	6,680	6,473
Employee receivables	1,073	1,179
Prepaid expenses	6,614	3,776
Prepaid income taxes	3,269	2,776
Deferred tax assets current	743	618
Other current assets	10,362	8,596
Total current assets	176,169	182,078
Goodwill	95,142	87,470
Intangible assets, net	25,496	9,393
Property, plant and equipment, net	46,126	50,840
Deferred contract costs non current	1,052	1,278
Deposits	6,794	7,391
Deferred tax assets non current	10,460	8,055
TOTAL ASSETS	\$ 361,239	\$ 346,505
LIABILITIES AND SHAREHOLDERS EQUITY		
Current liabilities:		
Account payable	\$ 31,201	\$ 15,562
Accounts payable related parties		6
Accrued employee costs	19,057	26,848
Deferred revenue current	5,423	7,790
Income taxes payable	2,345	1,879
Short-term line of credit	8,174	
Deferred tax liabilities current	1,357	211
Accrual for earn-out payment	33,360	33,699
Other current liabilities	30,450	25,806
Total current liabilities	131,367	111,801
Deferred revenue non current	2,673	1,549
Deferred rent	2,667	2,627
Accrued pension liability	1,637	1,544
Deferred tax liabilities non current	5,130	1,834

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Liability on outstanding derivative contracts	non current	3,674	
TOTAL LIABILITIES		147,148	119,355
Shareholders' equity:			
Ordinary shares, \$0.16 (10 pence) par value, authorized: 50,000,000 shares;			
Issued and outstanding: 42,460,059 and 42,363,100 shares, respectively			
Additional paid-in capital		6,641	6,622
Ordinary shares subscribed: 10,776 and 1,666 shares, respectively		171,609	167,459
Retained earnings		45	10
Accumulated other comprehensive income (loss)		42,179	38,839
		(6,383)	14,220
Total shareholders' equity		214,091	227,150
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 361,239	\$ 346,505

See accompanying notes.

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WNS (HOLDINGS) LIMITED
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

(Amounts in thousands, except per share data)

	Three months ended June 30,	
	2008	2007
Revenue		
Third parties	\$ 122,036	\$ 111,808
Related parties	908	715
	122,944	112,523
Cost of revenue	98,487	90,206
Gross profit	24,457	22,317
Operating expenses		
Selling general and administrative expenses	18,195	14,722
Amortization of intangible assets	1,469	829
Operating income	4,793	6,766
Other (expense) income, net	(1,514)	2,686
Interest expense	(147)	
Income before income taxes	3,132	9,452
Benefit (provision) for income taxes	208	(1,013)
Net income	\$ 3,340	\$ 8,439
Basic income per share	\$ 0.08	\$ 0.20
Diluted income per share	\$ 0.08	\$ 0.20

See accompanying notes.

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

	Three months ended June 30,	
	2008	2007
Cash flows from operating activities		
Net cash used in operating activities	\$ (2,012)	\$ (411)
Cash flows from investing activities		
Acquisitions, net of cash received	(26,851)	(33,391)
Facility and property cost	(2,429)	(5,393)
Proceeds from sale of assets	102	36
Marketable securities and deposits	4,816	
Net cash used in investing activities	(24,362)	(38,748)
Cash flows from financing activities		
Proceeds from exercise of stock options	641	418
Excess tax benefits from share-based compensation	506	418
IPO expenses		(150)
Repayment of short-term borrowing	(1,210)	
Principal payments under capital leases	(3)	(3)
Net cash (used in) provided by financing activities	(66)	683
Effect of exchange rate changes on cash and cash equivalents	(2,920)	1,511
Net change in cash and cash equivalents	(29,360)	(36,965)
Cash and cash equivalents at beginning of period	102,698	112,340
Cash and cash equivalents at end of period	\$ 73,338	\$ 75,375

See accompanying notes.

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WNS (HOLDINGS) LIMITED
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
JUNE 30, 2008 AND 2007
(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 period ended June 30, 2008 are not necessarily indicative of the results that may be expected for the year ending March 31, 2009.

The balance sheet at March 31, 2008 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, 2008.

2. Acquisitions**Chang Limited**

On April 7, 2008, the Company completed the acquisition of Chang Limited, UK along with its subsidiary Call 24/7 Limited, the key operating entity (collectively referred as Call 24/7). Call 24/7 provides a consolidated suite of services towards accident management including credit hire and credit repair for Non fault repairs business. Non fault services are mainly credit hire and credit repair services provided, when an individual has an accident where he is not at fault but has a damaged car which needs repairing. The car will be repaired at no cost to the customer, with the bill being paid for by the at fault parties insurance company. The Company is in the process of integrating Call 24/7 into WNS Assistance, a division of WNS Global Services Limited, UK. This acquisition will strengthen the Company's position in accident claims management in the UK. This integration enables the Company to leverage its cost-efficient claims processing, technology and engineering and collision-repair expertise to deliver quality service throughout the accident-management process. While WNS Assistance focuses on the fault repairs market, this acquisition will leverage the Non fault repairs business. The Company has accounted for this acquisition beginning from April 1, 2008.

The purchase price for the acquisition was an initial cash payment of GBP 8,425 (\$16,767) subject to post-closing adjustments, plus direct transaction costs of \$398 and a contingent earn out of up to GBP 1,600 (\$3,200) based on certain agreed performance metrics for the fiscal year ending March 31, 2009. The Company is in the process of ascertaining the closing accounts adjustments with the seller. Due to the uncertainty regarding the ultimate outcome of this matter, the Company believes that the amount, if any, that the Company will ultimately be required to pay or receive cannot be reasonably ascertained as at June 30, 2008. Accordingly, the purchase consideration will be adjusted based on the outcome of this matter and purchase price will be reallocated between the net assets acquired and goodwill recorded on acquisition.

The total estimated cost of acquisition has been allocated to the assets acquired and liabilities assumed based on a preliminary determination of their fair value. The following table summarizes the preliminary allocation:

Cash	\$ 3
Accounts receivable	18,315
Other assets	6,369
Property and equipment	526
Intangible (customer relationships)	12,604
Goodwill	5,592
Current liabilities	(22,715)

Deferred tax liability	(3,529)
Total purchase consideration	\$ 17,165

The intangibles acquired are amortized over a period of five years.

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WNS (HOLDINGS) LIMITED
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

JUNE 30, 2008 AND 2007

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

The pro-forma income statement for the comparable quarter ended June 30, 2007 is as follows:

	As reported	Pro-forma
Revenue	\$ 112,523	\$ 120,059
Income before income taxes	9,452	10,049
Net income	\$ 8,439	\$ 8,857
Basic income per share	\$ 0.20	\$ 0.21
Diluted income per share	\$ 0.20	\$ 0.21

Business Applications Associates Limited (BizAps)

On June 12, 2008, the Company acquired BizAps, a provider of systems applications and products, or SAP®, solutions to optimize enterprise resource planning (ERP) functionality for finance and accounting processes. The acquisition of BizAps will enable the Company to further assist global customers in transforming shared services finance and accounting functions, such as purchase-to-pay and order-to-cash. Based in the UK and the US, with development capability in China, BizAps offers SAP® optimization services and SAP® certified solutions designed to simplify SAP® roll-out and enhance functionality for internal and outsourced shared services centers. The Company has accounted for this acquisition beginning from June 1, 2008.

The purchase price for the acquisition was an initial cash payment of GBP 5,000 (\$9,749) plus direct transaction costs of \$469. The consideration also includes a contingent earn-out consideration of up to of GBP 4,500 (\$9,000) based on satisfaction of certain performance obligation over a two-year period as set out in the share purchase agreement. The Company has also issued restricted share units (RSUs) to certain employees of BizAps aggregating to GBP 500 (\$1,000) in July 2008. Such issuance of RSUs will be accounted for as stock compensation charge on the date of grant.

The total estimated cost of acquisition has been allocated to the assets acquired and liabilities assumed based on a preliminary determination of their fair value. The following table summarizes the preliminary allocation:

Cash	\$ 182
Accounts receivable	2,405
Other assets	83
Property and equipment	93
Intangible (customer relationships, technology backed assets, others)	5,359
Goodwill	3,951
Current liabilities	(1,306)
Deferred tax liability	(549)
Total purchase consideration	\$ 10,218

Customer relationships, technology backed assets and other intangible assets are amortized over three years, five years and two years, respectively.

The Company has not disclosed pro forma information because the revenue and net income of BizAps is not material to the revenue and net income of the Company for the three months ended June 30, 2008 and 2007.

WNS Philippines, Inc

On April 3, 2008, WNS formed a joint venture with Advanced Contact Solutions, Inc (ACS), a business process outsourcing (BPO) services and customer care provider in the Philippines. This joint venture is majority owned by

WNS (65%) and the balance by ACS and offers contact center services to global clients across industries. This joint venture enables WNS to bring a large scale talent pool to help solve the business challenges of its clients while diversifying the geographic concentration of delivery. The joint venture company is in the process of being incorporated. As at June 30, 2008, the Company has invested \$297 in the joint venture.

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WNS (HOLDINGS) LIMITED
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

JUNE 30, 2008 AND 2007

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

Marketics Technologies (India) Private Limited (Marketics)

On May 8, 2007, the Company completed the acquisition of Marketics, a provider of offshore analytics services. The consideration for the acquisition was an initial cash payment of \$30,000 plus direct transaction costs of \$1,400. The consideration also included a contingent earn-out payment of \$33,360 paid in July 2008 determined based on the performance and results of the operations of Marketics for the fiscal year ended March 31, 2008. As part of the arrangement, the Company acquired 75.1% of the equity shares of Marketics and the remaining 24.9% was transferred to the Company subsequent to the contingent earn-out payment.

The Company has accounted for 100% of the operations from May 1, 2007 as there were no likely conditions that would preclude the transfer of shares held in escrow.

The initial purchase consideration was allocated based on a determination of their fair value as customer relationship intangible of \$8,960 and net tangible assets of \$1,670 with the residual allocated to goodwill of \$20,770. The Company recorded the contingent earn-out payment as additional goodwill.

Flovate Technologies Limited (Flovate)

On June 11, 2007, the Company acquired the entire share capital of Flovate, of which the CEO of a division of a UK subsidiary of the Company was a majority shareholder, for a total cash consideration of \$6,159 including \$221 of transaction costs. The Company has accounted for this acquisition beginning from June 1, 2007. Flovate is a software company and the auto claims handling software of Flovate is used by the Company in its auto claims business in the UK.

The Company has also paid \$1,384 held in escrow to the selling shareholders of Flovate in June 2008 upon the software acquired being upgraded as specified in the purchase agreement and recorded as additional cost of software acquired. The total purchase consideration has been allocated based on a determination of their fair value as customer relationship intangible of \$652, intellectual property rights of \$1,839 and net tangible assets of \$380 with the residual allocated to goodwill of \$3,288.

3. Stock-based compensation

During the three months ended June 30, 2008 and 2007, the fair value of stock awards (options and RSUs) was estimated at the date of grant using the assumptions as follows:

	Three months ended June 30,	
	2008	2007
Expected life (in years)	2	2.75
Risk free interest rate	2.2%	4.7%
Volatility	32.1%	30.0%
Dividend yield	0%	0%

Share-based compensation expense during the three months ended June 30, 2008 and 2007 are as follows:

	Three months ended June 30,	
	2008	2007
Share-based compensation recorded in		
Cost of revenue	\$ 798	\$ 516
Selling, general and administrative expenses	2,266	989
Total share-based compensation expense	3,064	1,505

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Estimated income tax benefit	(641)	(413)
Share-based compensation expense, net of estimated taxes	\$2,423	\$1,092

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WNS (HOLDINGS) LIMITED
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

JUNE 30, 2008 AND 2007

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

4. Comprehensive income (loss)

Components of comprehensive income (loss) for the three month periods ended June 30, 2008 and 2007 are as follows:

	Three months ended June 30,	
	2008	2007
Net income	\$ 3,340	\$ 8,439
Cumulative translation adjustment	(5,975)	3,563
Change in fair value of cash flow hedges	(14,557)	725
Unrecognized actuarial loss on pension liability	(72)	(117)
Comprehensive income (loss)	\$ (17,264)	\$ 12,610

5. Capital structure

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

	Three months ended June 30,	
	2008	2007
Shares outstanding at the beginning of the period	42,363,100	41,842,879
Shares issued upon exercise of options	96,959	63,598
Shares outstanding at the end of the period	42,460,059	41,906,477

6. Income per share

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

	Three months ended June 30,	
	2008	2007
Numerator:		
Net income	\$ 3,340	\$ 8,439
Denominator:		
Basic weighted average ordinary shares outstanding	42,406,786	41,892,868
Dilutive impact of equivalent stock options outstanding	1,095,883	1,192,975
Diluted weighted average ordinary shares outstanding	43,502,669	43,085,843

The Company computes net income per share in accordance with Statement of Financial Accounting Standards (SFAS) No. 128, *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.

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WNS (HOLDINGS) LIMITED
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

JUNE 30, 2008 AND 2007

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

7. Retirement benefits**Defined contribution plan**

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

	Three months ended	
	June 30,	
	2008	2007
Provident fund - India	\$ 1,368	\$ 1,169
Pension scheme - UK	212	131
401(k) Plan - US	126	120
	\$ 1,706	\$ 1,420

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	
	June 30,	
	2008	2007
Net periodic gratuity cost		
Service cost	\$ 150	\$ 123
Interest cost	55	30
Expected return on plan assets	(17)	(9)
Recognized net actuarial loss	62	2
Net periodic gratuity cost for the period	\$ 250	\$ 146

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WNS (HOLDINGS) LIMITED
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

JUNE 30, 2008 AND 2007

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

8. Segments

The Company has several operating segments including travel, insurance, auto claims (WNS Assistance and Chang Limited) and others, including knowledge services and healthclaims. The Company believes that the business process outsourcing services that it provides to customers in industries 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 SFAS No. 131, *Disclosures about Segments of an Enterprise and Related Information* (SFAS No. 131). However, WNS Assistance and Chang Limited (WNS Auto Claims BPO), which provide automobile claims handling services, do not meet the aggregation criteria under SFAS No. 131. 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 are invoiced to customers. Amounts invoiced to customers for repair costs paid to the automobile repair centers are recognized as revenue. The Company uses revenue less repair payments for fault repairs as a primary measure to allocate resources and measure segment performance. Revenue less repair payments is a non-GAAP measure which is calculated as revenue less payments to repair centers. For Non fault repairs , revenue including repair payments is used as a primary measure. As the Company provides a consolidated suite of accident management services including credit hire and credit repair for its Non fault repairs business, the Company believes that measurement of that line of business has to be on a basis that includes repair payments in revenue. The Company believes that the presentation of this non-GAAP measure in the segmental information provides useful information for investors regarding the segment s financial performance. The presentation of this non-GAAP information is not meant to be considered in isolation or as a substitute for the Company s financial results prepared in accordance with US GAAP.

Segmental information for the three-month period ended June 30, 2008 and 2007 are as follows:

	Three months ended June 30, 2008			Total
	WNS Global BPO	WNS Auto Claims BPO	Inter Segments	
Revenue from external customers	\$ 65,485	\$ 57,459		\$ 122,944
Segmental revenue	\$ 65,670	\$ 57,459	\$ (185)	\$ 122,944
Payments to repair centers		40,724		40,724
Revenue less repair payments	65,670	16,735	(185)	82,220
Depreciation	4,484	337		4,821
Other costs	55,638	12,621	(185)	68,074
Segment operating income	5,548	3,777		9,325
Unallocated share-based compensation expense				(3,064)
Amortization of intangible assets				(1,469)
Other expense				(1,513)
Interest expense				(147)
Income before income taxes				3,132

Benefit for income taxes			208
Net income			3,340
Capital expenditure	\$ 2,368	61	2,429
Segment assets, net of eliminations as at June 30, 2008	\$263,781	97,458	361,239

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WNS (HOLDINGS) LIMITED
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)
JUNE 30, 2008 AND 2007
(Amounts in thousands, except share and per share data)

	Three months ended June 30, 2007			
	WNS Global BPO	WNS Auto Claims BPO	Inter Segments	Total
Revenue from external customers	\$62,886	\$49,637		\$112,523
Segmental revenue	\$63,131	\$49,637	\$(245)	\$112,523
Payments to repair centers		42,750		42,750
Revenue less repair payments	63,131	6,887	(245)	69,773
Depreciation	3,965	406		4,371
Other costs	53,267	3,280	(245)	56,302
Segment operating income	5,899	3,201		9,100
Unallocated share-based compensation expense				(1,505)
Amortization of intangible assets				(829)
Other income, net				