WNS (HOLDINGS) LTD
Form 20-F
May 16, 2018
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 20-F

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

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended March 31, 2018

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report

Commission file number 001-32945

WNS (Holdings) Limited

(Exact name of Registrant as specified in its charter)

Not Applicable

(Translation of Registrant s name into English)

Jersey, Channel Islands

(Jurisdiction of incorporation or organization)

Gate 4, Godrej & Boyce Complex

Pirojshanagar, Vikhroli (W)

Mumbai 400 079, India

(Address of principal executive offices)

Gopi Krishnan

General Counsel

Gate 4, Godrej & Boyce Complex

Pirojshanagar, Vikhroli (W)

Mumbai 400 079, India

(91-22) 4095-2100

gopi.krishnan@wns.com

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

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

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

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

None

(Title of Class)

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

None

(Title of Class)

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

As at March 31, 2018, 50,434,080 ordinary shares (excluding 4,400,000 treasury shares), par value 10 pence per share, were issued and outstanding, of which 50,181,741 ordinary shares were held in the form of American Depositary Shares (ADSs). Each ADS represents one ordinary share.

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

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

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

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of large accelerated filer, accelerated filer, and emerging growth company, in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or

revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

U.S. GAAP	International Financial Reporting Standards as issued by the International Accounting Standards Board	Other

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

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

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Ex-4.12 Stock Purchase Agreement dated as of January 10, 2017 by and among WNS North America Inc. and the Sellers, the Optionholders and the Sellers Representative (each as defined therein).

Ex-4.13 Stock Purchase Agreement and Plan of Merger dated as at March 15, 2017 by and among WNS Global Services Private Limited, WNS North America Inc., WNS Healthcare North America LLC, HealthHelp Holdings, LLC, MTS HealthHelp Inc., the stockholders of MTS HealthHelp Inc., Cherrill Farnsworth and the Sellers Representative (as defined therein).

Ex-4.14 Facility Agreement dated January 18, 2017 between WNS North America Inc. and BNP Paribas, Hong Kong.

Ex-4.15 Facility Agreement dated March 10, 2017 among WNS (Mauritius) Limited, HSBC Bank (Mauritius) Limited and Standard Chartered Bank, UK.

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

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

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

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

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

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

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CONVENTIONS USED IN THIS ANNUAL REPORT

In this annual report, references to US are to the United States of America, its territories and its possessions. References to UK are to the United Kingdom. References to India are to the Republic of India. References to China are to the People s Republic of China. References to South Africa are to the Republic of South Africa. References to $ or dollars or US dollars are to the legal currency of the US, references to or rupees or Indian rupees are to the currency of India, references to pound sterling or £ are to the legal currency of the UK, references to pence are to the legal currency of Jersey, Channel Islands, references to Euro are to the legal currency of the European Monetary Union, references to South African rand or R or ZAR are to the legal currency of South Africa, references to A$ or AUD or Australian dollars are to the legal currency of Australia, references to CHF or Swiss Franc are to the legal currency of Switzerland, references to RMB are to the legal currency of China, references to LKR or Sri Lankan rupees are to the legal currency of Sri Lanka and references to NZD or New Zealand Dollar are to the legal currency of New Zealand. Our financial statements are presented in US dollars. Our financial statements included in this annual report are prepared in accordance with the International Financial Reporting Standards and its interpretations (IFRS), as issued by the International Accounting Standards Board (IASB). Unless otherwise indicated, references to GAAP in this annual report are to IFRS, as issued by the IASB.

References to a particular fiscal year are to our fiscal year ended March 31 of that calendar year. Any discrepancies in any table between totals and sums of the amount listed are due to rounding.

In this annual report, unless otherwise specified or the context requires, the term WNS refers to WNS (Holdings) Limited, a public company incorporated under the laws of Jersey, Channel Islands, and the terms our company, we, our and us refer to WNS (Holdings) Limited and its subsidiaries.

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

We also refer in various places within this annual report to revenue less repair payments, which is a non-GAAP financial measure that is calculated as (a) revenue less (b) in our auto claims business, payments to repair centers for fault repair cases where we act as the principal in our dealings with the third party repair centers and our clients. This non-GAAP financial information is not meant to be considered in isolation or as a substitute for our financial results prepared in accordance with GAAP.

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

This annual report also includes information regarding the BPM market from the Gartner Inc., Forecast: IT Services, Worldwide, 2016-2022, 1Q18 Update report dated April 3, 2018 by Gartner Inc. (which we refer to herein as the Gartner Report). *The Gartner Report described herein contains data, research opinions or viewpoints published, as part of a syndicated subscription service, by Gartner, Inc. (Gartner), and are not representations of fact. The Gartner Report speaks as of its original publication date (and not as of the date of this annual report) and the opinions expressed in the Gartner Report are subject to change without notice.*

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This annual report contains forward-looking statements that are based on our current expectations, assumptions, estimates and projections about our company and our industry. The forward-looking statements are subject to various risks and uncertainties. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as anticipate, believe, estimate, expect, intend, will, project, seek, should and 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, tax assessment orders and future capital expenditures. We caution you that reliance on any forward-looking statement inherently involves risks and uncertainties, and that although we believe that the assumptions on which our forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate, and, as a result, the forward-looking statements based on those assumptions could be materially incorrect. These risks and uncertainties include but are not limited to:

- worldwide economic and business conditions;
- political or economic instability in the jurisdictions where we have operations;
- our dependence on a limited number of clients in a limited number of industries;
- regulatory, legislative and judicial developments;
- increasing competition in the business process management industry;
- technological innovation;
- telecommunications or technology disruptions;
- our ability to attract and retain clients;
- our liability arising from fraud or unauthorized disclosure of sensitive or confidential client and customer data;
- negative public reaction in the US or the UK to offshore outsourcing;
- our ability to expand our business or effectively manage growth;

- our ability to hire and retain enough sufficiently trained employees to support our operations;
- the effects of our different pricing strategies or those of our competitors;
- our ability to successfully consummate, integrate and achieve accretive benefits from our strategic acquisitions, and to successfully grow our revenue and expand our service offerings and market share;
- future regulatory actions and conditions in our operating areas; and
- volatility of our ADS price.

These and other factors are more fully discussed in Part I Item 3. Key Information D. Risk Factors , Part I Item 5. Operating and Financial Review and Prospects and elsewhere in this annual report. In light of these and other uncertainties, you should not conclude that we will necessarily achieve any plans, objectives or projected financial results referred to in any of the forward-looking statements. Except as required by law, we do not undertake to release revisions of any of these forward-looking statements to reflect future events or circumstances.

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PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

A. Selected Financial Data

Our consolidated financial statements as at and for the years ended March 31, 2018, 2017, 2016, 2015 and 2014 have been prepared in conformity with IFRS, as issued by the IASB.

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

The following selected consolidated statement of income data for fiscal 2018, 2017 and 2016 and selected consolidated statement of financial position data as at March 31, 2018 and 2017 have been derived from our audited consolidated financial statements included elsewhere in this annual report. The selected consolidated statement of income data for fiscal 2015 and 2014 and selected consolidated statement of financial position data as at March 31, 2016, 2015 and 2014 have been derived from our audited consolidated financial statements which are not included in this annual report.

	For the year ended March 31,				
	2018	2017	2016	2015	2014
	(US dollars in millions, except share and per share data)				
Consolidated statement of income data:					
Revenue	$ 758.0	$ 602.5	$ 562.2	$ 533.9	$ 502.6
Cost of revenue[1]	503.1	403.3	365.4	342.7	327.7
Gross profit	254.8	199.2	196.8	191.2	174.9
Operating expenses:					
Selling and marketing expenses[1]	41.8	32.6	30.8	31.1	35.2
General and administrative expenses [1]	117.6	91.7	78.9	70.0	55.4
Foreign exchange loss/(gains), net	(15.0)	(14.5)	(11.0)	(4.6)	11.2
Impairment of goodwill		21.7			
Amortization of intangible assets	15.5	20.5	25.2	24.2	23.8
Operating profit	94.9	47.2	72.9	70.5	49.4
Other income, net	(11.2)	(8.7)	(8.5)	(11.9)	(9.5)

Finance expense	4.3	0.5	0.3	1.3	2.9
Profit before income taxes	101.8	55.3	81.1	81.0	55.9
Provision for income taxes	15.4	17.5	21.2	22.4	14.3
Profit	$ 86.4	$ 37.8	$ 59.9	$ 58.6	$ 41.6
Earnings per share of ordinary share:					
Basic	$ 1.72	$ 0.75	$ 1.17	$ 1.14	$ 0.82
Diluted	$ 1.63	$ 0.71	$ 1.12	$ 1.10	$ 0.79
Basic weighted average ordinary shares outstanding	50,388,440	50,582,852	51,372,117	51,633,516	50,958,864
Diluted weighted average ordinary shares outstanding	52,915,600	52,940,308	53,639,670	53,428,981	52,689,157

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	As at March 31,				
	2018	2017	2016	2015	2014
	(US dollars in millions)				
Consolidated statement of financial position data:					
Assets					
Cash and cash equivalents	$ 99.8	$ 69.8	$ 41.9	$ 32.4	$ 33.7
Investments	121.0	112.0	133.0	133.5	83.8
Trade receivables including unbilled revenue, net	133.1	109.3	99.2	95.5	96.7
Other current assets(2)	46.7	71.9	48.4	53.7	39.6
Total current assets	**400.6**	**363.0**	**322.5**	**315.1**	**253.9**
Goodwill and intangible assets, net	224.9	230.6	103.4	122.4	152.9
Property and equipment, net	60.6	54.8	50.4	48.2	45.2
Deferred tax assets	27.4	16.7	22.5	21.3	37.1
Investments	0.5	0.4			28.7
Other non-current assets(3)	45.6	38.5	26.7	23.3	20.8
Total non-current assets	**359.0**	**341.1**	**203.0**	**215.2**	**284.6**
Total assets	**759.6**	**704.1**	**525.5**	**530.3**	**538.4**
Liabilities and equity					
Current portion of long term debt	27.7	27.6		12.8	12.6
Trade payables	19.7	14.2	19.9	22.7	29.1
Other current liabilities(4)	119.9	106.9	83.5	92.5	143.2
Total current liabilities	**167.3**	**148.7**	**103.4**	**128.0**	**184.8**
Long term debt	61.4	89.1			13.5
Other non-current liabilities(5)	35.9	51.2	13.9	13.2	15.1
Total non-current liabilities	**97.3**	**140.3**	**13.9**	**13.2**	**28.6**
Share capital (ordinary shares $0.16 (10 pence) par value, authorized 60,000,000 shares; issued: 54,834,080, 53,312,559, 52,406,304, 51,950,662 and 51,347,538 shares each as at March 31, 2018, 2017, 2016, 2015 and 2014, respectively)	8.5	8.3	8.2	8.1	8.0
Share premium	371.8	338.3	306.9	286.8	276.6
Other shareholders equity(6)	248.9	163.2	123.6	94.2	40.3
Total shareholders equity, including shares held in treasury	629.2	509.8	438.7	389.1	325.0
Less: 4,400,000 shares as at March 31, 2018, 3,300,000 shares as at March 31, 2017, 1,100,000 shares as at March 31, 2016 and Nil shares as at March 31, 2015 and 2014, held in treasury, at cost	(134.2)	(94.7)	(30.5)		
Total shareholders equity	**495.0**	**415.1**	**408.2**	**389.1**	**325.0**

Total liabilities and equity	**$ 759.6**	**$ 704.1**	**$ 525.5**	**$ 530.3**	**$ 538.4**

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

	For the year ended March 31,				
	2018	2017	2016	2015	2014
	(US dollars in millions, except percentages and employee data)				
Other Consolidated Financial Data:					
Revenue	$ 758.0	$ 602.5	$ 562.2	$ 533.9	$ 502.6
Gross profit as a percentage of revenue	33.6%	33.1%	35.0%	35.8%	34.8%
Operating profit as a percentage of revenue	12.5%	7.8%	13.0%	13.2%	9.8%
Non-GAAP Financial Data:					
Revenue less repair payments (non-GAAP)[7]	$ 741.0	$ 578.4	$ 531.0	$ 503.0	$ 471.5
Gross profit as a percentage of revenue less repair payments (non-GAAP)	34.4%	34.4%	37.1%	38.0%	37.1%
Operating profit as a percentage of revenue less repair payments (non-GAAP)	12.8%	8.2%	13.7%	14.0%	10.5%
Operating Data:					
Number of employees (at year end) [8]	36,540	34,547	32,388	28,890	27,020

Notes:

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

	For the year ended March 31,				
	2018	2017	2016	2015	2014
	(US dollars in millions)				
Cost of revenue	$ 3.8	$ 2.8	$ 1.9	$ 0.8	$ 1.3
Selling and marketing expenses	$ 2.6	$ 1.7	$ 1.4	$ 0.8	$ 0.6
General and administrative expenses	$ 24.2	$ 18.5	$ 14.6	$ 7.9	$ 5.0

(2) Consists of funds held for clients, derivative assets and prepayments and other current assets.

(3) Consists of non-current portion of derivative assets and other non-current assets.

(4) Consists of provisions and accrued expenses, derivative liabilities, pension and other employee obligations, deferred revenue, current taxes payable and other liabilities.

(5) Consists of non-current portion of derivatives liabilities, pension and other employee obligations, deferred revenue, deferred tax liabilities and other non-current liabilities.

(6) Consists of retained earnings and other components of equity.

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

(8) Commencing fiscal 2018, we are including in our disclosed total head count the number of apprentices employed under the India government scheme, National Employability Enhancement Mission, pursuant to which apprentices undergo a three to 36 month apprenticeship to enhance their employability. There is no guarantee of employment with WNS following the completion of the apprenticeship. Our previously disclosed total head count does not include apprentices. The total head count presented for prior periods in the table above have been re-computed to include apprentices for comparative purposes.

	For the year ended March 31,				
	2018	2017	2016	2015	2014
	(US dollars in millions)				
Revenue (GAAP)	$ 758.0	$ 602.5	$ 562.2	$ 533.9	$ 502.6
Less: Payments to repair centers[a]	17.0	24.1	31.2	30.9	31.1
Revenue less repair payments (non-GAAP)	$ 741.0	$ 578.4	$ 531.0	$ 503.0	$ 471.5

Note:

(a) Consists of payments to repair centers in our auto claims business for fault repair cases where we act as the principal in our dealings with the third party repair centers and our clients.

We have two reportable segments for financial statement reporting purposes WNS Global BPM and WNS Auto Claims BPM. In our WNS Auto Claims BPM segment, we provide both fault and non-fault repairs. For fault repairs, we provide claims handling and repair management services, where we arrange for automobile repairs through a network of third party repair centers. Effective July 1, 2015, WNS Legal Assistance LLP, a subsidiary of WNS Assistance Limited, received an approval from the Solicitors Regulatory Authority, UK, to provide legal services in relation to personal injury claims. In our repair management services, where we act as the principal in our dealings with the third party repair centers and our clients, the amounts which we invoice to our clients for payments made by us to third party repair centers are reported as revenue. Where we are not the principal in providing the services, we record revenue from repair services net of repair cost. Since we wholly subcontract the repairs to the repair centers, we evaluate the financial performance of our fault repair business based on revenue less repair payments (non-GAAP) to third party repair centers, which is a non-GAAP financial measure. We believe that revenue less repair payments (non-GAAP) for fault repairs reflects more accurately the value addition of the business process management services that we directly provide to our clients.

For our non-fault repairs business, we generally provide a consolidated suite of accident management services including credit hire and credit repair, and we believe that measurement of such business on a basis that includes repair payments in revenue is appropriate. Revenue including repair payments is therefore used as a primary measure to allocate resources and measure operating performance for accident management services provided in our non-fault repairs business. Our non-fault repairs business where we provide accident management services, accounts for a relatively small portion of our revenue for our WNS Auto Claims BPM segment.

This non-GAAP financial information is not meant to be considered in isolation or as a substitute for our financial results prepared in accordance with GAAP. We believe that the presentation of this non-GAAP financial measure in this annual report provides useful information for investors regarding the financial performance of our business and our two reportable segments. Our revenue less repair payments (non-GAAP) may not be comparable to similarly titled measures reported by other companies due to potential differences in the method of calculation.

B. Capitalization and Indebtedness

Not applicable.

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C. Reason for the Offer and the Use of Proceeds

Not applicable.

D. Risk Factors

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

Risks Related to Our Business

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

Global economic conditions continue to show signs of turbulence. Although some key indicators of sustainable economic growth show signs of improvement, volatility in the domestic politics of major markets may lead to changes in the institutional framework of the international economy.

In June 2016, a majority of voters in the United Kingdom elected to withdraw from the European Union in a national referendum. The referendum was advisory, and the terms of any withdrawal are subject to a negotiation period that could last at least two years after the government of the United Kingdom formally initiated a withdrawal process on March 29, 2017, putting the United Kingdom on track to leave the European Union by April 2019. The referendum has created significant uncertainty about the future relationship between the United Kingdom and the European Union, including with respect to the laws and regulations that will apply as the United Kingdom determines which European Union-derived laws to replace or replicate in the event of a withdrawal. The referendum has also given rise to calls for the governments of other European Union member states to consider withdrawal. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have a material adverse effect on our business, financial condition and results of operations.

31.8% of our revenues and 30.2% of our revenue less repair payments (non-GAAP) for fiscal 2018 and 39.6% of our revenues and 37.0% of our revenue less repair payments (non-GAAP) for fiscal 2017, respectively, are denominated in pound sterling. The extent and duration of any potential decline in the value of the pound sterling to the U.S. dollar and other currencies is unknown at this time. A long-term reduction in the value of the pound sterling as a result of the U.K. referendum could adversely impact our earnings growth rate and profitability. We believe that our hedging program is effective and it substantially protects us against fluctuations in foreign currency exchange rates through a mix of forwards and options for this current fiscal year.

In the US, economic growth is tempered by continuing concerns over the failure to achieve a long-term solution to the issues of government spending, the increasing US national debt, and their negative impact on the US economy as well as concerns over potential increases in cost of borrowing and reduction in availability of credit as the US Federal Reserve begins raising interest rates. The policies that may be pursued by the presidential administration in the US,

particularly with respect to implementation of the 2017 US Tax Reforms, have added further uncertainty to the global economy, and the prevailing political climate may lead to more protectionist policies. Globally, countries may require additional financial support, sovereign credit ratings may continue to decline, and there may be default on sovereign debt obligations of certain countries. Any of these may increase the cost of borrowing and cause credit to become more limited. Further, there continue to be signs of economic weakness, such as relatively high levels of unemployment, in major markets including Europe. Continuing conflicts and instability in various regions around the world may lead to additional acts of terrorism, and armed conflict around the world. The ongoing refugee crisis in Europe, North Africa and the Middle East may contribute to political and economic instability in those regions. A resurgence of isolationist and/or protectionist policies in North America, Europe and Asia may curtail global economic growth. China continues to have room for economic growth, but such growth opportunities remain subject to political developments and uncertainties in the regulatory framework of the economy. Further, there is uncertainty regarding the imposition of tariffs on Chinese imports in the United States and the impact of a potential trade war between China and the United States on the global economy.

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

Changing economic conditions may have an effect on foreign exchange rates, which in turn may affect our business. For further information, see Currency fluctuations among the Indian rupee, the pound sterling, the US dollar, the Australian dollar and the South African rand could have a material adverse effect on our results of operations.

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

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

We have derived and believe that we will continue to derive in the near term a significant portion of our revenue from a limited number of large clients. In fiscal 2018 and 2017, our five largest clients accounted for 29.4% and 32.1% of our revenue and 30.1% and 33.5% of our revenue less repair payments (non-GAAP), respectively. In fiscal 2018 and 2017, our three largest clients accounted for 19.2% and 21.5% of our revenue and 19.6% and 22.4% of our revenue less repair payments (non-GAAP), respectively. In fiscal 2018, our largest client, Aviva Global Services (Management Services) Private Limited (Aviva MS), individually accounted for 6.8% and 7.0% of our revenue and revenue less repair payments (non-GAAP), respectively, as compared to 9.0% and 9.4% in fiscal 2017, respectively. Any loss of business from any major client could reduce our revenue and significantly harm our business.

For example, in line with our expectations, one of our top five clients by revenue contribution in fiscal 2014, an online travel agency (OTA), provided us with lower volume of business in fiscal 2015 as the OTA entered into a strategic marketing agreement with another OTA in August 2013, pursuant to which, it, over a period of time, from the fourth quarter of fiscal 2014 to the fourth quarter of fiscal 2015, moved its customer care and sales processes that were previously managed by us to a technology platform managed by the other OTA. As a result, we lost most of our business from that OTA and since June 2015, we ceased to provide services to that OTA. That OTA accounted for 2.5% and 6.1% of our revenue and 2.6% and 6.5% of our revenue less repair payments (non-GAAP) in fiscal 2015 and 2014, respectively. The other OTA uses several BPM vendors to manage such processes on their technology platform. We are approved as one of the other OTA s providers of BPM services. We have managed to compete with incumbent BPM vendors for the other OTA s business and the other OTA has become one of our large clients.

Revenue from Aviva MS under our master services agreement with Aviva MS (the Aviva master services agreement) accounts for a significant portion of our revenue and we expect our dependence on Aviva MS to continue for the foreseeable future. The terms of the Aviva master services agreement include termination at will provisions which permit Aviva MS to terminate the agreement without cause with 180 days notice upon payment of a termination fee.

In addition, the volume of work performed for specific clients is likely to vary from year to year, particularly since we may not be the exclusive outside service provider for our clients. Thus, a major client in one year may not provide the same level of revenue in any subsequent year. For example, revenue from Aviva MS has been decreasing since fiscal 2016, from $61.4 million in fiscal 2016 to $51.9 million in fiscal 2018. Part of this decline in revenue is attributable to revised pricing terms and part is attributable to a reduction of services due to automation performed by Aviva MS on their end. The loss of some or all of the business of any large client could have a material adverse effect on our business, results of operations, financial condition and cash flows. A number of factors other than our performance could cause the loss of or reduction in business or revenue from a client, and these factors are not predictable. For example, a client may demand price reductions, change its outsourcing strategy or move work in-house. A client may also be acquired by a company with a different outsourcing strategy that intends to switch to another business process management service provider or return work in-house.

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

A substantial portion of our clients are concentrated in the insurance industry and the travel and leisure industry. In fiscal 2018 and 2017, 25.7% and 29.6% of our revenue, respectively, and 24.0% and 26.6% of our revenue less repair payments (non-GAAP), respectively, were derived from clients in the insurance industry. During the same periods, clients in the travel and leisure industry contributed 18.7% and 21.3% of our revenue, respectively, and 19.2% and 22.1% of our revenue less repair payments (non-GAAP), respectively. Our business and growth largely depend on continued demand for our services from clients in these industries and other industries that we may target in the future, as well as on trends in these industries to outsource business processes.

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Turbulence in the global economy affects both the industries in which our clients are concentrated and the geographies in which we do business. For further details, see The global economic and geo-political conditions have been challenging and have had, and may continue to have, an adverse effect on the financial markets and the economy in general, which has had, and may continue to have, a material adverse effect on our business, our financial performance and the prices of our equity shares and ADSs. Certain of our targeted industries are especially vulnerable to crises in the financial and credit markets and potential economic downturns. A downturn in any of our targeted industries, particularly the insurance or travel and leisure industries, a slowdown or reversal of the trend to offshore business process outsourcing in any of these industries or the introduction of regulation which restricts or discourages companies from outsourcing could result in a decrease in the demand for our services and adversely affect our results of operations.

Further, any weakening of or uncertainty in worldwide economic and business conditions could result in a few of our clients reducing or postponing their outsourced business requirements, which in turn could decrease the demand for our services and adversely affect our results of operations. In particular, our revenue is highly dependent on the economic environments in Europe and the US. While both the European and US economies have recently shown signs of improved growth, there is no assurance that such growth will continue. In fiscal 2018 and 2017, 40.4% and 47.5% of our revenue, respectively, and 39.0% and 45.3% of our revenue less repair payments (non-GAAP), respectively, were derived from clients located in Europe (including the UK). During the same periods, 40.7% and 32.6% of our revenue, respectively, and 41.6% and 33.9% of our revenue less repair payments (non-GAAP), respectively, were derived from clients located in North America (primarily the US). Any weakening of or uncertainty in the European or US economy will likely have a further adverse impact on our revenue.

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

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

Although substantially all of our revenue is denominated in pound sterling, US dollars, and to a lesser extent, Australian dollars and South African rand, a significant portion of our expenses (other than payments to repair centers, which are primarily denominated in pound sterling) are incurred and paid in Indian rupees and, to a lesser extent, in South African rand and Philippine pesos. Therefore, a weakening of the rate of exchange for the pound sterling, the US dollar or the Australian dollar against the Indian rupee or, to a lesser extent, a weakening of the pound sterling against the South African rand or the Philippine pesos would adversely affect our results. Furthermore, we report our financial results in US dollars and our results of operations would be adversely affected if the pound sterling or Australian dollar depreciates against the US dollar, or if the Indian rupee or, to a lesser extent, the South African rand or the Philippine peso appreciates against the US dollar. Although the expected shift in US monetary policy to increase short term interest rates may strengthen the US dollar against a number of currencies, particularly against emerging market currencies, fluctuations between the pound sterling, the Indian rupee, the South African rand, the Australian dollar or the Philippine peso, on the one hand, and the US dollar, on the other hand, also expose us to translation risk when transactions denominated in such currencies are translated to US dollars, our reporting currency. The exchange rates between each of the pound sterling, Indian rupee, South African rand, Australian dollar and Philippine peso, on the one hand, and the US dollar, on the other hand, have changed substantially in recent years and may fluctuate substantially in the future.

The referendum in the United Kingdom regarding withdrawal from the EU has created uncertainty in the British and European economies as the United Kingdom continues to negotiate the terms of its withdrawal, and in the global economy as a whole. See The global economic and geo-political conditions have been challenging and have had, and may continue to have, an adverse effect on the financial markets and the economy in general, which has had, and may continue to have, a material adverse effect on our business, our financial performance and the prices of our equity shares and ADSs. These developments have caused, and may continue to cause, volatility in the exchange rates between the pound sterling and other currencies.

The average pound sterling to US dollar exchange rate was approximately £0.75 per $1.00 in fiscal 2018, which represented an appreciation of the pound sterling by an average of 1.4% as compared with the average exchange rate of £0.76 per $1.00 in fiscal 2017, which in turn represented a depreciation of the pound sterling by an average of 13.4% as compared with the average exchange rate of £0.66 per $1.00 in fiscal 2016.

The average Indian rupee to US dollar exchange rate was approximately 64.46 per $1.00 in fiscal 2018, which represented an appreciation of the Indian rupee by an average of 3.9% as compared with the average exchange rate of approximately 67.10 per $1.00 in fiscal 2017, which in turn represented a depreciation of the Indian rupee by an average of 2.6% as compared with the average exchange rate of approximately 65.43 per $1.00 in fiscal 2016.

The average South African rand exchange rate was approximately R12.98 per $1.00 in fiscal 2018, which represented an appreciation of the South African rand by an average of 7.8% as compared with the average exchange rate of approximately R14.07 per $1.00 in fiscal 2017, which in turn represented a depreciation of the South African rand by an average of 2.3% as compared with the average exchange rate of approximately R13.75 per $1.00 in fiscal 2016.

The average Australian dollar exchange rate was approximately A1.29 per $1.00 in fiscal 2018, which represented an appreciation of the Australian dollar by an average of 2.8% as compared with the average exchange rate of approximately A1.33 per $1.00 in fiscal 2017, which in turn represented an appreciation of the Australian dollar by an average of 2.1% as compared with the average exchange rate of approximately A1.36 per $1.00 in fiscal 2016.

The average Philippine peso exchange rate was approximately PHP 50.76 per $1.00 in fiscal 2018, which represented a depreciation of the Philippine peso by an average of 5.4% as compared with the average exchange rate of approximately PHP 48.18 per $1.00 in fiscal 2017, which in turn represented a depreciation of the Philippine peso by an average of 4.2% as compared with the average exchange rate of approximately PHP 46.22 per $1.00 in fiscal 2016.

Our results of operations would be adversely affected if the Indian rupee appreciates significantly against the pound sterling or the US dollar or if the pound sterling or the Australian dollar depreciates against the US dollar or, to a lesser extent, the South African rand or the Philippine peso appreciates significantly against the US dollar. For example, the depreciation of the pound sterling against the US dollar, and the appreciation of the Indian rupee and the South African rand against the US dollar for the year ended March 31, 2018 negatively impacted our results of operations whereas the appreciation of the Australian dollar against the US dollar positively impacted our results of operations during that year.The depreciation of the South African rand against the US dollar in fiscal 2017 and 2016 and the appreciation of the Australian dollar against the US dollar in fiscal 2017 positively impacted our results of operations in these years, whereas the depreciation of the pound sterling against the US dollar in fiscal 2017 and 2016 and the depreciation of the Australian dollar against the US dollar in fiscal 2016 negatively impacted our results of operations in these years.

We hedge a portion of our foreign currency exposures using options and forward contracts. We cannot assure you that our hedging strategy will be successful or will mitigate our exposure to currency risk.

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

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

- legal uncertainty owing to the overlap of different legal regimes, and problems in asserting contractual or other rights across international borders;
- potentially adverse tax consequences, such as scrutiny of transfer pricing arrangements by authorities in the countries in which we operate;
- potential tariffs and other trade barriers;
- unexpected changes in legal regimes and regulatory requirements;
- policy changes due to changes in government;

For example, during the fourth quarter of fiscal 2017, proposed changes to the laws of the UK governing personal injury claims generated uncertainty regarding the future earnings trajectory of our legal services business in our WNS Auto Claims BPM segment, as a result of which we had expected that we would eventually exit from providing legal services in relation to personal injury claims. We also experienced a decrease in volume of and loss of business from certain clients of our traditional repair services in our WNS Auto Claims BPM segment in fiscal 2017. As a result, we had in fiscal 2017 expected the future performance of our WNS Auto Claims BPM segment to decline significantly and therefore significantly reduced our financial projections and estimates of our WNS Auto Claims BPM segment. Accordingly, we performed an impairment review of the goodwill associated with the companies we had acquired for our auto claims business and recorded an impairment charge of $21.7 million to our results of operations for fiscal 2017. While we expect our business in our WNS Auto Claims BPM segment to improve in fiscal 2019, there s no assurance that it will improve to our expected level of performance or at all. The occurrence of other changes in legal regimes or regulatory requirements, or any other events associated with the risks of conducting business internationally, could have a material adverse effect on our results of operations and financial condition.

Our global operations expose us to numerous and sometimes conflicting legal and regulatory requirements. Failure to adhere to the laws and regulations that govern our business or our clients businesses that we are required to comply with in performing our services could harm our business.

We have operations in 11 countries and our corporate structure spans multiple jurisdictions. Further, we service clients across multiple geographic regions and multiple industries. We are required to comply with numerous, and sometimes

conflicting and uncertain, laws and regulations including on matters relating to import/export controls, trade restrictions, taxation, immigration, internal disclosure and control obligations, securities regulation, anti-competition, data privacy and protection, anti-corruption, and employment and labor relations. In addition, we are required to obtain and maintain permits and licenses for the conduct of our business in various jurisdictions. Our clients business operations are also subject to numerous regulations in the jurisdiction in which they operate or that are applicable to their industry, and our clients may contractually require that we perform our services in compliance with regulations applicable to them or in a manner that will enable them to comply with such regulations. For example, regulations to which our clients business operations are subject include the Gramm-Leach-Bliley Act, the Health Insurance Portability and Accountability Act and Health Information Technology for Economic and Clinical Health Act in the US and the Financial Services Act in the UK and upcoming regulations such as the General Data Protection Regulation in the European Union, which will be effective from May 2018. In addition, MTS HealthHelp Inc. and its subsidiaries (HealthHelp), which we acquired in March 2017, administer programs offered by the Centers for Medicare & Medicaid Services, a United States federal agency that administers Medicare and Medicaid. Regulatory changes may result in our exiting certain parts of our business.

On account of the global nature of our and our clients operations, compliance with diverse legal and regulatory requirements is difficult, time-consuming and requires significant resources. Further, the extent of development of legal systems varies across the countries in which we operate and local laws may not be adequately developed or be able to provide us clear guidance to sufficiently protect our rights. Specifically, in many countries including those in which we operate and/or seek to expand to, the practices of local businesses may not be in accord with international business standards and could violate anti-corruption laws and regulations, including the UK Bribery Act 2010 and the US Foreign Corrupt Practices Act 1977. Our employees, subcontractors, agents, business partners, the companies we acquire and their employees, subcontractors and agents, and other third parties with which we associate, could act in a manner which violates policies or procedures intended to ensure compliance with laws and regulations, including applicable anti-corruption laws or regulations.

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Violations of such laws or regulations by us, our employees or any of these third parties could subject us to criminal or civil enforcement actions (whether or not we participated or were aware of the actions leading to the violations), including fines or penalties, breach of contract damages, disgorgement of profits and suspension or disqualification from work, any of which could materially and adversely affect our business, including our results of operations and our reputation. If we are unable to maintain our licenses, permits or other qualifications necessary to provide our services, we may not be able to provide services to existing clients or be able to attract new clients and could lose revenue, which could have a material adverse effect on our business.

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

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

These competitors may include entrants from the communications, software and data networking industries or entrants in geographic locations with lower costs than those in which we operate. Technological changes include the development of complex automated systems for the processing of transactions that are formerly labor intensive, which may reduce or replace the need for outsourcing such transaction processing.

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

Changes in technology could lead to changes in our clients businesses as well as their requirements for business process services, which may adversely impact our business and results of operations.

Proliferation of accessible technology, such as smartphones and internet, has had an impact on the manner in which customers and businesses interact with each other. Companies are increasingly adopting social media platforms, online self-help portals and mobile applications for communicating with and servicing their customers rather than utilizing business process management companies such as ourselves to manage these interactions. Our clients also continue to invest in technology by upgrading their platforms and application capabilities towards increased automation of transactions. Advances in software, such as robotic process automation and voice recognition, have the potential to reduce dependency on human processing transactions. Such developments and other innovations, such as autonomous vehicles, have the potential to significantly change the way our clients businesses operate and may reduce their dependency on business process management companies, including our company, for managing their business processes. We are therefore subject to a risk of disintermediation on account of such changes in technology, which could impact our future growth prospects and may require continued investments in our business.

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

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

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

We depend on human resources to process transactions for our clients. Disruptive incidents, including man-made events such as civil strikes and shutdowns, may impact the ability of our employees to commute to and from our operating premises. Non-natural disasters, whether unintentional (such as those caused by accidents) or intentional (such as those caused by terrorist attacks), may also disrupt our operations. While we have implemented business continuity plans for clients where we have contractually agreed to do so, we may not always be able to provide services to our clients for the duration of such incidents.

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

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We are liable to our clients for damages caused by unauthorized disclosure of sensitive or confidential information, whether through a breach or circumvention of our or our clients computer systems and processes, through our employees or otherwise. Further, cybersecurity and data privacy considerations could impact our business.

We are typically required to manage, utilize and store sensitive or confidential client data in connection with the services we provide. Under the terms of our client contracts, we are required to keep such information strictly confidential. Our client contracts do not include any limitation on our liability to them with respect to breaches of our obligation to maintain confidentiality on the information we receive from them. Although we seek to implement measures to protect sensitive and confidential client data, there can be no assurance that we would be able to prevent breaches of security. Further, some of our projects require us to conduct business functions and computer operations using our clients systems over which we do not have control and which may not be compliant with industry security standards. In addition, some of the client designed processes that we are contractually required to follow for delivering services to them and which we are unable to unilaterally change, could be designed in a manner that allows for control weaknesses to exist and be exploited. Any vulnerability in a client s system or client designed process, if exploited, could result in breaches of security or unauthorized transactions and result in a claim for substantial damages against us. Although we have implemented appropriate policies, procedures and infrastructure to reduce the possibility of physical, logical and personnel security breaches, along with appropriate audit oversight for verifying continued operating effectiveness of the same through internal audits and external SSAE16 / ISAE3402, ISO27001 and PCI-DSS reviews, such measures can never completely eliminate the risk of cybersecurity attacks. If any person, including any of our employees, penetrates our or our clients network security or otherwise mismanages or misappropriates sensitive or confidential client data, we could be subject to significant liability and lawsuits from our clients or their customers for breaching contractual confidentiality provisions or privacy laws.

To date, although there has not been a material cybersecurity attack that has had an adverse effect on our operations, there is no assurance that there may not be a material adverse effect in the future. Rapid advancements and changes to the technological landscape may require us to make significant further investments in the domain of cybersecurity in order to protect our and our clients data and infrastructure. In addition, such advancements coupled with the rise in the sophisticated nature of cyber threats and attacks make it possible that certain threats or vulnerabilities may not be detected in time to prevent an attack on our or our clients business. On account of the interconnected nature of our business, there is an interdependency between our clients, business partners and our business to implement appropriate cybersecurity controls in order to mitigate cybersecurity risk. A failure of cybersecurity controls at our client or business partners could therefore result in a breach at our company.

While we have insurance coverage for mismanagement or misappropriation of such information by our employees, that coverage may not continue to be available on reasonable terms or in sufficient amounts to cover one or more large claims against us, and our insurers may disclaim coverage as to any future claims. Penetration of the network security of our or our clients data centers or computer systems or unauthorized use or disclosure of sensitive or confidential client data, whether through breach of our or our clients computer systems, systems failure, loss or theft of assets containing confidential information or otherwise, could also have a negative impact on our reputation which would harm our business.

We also cannot be certain that advances in criminal capabilities (including cyber-attacks or cyber intrusions over the internet, malware, computer viruses and the like), discovery of new vulnerabilities or attempts to exploit existing vulnerabilities in our or our clients or business partners systems, other data thefts, physical system or network break-ins or inappropriate access, or other developments will not compromise or breach the technology protecting our or our client s or business partners computer systems and networks that access and store sensitive information. Cyber threats, such as phishing and trojans, could intrude into our or our client s or business partners network to steal data or to seek sensitive information. Any intrusion into our network or our client s or business partners network (to the extent

attributed to us or perceived to be attributed to us) that results in any breach of security could cause damage to our reputation and adversely impact our business and financial results. A significant failure in security measures could have a material adverse effect on our business, reputation, results of operations and financial condition.

Our business could be materially and adversely affected if we do not protect our intellectual property or if our services are found to infringe on the intellectual property of others.

Our success depends in part on certain methodologies, practices, tools and technical expertise we utilize in designing, developing, implementing and maintaining applications and other proprietary intellectual property rights. In order to protect our rights in such intellectual properties, we rely upon a combination of nondisclosure and other contractual arrangements as well as trade secret, copyright and trademark laws. We also generally enter into confidentiality agreements with our employees, consultants, clients and potential clients, and limit access to and distribution of our proprietary information to the extent required for our business purpose.

India is a member of the Berne Convention, an international intellectual property treaty, and has agreed to recognize protections on intellectual property rights conferred under the laws of other foreign countries, including the laws of the United States. There can be no assurance that the laws, rules, regulations and treaties in effect in the United States, India and the other jurisdictions in which we operate and the contractual and other protective measures we take, are adequate to protect us from misappropriation or unauthorized use of our intellectual property, or that such laws will not change. We may not be able to detect unauthorized use and take appropriate steps to enforce our rights, and any such steps may not be successful. Infringement by others of our intellectual property, including the costs of enforcing our intellectual property rights, may have a material adverse effect on our business, results of operations and financial condition.

Our clients may provide us with access to, and require us to use, third party software in connection with our delivery of services to them. Our client contracts generally require our clients to indemnify us for any infringement of intellectual property rights or licenses to third party software when our clients provide such access to us. If the indemnities under our client contracts are inadequate to cover the damages and losses we suffer due to infringement of third party intellectual property rights or licenses to third party software to which we were given access, our business and results of operations could be adversely affected. We are also generally required, by our client contracts, to indemnify our clients for any breaches of intellectual property rights by our services. Although we believe that we are not infringing on the intellectual property rights of others, claims may nonetheless be successfully asserted against us in the future. The costs of defending any such claims could be significant, and any successful claim may require us to modify, discontinue or rename any of our services. Any such changes may have a material adverse effect on our business, results of operations and financial condition.

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

The terms of our client contracts typically range from three to five years. Many of our client contracts can be terminated by our clients with or without cause, with three to six months notice and, in most cases, without penalty. The termination of a substantial percentage of these contracts could adversely affect our business and reduce our revenue. Contracts that will expire on or before March 31, 2019 (including work orders/statement of works that will expire on or before March 31, 2019) represented approximately 15.2% of our revenue and 15.6% of our revenue less repair payments (non-GAAP) from our clients in fiscal 2018. Failure to meet contractual requirements could result in cancellation or non-renewal of a contract. Some of our contracts may be terminated by the client if certain of our key personnel working on the client project leave our employment and we are unable to find suitable replacements. In addition, a contract termination or significant reduction in work assigned to us by a major client could cause us to experience a higher than expected number of unassigned employees, which would increase our cost of revenue as a percentage of revenue until we are able to reduce or reallocate our headcount. We may not be able to replace any client that elects to terminate or not renew its contract with us, which would adversely affect our business and revenue.

For example, one of our largest auto claims clients by revenue contribution in fiscal 2012 terminated its contract with us with effect from April 18, 2012. This client accounted for 10.4% and 7.5% of our revenue and 1.3% and 1.9% of our revenue less repair payments (non-GAAP) in fiscal 2012 and 2011, respectively.

In addition, one of our top five clients by revenue contribution in fiscal 2014, an OTA, provided us with a lower volume of business in fiscal 2015 as the OTA entered into a strategic marketing agreement with another OTA in August 2013 pursuant to which it over a period of time, from the fourth quarter of fiscal 2014 to the fourth quarter of fiscal 2015, moved its customer care and sales processes that were previously managed by us to a technology platform managed by the other OTA. As a result, we lost most of our business from that OTA and since June 2015, we ceased to provide services to that OTA. That OTA accounted for 2.5% and 6.1% of our revenue and 2.6% and 6.5% of our revenue less repair payments (non-GAAP) in fiscal 2015 and 2014, respectively. The other OTA uses several BPM vendors to manage such processes on their technology platform. We are approved as one of the other OTA s providers of BPM services. We have managed to compete with incumbent BPM vendors for the other OTA s business and the other OTA has become one of our largest clients. For more information, see A few major clients account for a significant portion of our revenue and any loss of business from these clients could reduce our revenue and significantly harm our business.

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

In many of our client contracts, we agree to include certain provisions which provide for downward revision of our prices under certain circumstances. For example, certain contracts allow a client in certain limited circumstances to request a benchmark study comparing our pricing and performance with that of an agreed list of other service providers for comparable services. Based on the results of the study and depending on the reasons for any unfavorable variance, we may be required to make improvements in the service we provide or to reduce the pricing for services to be performed under the remaining term of the contract. Some of our contracts also provide that, during the term of the contract and for a certain period thereafter ranging from six to 12 months, we may not provide similar services to certain or any of their competitors using the same personnel. These restrictions may hamper our ability to compete for and provide services to other clients in the same industry, which may result in lower future revenue and profitability.

Some of our contracts specify that if a change in control of our company occurs during the term of the contract, the client has the right to terminate the contract. These provisions may result in our contracts being terminated if there is such a change in control, resulting in a potential loss of revenue.

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Fraud on account of circumvention of controls within our or our clients computer systems and processes could adversely impact our business.

Our business is dependent on the secure and reliable operation of controls within our and our clients information systems and processes, whether operated or executed by our clients themselves or by us in connection with our provision of services to them. Although we take adequate measures to safeguard against system-related and other fraud, there can be no assurance that we would be able to prevent fraud or even detect them on a timely basis, particularly where it relates to our clients information systems which are not managed by us. For example, we have identified incidences where our employees have allegedly exploited weaknesses in information systems as well as processes in order to record fraudulent transactions. We are generally required to indemnify our clients from third party claims arising out of such fraudulent transactions and our client contracts generally do not include any limitation on our liability to our clients losses arising from fraudulent activities by our employees. Our expansion into new markets may create additional challenges with respect to managing the risk of fraud due to the increased geographical dispersion and use of intermediaries. Accordingly, we may have significant liability arising from fraudulent transactions which may materially affect our business and financial results. Although we have professional indemnity insurance coverage for losses arising from fraudulent activities by our employees, that coverage may not continue to be available on reasonable terms or in sufficient amounts to cover one or more large claims against us, and our insurers may also disclaim coverage as to any future claims. We may also suffer reputational harm as a result of fraud committed by our employees, or by our perceived inability to properly manage fraud related risks, which could in turn lead to enhanced regulatory oversight and scrutiny.

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

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

The issue of domestic companies outsourcing services to organizations operating in other countries is a topic of political discussion in the United States, as well as in Europe, Asia Pacific and other regions in which we have clients. Some countries and special interest groups have expressed concerns about a perceived association between offshore outsourcing and the loss of jobs in the domestic economy. This has resulted in increased political and media attention, especially in the United States, where the subject of outsourcing and immigration reform has been a focus of the current presidential administration. It is possible that there could be a change in the existing laws that would restrict offshore outsourcing or impose new standards that have the effect of restricting the use of certain visas in the foreign outsourcing context. The measures that have been enacted to date are generally directed at restricting the ability of government agencies to outsource work to offshore business service providers. These measures have not had a significant effect on our business because governmental agencies are not a focus of our operations. However, some legislative proposals would, for example, require contact centers to disclose their geographic locations, require notice to individuals whose personal information is disclosed to non-US affiliates or subcontractors, require disclosures of companies foreign outsourcing practices, or restrict US private sector companies that have federal government contracts, federal grants or guaranteed loan programs from outsourcing their services to offshore service providers. Potential changes in tax laws, including the implementation of the Tax Cuts and Jobs Act of 2017 (the 2017 US Tax Reforms) enacted on December 22, 2017 with an effective date of January 1, 2018, may also increase the overall costs of outsourcing or affect the balance of offshore and onshore business services. We are still analyzing certain aspects of the 2017 US Tax Reforms. Such legislation could have an adverse impact on the economics of outsourcing for private

companies in the US, which could in turn have an adverse impact on our business with US clients.

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

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

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

Adverse changes to our relationships with the companies with whom we have an alliance or in the business of the companies with whom we have an alliance could adversely affect our results of operations.

We have alliances with companies whose capabilities complement our own. For example, some of our services and solutions are based on technology, software or platforms provided by these companies. The priorities and objectives of these companies with whom we have an alliance may differ from ours. As most of our alliance relationships are non-exclusive, these companies with whom we have an alliance are not prohibited from competing with us or forming closer or preferred arrangements with our competitors. One or more of these companies with whom we have an alliance may be acquired by a competitor, or may merge with each other, either of which could reduce our access over time to the technology, software or platforms provided by those companies. In addition, these companies with whom we have an alliance could experience reduced demand for their technology, software or platforms, including, for example, in response to changes in technology, which could lessen related demand for our services and solutions. If we do not obtain the expected benefits from our alliance relationships for any reason, we may be less competitive, our ability to offer attractive solutions to our clients may be negatively affected, which could have an adverse effect on our results of operations.

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

In April 2014 our delivery center in South Carolina in the US became fully operational. We also opened an additional delivery center in Pennsylvania in the US in September 2014. In 2016, we opened an additional delivery center in the Philippines at Iloilo, and in fiscal 2017 we expanded into France, Germany and Turkey. We intend to continue to expand our global footprint in order to maintain an appropriate cost structure and meet our clients delivery needs. We plan to establish additional offshore delivery centers in the Asia Pacific and Europe, which may involve expanding into countries other than those in which we currently operate. Our expansion plans may also involve expanding into less developed countries, which may have less political, social or economic stability and less developed infrastructure and legal systems. As we expand our business into new countries we may encounter regulatory, personnel, technological and other difficulties that increase our expenses or delay our ability to start up our operations or become profitable in such countries. This may affect our relationships with our clients and could have an adverse effect on our business, results of operations, financial condition and cash flows.

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

We were founded in April 1996, and we have experienced growth and significantly expanded our operations. For example, over the last five fiscal years, our employees have increased to 36,540 as at March 31, 2018 from 25,520 as at March 31, 2013. In fiscal 2011, we expanded our delivery center in Romania. In fiscal 2014, our facilities in China and Sri Lanka became operational. In fiscal 2015, our delivery centers in South Carolina and Pennsylvania, in the US, as well as in South Africa, became fully operational, as did our newest facility in China. In fiscal 2016, we added new facilities in Durban and Port Elizabeth, South Africa and Iloilo, the Philippines. In fiscal 2017, we added new facilities

in Durban and Centurion, South Africa. We now have delivery centers across 11 countries in China, Costa Rica, India, the Philippines, Poland, Romania, South Africa, Sri Lanka, Turkey, the UK, and the US. We intend to further expand our global delivery capability, and we are exploring plans to do so in Asia Pacific and Europe.

We have also completed numerous acquisitions. For example, in the first quarter of fiscal 2017, we acquired Value Edge Research Services Private Limited (Value Edge), a provider of commercial research and analytics services to clients in the pharma industry based in India, the United States and Europe. Value Edge had 205 employees as at March 31, 2018. In January 2017, we acquired Denali Sourcing Services Inc. (Denali), a leading provider of strategic procurement BPM solutions based in the United States. With operations in United States, Turkey, China and India, Denali had 349 employees as at March 31, 2018. In March 2017, we acquired HealthHelp, an industry leader in care management based in the United States. HealthHelp had 455 employees as at March 31, 2018. For more information about more recent acquisitions, see We may not succeed in identifying suitable acquisition targets or integrating any acquired business into our operations, which could have a material adverse effect on our business, results of operations, financial conditions and cash flows.

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

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

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

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

The business process management industry relies on large numbers of skilled employees, and our success depends to a significant extent on our ability to attract, hire, train and retain qualified employees. The business process management industry, including our company, experiences high employee attrition. During each of fiscal 2018, 2017 and 2016, the attrition rate for our employees who have completed six months of employment with us was 29%, 34% and 34% respectively. Although the attrition rate for our employees has decreased in fiscal 2018, we cannot assure you that our attrition rate will not increase in the future. There is significant competition in the jurisdictions where our operation centers are located, including India, the Philippines, Romania, South Africa and Sri Lanka, for professionals with the skills necessary to perform the services we offer to our clients. Increased competition for these professionals, in the business process management industry or otherwise, could have an adverse effect on us. A significant increase in the attrition rate among employees with specialized skills could decrease our operating efficiency and productivity and could lead to a decline in demand for our services.

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

employees successfully could have a material adverse effect on our business, results of operations, financial condition and cash flows.

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

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

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

We have incurred a substantial amount of indebtedness in connection with recent acquisitions. As at March 31, 2018, we had total indebtedness of $89.9 million in secured bank loans. See Part I Item 5. Operating and Financial Review and Prospects Our loan agreements contain a number of covenants and other provisions that, among other things, may impose operating and financial restrictions on us and our subsidiaries. These restrictions could put a strain on our financial position. For example:

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

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

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

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

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

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

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

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

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

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

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

If material weaknesses are identified in our internal controls over financial reporting, we could be required to implement remedial measures. If we fail to maintain effective disclosure controls and procedures or internal control over financial reporting, we could lose investor confidence in the accuracy and completeness of our financial reports, which could have a material adverse effect on our ADS price.

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

Salaries and related benefits of our operations staff and other employees in countries where we have delivery centers, in particular India, are among our most significant costs. Wage costs in India have historically been significantly lower than wage costs in the US and Europe for comparably skilled professionals, which has been one of our competitive advantages. However, rapid economic growth in India, increased demand for business process management outsourcing to India, increased competition for skilled employees in India, and regulatory developments resulting in wage increases in India may reduce this competitive advantage. For example, the Government of India has proposed the Code on Wages Bill, 2017, which, if passed, would replace four central labor laws, including the Minimum Wages Act, 1948, the Payment of Wages Act, 1936, the Payment of Bonus Act, 1965, and the Equal Remuneration Act, 1976, and would introduce a national minimum wage for all employees to be administered by the central government. As a result, our wage costs in India may increase. In addition, if the US dollar or the pound sterling declines in value against the Indian rupee, wages in the US or the UK will further decrease relative to wages in India, which may further reduce our competitive advantage. We may need to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting the quantity and quality of employees that our business requires. Wage increases may reduce our profit margins and have a material adverse effect on our financial condition and cash flows.

Further, following the establishment of our delivery centers in the US in 2014, our operations in the US have expanded and our wage costs for employees located in the UK and the US now represent a larger proportion of our total wage costs. Wage increases in the UK and the US may therefore also reduce our profit margins and have a material adverse effect on our financial condition and cash flows.

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

Our operating results may differ significantly from period to period due to factors such as client losses, variations in the volume of business from clients resulting from changes in our clients operations, the business decisions of our clients regarding the use of our services, delays or difficulties in expanding our operational facilities and infrastructure, changes to our pricing structure or that of our competitors, inaccurate estimates of resources and time required to complete ongoing projects, currency fluctuations and seasonal changes in the operations of our clients. For

example, our clients in the travel and leisure industry experience seasonal changes in their operations in connection with the US summer holiday season, as well as episodic factors such as adverse weather conditions. Transaction volumes can be impacted by market conditions affecting the travel and insurance industries, including natural disasters, outbreak of infectious diseases or other serious public health concerns in Asia or elsewhere (such as the outbreak of the Influenza A (H7N9) virus in various parts of the world) and terrorist attacks. In addition, our contracts do not generally commit our clients to provide us with a specific volume of business.

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

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

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

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

Our profit margin, and therefore our profitability, is largely a function of our asset utilization and the rates we are able to recover for our services. An important component of our asset utilization is our seat utilization rate, which is the average number of work shifts per day, out of a maximum of three, for which we are able to utilize our work stations, or seats. During fiscal 2018, 2017 and 2016, we incurred significant expenditures to increase our number of seats by establishing additional delivery centers or expanding production capacities in our existing delivery centers. If we are not able to maintain the pricing for our services or an appropriate seat utilization rate, without corresponding cost reductions, our profitability will suffer. The rates we are able to recover for our services are affected by a number of factors, including our clients perceptions of our ability to add value through our services, competition, introduction of new services or products by us or our competitors, our ability to accurately estimate, attain and sustain revenue from client contracts, margins and cash flows over increasingly longer contract periods and general economic and political conditions. Our profitability is also a function of our ability to control our costs and improve our efficiency. As we increase the number of our employees and execute our strategies for growth, we may not be able to manage the

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

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

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

Our growth strategy involves gaining new clients and expanding our service offerings, both organically and through strategic acquisitions. It is possible that in the future we may not succeed in identifying suitable acquisition targets available for sale or investments on reasonable terms, have access to the capital required to finance potential acquisitions or investments, or be able to consummate any acquisition or investments. Future acquisitions or joint ventures may also result in the incurrence of indebtedness or the issuance of additional equity securities, which may present difficulties in financing the acquisition or joint venture on attractive terms. The inability to identify suitable acquisition targets or investments or the inability to complete such transactions may affect our competitiveness and our growth prospects.

Historically, we have expanded some of our service offerings and gained new clients through strategic acquisitions. For example, in January 2017, we acquired Denali, a leading provider of strategic procurement BPM solutions in the high tech, retail and CPG, banking and financial services, utilities and healthcare verticals, and in March 2017, we acquired HealthHelp, an industry leader in care management whose solutions are delivered by combining a proprietary technology platform rooted in evidence-based medical research, high-end predictive analytics, and deep healthcare industry expertise. In June 2016, we acquired Value Edge, a provider of commercial research and analytics services to clients in the pharma industry. The lack of profitability of any of our acquisitions or joint ventures could have a material adverse effect on our operating results.

In addition, our management may not be able to successfully integrate any acquired business into our operations or benefit from any joint ventures that we enter into, and any acquisition we do complete or any joint venture we do enter into may not result in long-term benefits to us. For instance, if we acquire a company, we could experience difficulties in assimilating that company s personnel, operations, technology and software, or the key personnel of the acquired company may decide not to work for us. There is no assurance that these acquisitions will be profitable for us. We also cannot assure you that we will be able to successfully integrate the business operations of Value Edge, Denali or HealthHelp with ours, or that we will be able to successfully leverage the assets of Value Edge, Denali or HealthHelp to grow our revenue, expand our service offerings and market share or achieve accretive benefits from these acquisitions. Further, we face the risk that the legal regime or regulatory requirements imposed on any business that we acquire may change following our acquisition and such changes may adversely affect our ability to achieve the expected accretive benefits from the acquisition, which could in turn require us to recognize an impairment of goodwill associated with the acquired business. See The international nature of our business exposes us to several

risks, such as significant currency fluctuations and unexpected changes in the regulatory requirements of multiple jurisdictions.

We also face risks arising from acquisitions of businesses reliant upon a small number of key clients. The value of such acquisitions may decline in the event that their key clients decide not to renew their contracts, or decrease their volume of business or the prices paid for services. For example, HealthHelp is reliant on one client. A decline in the volume of business from this client or in the pricing of our services to this client would likely adversely affect our ability to achieve the expected accretive benefits from our acquisition of HealthHelp.

Further, we may receive claims or demands by the sellers of the entities acquired by us on the indemnities that we have provided to them for losses or damages arising from any breach of contract by us. Conversely, while we may be able to claim against the sellers on their indemnities to us for breach of contract or breach of the representations and warranties given by the sellers in respect of the entities acquired by us, there can be no assurance that our claims will succeed, or if they do, that we will be able to successfully enforce our claims against the sellers at a reasonable cost. Acquisitions and joint ventures also typically involve a number of other risks, including diversion of management s attention, legal liabilities and the need to amortize acquired intangible assets, any of which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

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We recorded a significant impairment charge to our earnings in fiscal 2017 and may be required to record another significant charge to earnings in the future when we review our goodwill, intangible or other assets for potential impairment.

As at March 31, 2018, we had goodwill and intangible assets of approximately $224.8 million, which primarily resulted from our acquisitions of HealthHelp, Denali and Value Edge. Under IFRS, we are required to review our goodwill, intangibles or other assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. In addition, goodwill, intangible or other assets with indefinite lives are required to be tested for impairment at least annually. For example, during the fourth quarter of fiscal 2017, proposed changes to the laws of the UK governing personal injury claims generated uncertainty regarding the future earnings trajectory of our legal services business in our WNS Auto Claims BPM segment, as a result of which we had expected that we would eventually exit from providing legal services in relation to personal injury claims. We have also experienced a decrease in volume of and loss of business from certain clients of our traditional repair services in our WNS Auto Claims BPM segment in fiscal 2017. As a result, we had in fiscal 2017 expected the future performance of our WNS Auto Claims BPM segment to decline significantly and therefore significantly reduced our financial projections and estimates of our WNS Auto Claims BPM segment. Accordingly, we performed an impairment review of the goodwill associated with the companies we had acquired for our auto claims business and recorded an impairment charge of $21.7 million to our results of operations for fiscal 2017. While we expect our business in our WNS Auto Claims BPM segment to improve in fiscal 2019, there s no assurance that it will improve to our expected level of performance or at all. See also The international nature of our business exposes us to several risks, such as significant currency fluctuations and unexpected changes in the regulatory requirements of multiple jurisdictions. We may be required to record further impairment charges to our goodwill and intangible assets associated with other acquisitions in the future. For example, of the total $224.8 million in goodwill and intangible assets we had as at March 31, 2018, $100.1 million pertains to our acquisition of HealthHelp in fiscal 2017. This goodwill and intangible assets associated with our acquisition of HealthHelp is primarily attributable to HealthHelp s expected business from one client. Pricing of services to this client will be due for renegotiation in fiscal 2019. There is no assurance that the pricing terms will be renewed on terms acceptable to us. If there is a significant decline in the prices charged for services to this client or a decrease in the volume of business from this client, we may be required to review our goodwill and intangible assets for impairment and record a further impairment charge. Further, if, for example, the research and analytics industry experiences a significant decline in business and we determine that we will not be able to achieve the cash flows that we had expected from our acquisitions of Marketics Technologies (India) Private Limited (Marketics) and Value Edge, we may have to record an impairment of all or a portion of the goodwill or intangible assets relating to those acquisitions. Any further impairment to our goodwill or intangible assets may have a significant adverse impact on our results of operations.

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

As a company incorporated in Jersey, Channel Islands, we are currently subject to no Jersey income tax. Although we continue to enjoy the benefits of the Jersey business tax regime, if Jersey tax laws change or the tax benefits we enjoy are otherwise withdrawn or changed, we may become liable for higher tax, thereby reducing our profitability.

Risks Related to Key Delivery Locations

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

Our primary operating subsidiary, WNS Global Services Private Limited (WNS Global), is incorporated in India, and a substantial portion of our assets and employees are located in India. The Government of India, however, has exercised and continues to exercise significant influence over many aspects of the Indian economy. The Government of India has provided significant tax incentives and relaxed certain regulatory restrictions in order to encourage foreign investment in specified sectors of the economy, including the business process management industry. Those programs that have benefited us include tax holidays, liberalized import and export duties and preferential rules on foreign investment and repatriation. We cannot assure you that such liberalization policies will continue. The Government of India may also enact new tax legislation or amend the existing legislation that could impact the way we are taxed in the future. For more information, see New tax legislation and the results of actions by taxing authorities may have an adverse effect on our operations and our overall tax rate. Other legislation passed by the Government of India may also impact our business. For example, in December 2015, the Government of India amended the Payment of Bonus Act, 1965, which mandated increased employee bonus amounts for certain wage categories, effective retroactively from April 1, 2014. As a result, our wage costs in India have increased. Our financial performance and the market price of our ADSs may be adversely affected by changes in inflation, exchange rates and controls, interest rates, Government of India policies (including taxation regulations and policies), social stability or other political, economic or diplomatic developments affecting India in the future.

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

The United Kingdom s impending withdrawal from the European Union may have a negative effect on our operations in the United Kingdom and European Union.

We have operations in the United Kingdom, Romania and Poland. In June 2016, a majority of voters in the United Kingdom elected to withdraw from the European Union in a national referendum. The referendum was advisory, and the terms of any withdrawal are subject to a negotiation period that could last at least two years after the government of the United Kingdom formally initiated a withdrawal process on March 29, 2017. The referendum has created significant uncertainty about the future relationship between the United Kingdom and the European Union, including with respect to the laws and regulations that will apply as the United Kingdom determines which European Union-derived laws to replace or replicate in the event of a withdrawal. The referendum has also given rise to calls for the governments of other European Union member states to consider withdrawal. Any of these events may have an adverse effect on our operations in the United Kingdom and the European Union, the value of our ADSs and your investment in our ADSs.

Our business in South Africa is evaluated for compliance with the South African government s Broad-Based Black Economic Empowerment (BBBEE) legislation. Failure to maintain a minimum BBBEE rating would result in a loss of certain government grants, and may also result in us losing certain business opportunities or clients imposing contractual penalties on us.

Our business in South Africa is evaluated for compliance with the South African government s BBBEE legislation against a BBBEE scorecard, based on various criteria. South African government grants are available to businesses that meet specified conditions, including achieving a specified minimum BBBEE rating. Additionally, many South African companies require their service providers to maintain a minimum BBBEE rating, and many of our South African client contracts contain clauses that allow our clients to terminate their contracts with us or impose specified penalties on us if we do not maintain a minimum BBBEE rating.

New BBBEE criteria became effective for us from March 2017, according to which an entity receives a new compliance rating from the BBBEE rating agency. Under these new criteria, our rating based on our previous structure and practices would have dropped and we would have been required contractually to improve our rating. We developed a plan to achieve or improve our current rating by the BBBEE verification audit for period ended March 31, 2017 in May 2017. This plan included, among other measures, divesting some of our interests in our South Africa subsidiary to address the criterion relating to the percentage of ownership of an entity by black people (as defined under the applicable legislation). We achieved the required rating in our BBBEE verification audit in May 2017 on the basis of the steps taken to comply with the new BBBEE criteria which is valid until May 2018. Based on the results of an interim BBBEE audit, we expect that we will achieve the required rating in our next BBBEE verification audit in May 2018, which if achieved would be valid until May 2019. However, there is no assurance that we will successfully maintain our existing BBBEE rating under the new criteria in our next annual BBBEE verification audit by the BBBEE rating agency, or at all. If we fail to achieve the required minimum BBBEE rating, we will cease to be eligible for government grants, will be disqualified from bidding for certain business, and our clients may terminate their contracts with us or impose penalties on us. These outcomes would have an adverse effect on our business, results of operations, financial condition and cash flows.

Our facilities are at risk of damage by natural disasters.

Our operational facilities and communication hubs may be damaged in natural disasters such as earthquakes, floods, heavy rains, tsunamis and cyclones. For example, Chennai was affected by severe flooding in November 2015. Although our clients experienced minimal disruptions during the Chennai flood due to the business continuity planning and infrastructure resiliency measures that are designed to minimize the impact of natural disasters on our business which we have implemented, such measures may be rendered less effective in other circumstances. In addition, we have operational facilities and communication hubs located in regions which are considered to be particularly vulnerable to natural disasters, such as the Philippines and Houston in the United States, which have experienced severe natural disasters such as typhoons, hurricanes and floods. Such natural disasters may lead to disruption to information systems and telephone service for sustained periods. Damage or destruction that interrupts our provision of BPM services could damage our relationships with our clients and may cause us to incur substantial additional expenses to repair or replace damaged equipment or facilities. We may also be liable to our clients for disruption in service resulting from such damage or destruction. While we currently have property damage insurance and business interruption insurance, our insurance coverage may not be sufficient. Furthermore, we may be unable to secure such insurance coverage at premiums acceptable to us in the future or secure such insurance coverage at all. Prolonged disruption of our services as a result of natural disasters would also entitle our clients to terminate their contracts with us.

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

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

In fiscal 2018, 2017 and 2016, our tax rate in India, the Philippines and Sri Lanka impacted our effective tax rate. We would have incurred approximately $9.4 million, $5.2 million and $5.0 million in additional income tax expense on our combined operations in our SEZ operations in India, the Philippines and Sri Lanka for fiscal 2018, 2017 and 2016, respectively, if the tax holidays and exemptions as described below had not been available for the respective periods.

We expect our tax rate in India, the Philippines and Sri Lanka to continue to impact our effective tax rate. Our effective tax rate in India has been impacted by the reduction in the tax exemption enjoyed by our operating units under the STPI scheme. Our effective tax rate in Sri Lanka will also be impacted by the withdrawal of tax exemption on export income in Sri Lanka with effect from April 1, 2018, following which the income from export of service would be subject to tax at 14% on net basis.

For example, in the past, the majority of our Indian operations were eligible to claim income tax exemption with respect to profits earned from export revenue from operating units registered under the Software Technology Parks of India (STPI). The benefit was available for a period of 10 years from the date of commencement of operations, but not beyond March 31, 2011. Effective April 1, 2011, upon the expiration of this tax exemption, income derived from our STPI operations in India became subject to the prevailing annual tax rate, which is currently 34.95% and was 34.61% in fiscal 2018, 2017 and 2016. See Part I Item 4. Information on the Company B. Business Overview Regulations.

When any of our tax holidays or exemptions expire or terminate, or if the applicable government withdraws or reduces the benefits of a tax holiday or exemption that we enjoy, our tax expense may materially increase and this increase may have a material impact on our results of operations. The applicable tax authorities may also disallow deductions claimed by us and assess additional taxable income on us in connection with their review of our tax returns.

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

The Government of India may enact new tax legislation that could impact the way we are taxed in the future. For example, the Government of India has issued guidelines on General Anti Avoidance Rule (the GAAR), which came into effect on April 1, 2017, and which is intended to curb sophisticated tax avoidance. Under the GAAR, a business arrangement will be deemed an impermissible avoidance arrangement if the main purpose of the arrangement is to obtain tax benefits. Although the full implications of the GAAR are presently still unclear, if we are deemed to have violated any of its provisions, we may face an increase to our tax liability. However, we do not expect any adverse impact on account of the GAAR.

The US Government has enacted new tax legislation with effect from January 1, 2018. We are currently evaluating the effect of the applicable provisions of this tax legislation on our business, results of operations and financial condition. There can be no assurance that this new tax legislation will not adversely impact our business, results of operations and financial condition.

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

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

Transfer pricing regulations to which we are subject require that any international transaction among our company and its subsidiaries, or the WNS group enterprises, be on arm s-length terms. We believe that the international transactions among the WNS group enterprises are on arm s-length terms. If, however, the applicable tax authorities determine that the transactions among the WNS group enterprises do not meet arm s-length criteria, we may incur increased tax liability, including accrued interest and penalties. This would cause our tax expense to increase, possibly materially, thereby reducing our profitability and cash flows. We have signed an advance pricing agreement with the Government of India providing for the agreement on transfer pricing matters over certain transactions covered thereunder for a period of five years starting from April 2013. We have filed an application for renewal of the advance pricing agreement for another five years starting from April 2018 and will continue to apply the same methodology as set out in the advance pricing agreement pending the renewal of the agreement.

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

From time to time, we receive orders of assessment from 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 2004 through fiscal 2014 pending before various appellate authorities. These orders assess additional taxable income that could in the aggregate give rise to an estimated 2,830.0 million ($43.4 million based on the exchange rate on March 31, 2018) in additional taxes, including interest of 1,123.2 million ($17.2 million based on the exchange rate on March 31, 2018).

These orders of assessment allege that the transfer prices we applied to certain of the international transactions between WNS Global or WNS Business Consulting Services Private Limited (WNS BCS), each of which is one of our Indian subsidiaries, as the case may be, and our other wholly-owned subsidiaries were not on arm s-length terms, disallow a tax holiday benefit claimed by us, deny the set-off of brought forward business losses and unabsorbed depreciation and disallow certain expenses claimed as tax deductible by WNS Global or WNS BCS, as the case may be. As at March 31, 2018 we have provided a tax reserve of 806.2 million ($12.4 million based on the exchange rate on March 31, 2018) primarily on account of the Indian tax authorities denying the set off of brought forward business losses and unabsorbed depreciation. We have appealed against these orders of assessment before higher appellate authorities. For more details on these assessments, see Part I Item 5 Operating and Financial Review and Prospects Tax Assessment Orders.

In addition, we currently have orders of assessment pertaining to similar issues that have been decided in our favor by appellate authorities, vacating tax demands of 2,933.0 million ($45.0 million based on the exchange rate on March 31, 2018) in additional taxes, including interest of 905.8 million ($13.9 million based on the exchange rate on March 31, 2018). The income tax authorities have filed or may file appeals against these orders at higher appellate authorities.

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 874.4 million ($13.4 million based on the exchange rate on March 31, 2018) 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.

As at March 31, 2018, corporate tax returns for fiscal years 2015 and thereafter remain subject to examination by tax authorities in India.

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 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 348.1 million ($5.3 million based on the exchange rate on March 31, 2018) 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 BPM services provided by WNS Global to clients based abroad as the export proceeds are repatriated outside India by WNS Global. In response to an appeal filed by us with the appellate tribunal against the assessment order in April 2009, the appellate tribunal has remanded the matter back to the lower tax authorities to be adjudicated afresh. 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.

In 2016, we also received an assessment order from the Sri Lankan Tax Authority, demanding payment of LKR 25.2 million ($0.2 million based on the exchange rate on March 31, 2018) in connection with the review of our tax return for fiscal year 2012. The assessment order challenges the tax exemption that we have claimed for export business. We have filed an appeal against the assessment order with the Sri Lankan Tax Appeal Commission in this regard. Based on consultations with our 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.

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

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

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

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

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

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

Most of our delivery centers operate on leasehold property and our inability to renew our leases on commercially acceptable terms or at all may adversely affect our results of operations.

Most of our delivery centers operate on leasehold property. Our leases are subject to renewal and we may be unable to renew such leases on commercially acceptable terms or at all. Our inability to renew our leases, or a renewal of our leases with a rental rate higher than the prevailing rate under the applicable lease prior to expiration, may have an adverse impact on our operations, including disrupting our operations or increasing our cost of operations. In addition, in the event of non-renewal of our leases, we may be unable to locate suitable replacement properties for our delivery centers or we may experience delays in relocation that could lead to a disruption in our operations. Any disruption in our operations could have an adverse effect on our results of operation.

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Risks Related to our ADSs

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

Sales by us or our shareholders of a substantial number of our ADSs in the public market, or the perception that these sales could occur, could cause the market price of our ADSs to decline. These sales, or the perception that these sales could occur, also might make it more difficult for us to sell securities in the future at a time or at a price that we deem appropriate or to pay for acquisitions using our equity securities. As at March 31, 2018, we had 50,434,080 ordinary shares (excluding 4,400,000 treasury shares) outstanding, including 50,181,741 shares represented by 50,181,741 ADSs. In addition, as at March 31, 2018, a total of 2,962,036 ordinary shares or ADSs are issuable upon the exercise or vesting of options and restricted share units (RSUs) outstanding under our Third Amended and Restated 2006 Incentive Award Plan and our 2016 Incentive Award Plan. All ADSs are freely transferable, except that ADSs owned by our affiliates may only be sold in the US if they are registered or qualify for an exemption from registration, including pursuant to Rule 144 under the Securities Act of 1933, as amended (the Securities Act). The remaining ordinary shares outstanding may also only be sold in the US if they are registered or qualify for an exemption from registration, including pursuant to Rule 144 under the Securities Act.

The market price for our ADSs may be volatile.

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

- announcements of technological developments;
- regulatory developments in our target markets affecting us, our clients or our competitors;
- actual or anticipated fluctuations in our operating results;
- changes in financial estimates by securities research analysts;
- changes in the economic performance or market valuations of other companies engaged in business process management;
- addition or loss of executive officers or key employees;
- sales or expected sales of additional shares or ADSs;
- loss of one or more significant clients; and

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

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

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

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

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

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

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

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

Subject to the deposit agreement governing the issuance of our ADSs, holders of ADSs will be entitled to receive dividends paid on the ordinary shares represented by such ADSs. See Risks Related to Our Business We, from time to time, enter into agreements for credit facilities, which may impose operating and financial restrictions on us and our subsidiaries.

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

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

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

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

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

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

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

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

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

If a United States person is treated as owning at least 10% of our ordinary shares (or ADSs), such holder may be subject to adverse U.S. federal income tax consequences.

If a United States person is treated as owning (directly, indirectly or constructively) at least 10% of the value or voting power of our ordinary shares (or ADSs), such person may be treated as a United States shareholder with respect to each controlled foreign corporation in our group (if any). Because our group includes one or more U.S. subsidiaries, certain of our non-U.S. subsidiaries could be treated as controlled foreign corporations (regardless of whether we are or are not treated as a controlled foreign corporation). A United States shareholder of a controlled foreign corporation may be required to annually report and include in its U.S. taxable income its pro rata share of Subpart F income , global intangible low-taxed income and investments in U.S. property by controlled foreign corporations, whether or not we make any distributions. An individual that is a United States shareholder with respect to a controlled foreign corporation generally would not be allowed certain tax deductions or foreign tax credits that would be allowed to a United States shareholder that is a U.S. corporation. A failure to comply with these reporting obligations may subject such holder to significant monetary penalties and may prevent the statute of limitations with respect to such holder s U.S. federal income tax return for the year for which reporting was due from starting. We cannot provide any assurances that we will assist investors in determining whether any of our non-U.S. subsidiaries are treated as a controlled foreign corporation or whether such investor is treated as a United States shareholder with respect to any of such controlled foreign corporations or furnish to any United States shareholders information that may be necessary to comply with the aforementioned reporting and tax paying obligations. A United States investor should consult their own advisors regarding the potential application of these rules to its investment in the Common Stock.

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Our share repurchase program could affect the price of our ADSs.

In March 2018, our shareholders approved a share repurchase program authorizing the repurchase of up to 3.3 million of our ADSs, each representing one ordinary share, at a price range of $10 to $100 per ADS. Under this repurchase program, our ADSs may be purchased in the open market from time to time over 36 months from March 30, 2018, the date the shareholders resolution approving the repurchase program was passed. We intend to fund the share repurchase program with cash on hand. The program would not obligate us to repurchase any dollar amount or number of ADSs, and may be suspended or discontinued at any time at our discretion.

Any repurchases pursuant to our repurchase program could affect the price of our ADSs and increase its volatility. The existence of a repurchase program could also cause the price of our ADSs to be higher than it would be in the absence of such a program and could potentially reduce the market liquidity of our ADSs. There can be no assurance that any repurchases will enhance shareholder value because the market price of our ADSs may decline below the levels at which we repurchase any ADSs. In addition, although our repurchase program is intended to enhance long-term shareholder value, short-term price fluctuations in our ADSs could reduce the program s effectiveness. Significant changes in the price of our ADSs and our ability to fund our proposed repurchase program with cash on hand could impact our ability to repurchase ADSs. The timing and amount of future repurchases is dependent on our cash flows from operations, available cash on hand and the market price of our ADSs. Furthermore, the program does not obligate us to repurchase any dollar amount or number of ADSs and may be suspended or discontinued at any time, and any suspension or discontinuation could cause the market price of our ADSs to decline.

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

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

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

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

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

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

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

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ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of our Company

WNS (Holdings) Limited was incorporated as a private liability company on February 18, 2002 under the laws of Jersey, Channel Islands, and maintains a registered office in Jersey at 22 Grenville Street, St Helier, Jersey JE4 8PX, Channel Islands. We converted from a private limited company to a public limited company on January 4, 2006 when we acquired more than 30 shareholders as calculated in accordance with Article 17A of the 1991 Law. We gave notice of this to the Jersey Financial Services Commission (JFSC) in accordance with Article 17(3) of the 1991 Law on January 12, 2006. Our principal executive office is located at Gate 4, Godrej & Boyce Complex, Pirojshanagar, Vikhroli (W), Mumbai 400 079, India, and the telephone number for this office is (91-22) 4095-2100. Our website address is *www.wns.com*. **Information contained on our website does not constitute part of this annual report.** Our agent for service in the US is our subsidiary, WNS North America Inc., 15 Exchange Place, 3rd Floor, Suite 310, Jersey City, New Jersey 07302, US.

We began operations as an in-house unit of British Airways in 1996 and became a business process outsourcing service provider for third parties in fiscal 2003. Warburg Pincus acquired a controlling stake in our company from British Airways in May 2002 and inducted a new senior management team.

In July 2006, we completed our initial public offering, whereupon our ADSs became listed on the New York Stock Exchange (the NYSE) under the symbol WNS. In February 2012, in connection with our follow-on offering, we issued new ordinary shares in the form of ADSs, at a price of $9.25 per ADS, aggregating approximately $50.0 million and at the same time, Warburg Pincus divested 6,847,500 ordinary shares in the form of ADSs. In February 2013, Warburg Pincus sold its remaining 14,519,144 ordinary shares in the form of ADSs, thereby divesting its entire stake in our company.

From 2004 to July 2007, we provided business process outsourcing services to Aviva International Holdings Limited (Aviva), a major client, pursuant to build-operate-transfer contracts from facilities in Colombo, Sri Lanka and Pune, India. The contracts at that time granted Aviva Global Services Singapore Pte. Ltd. (Aviva Global) the option to require us to transfer our facilities in Sri Lanka and Pune to Aviva Global, which was the business process offshoring subsidiary of Aviva at that time. In 2007, Aviva Global exercised its call option requiring us to transfer the Sri Lanka facility to Aviva Global and the transfer was effective in July 2007. In July 2008, we acquired Aviva Global from Aviva and resumed ownership of the Sri Lanka facility. In connection with our acquisition of Aviva Global, we also entered into a master services agreement with Aviva MS in 2008 (the 2008 Aviva master services agreement), which we replaced with the Aviva master services agreement in September 2014, pursuant to which we provide BPM services to Aviva s UK business and Aviva s Irish subsidiary, Hibernian Aviva Direct Limited, and certain of its affiliates. See Part I Item 5. Operating and Financial Review and Prospects Revenue Our Contracts for more details on this transaction.

We have made a number of acquisitions since fiscal 2003, including our acquisition of Town & Country Assistance Limited, a UK-based automobile claims handling company, thereby extending our service portfolio beyond the travel and leisure industry to include insurance-based automobile claims processing. We subsequently rebranded the company as WNS Assistance, which is part of WNS Auto Claims BPM, our reportable segment for financial statement purposes. In fiscal 2004, we acquired the health claims management business of Greensnow Inc. In fiscal 2006, we acquired Trinity Partners Inc. (which we merged into our subsidiary, WNS North America Inc.), a provider of BPM services to financial institutions, focusing on mortgage banking. In August 2006, we acquired from PRG Airlines Services Limited (PRG Airlines) its fare audit services business. In September 2006, we acquired from GHS Holdings LLC (GHS) its financial accounting business. In May 2007, we acquired Marketics, a provider of offshore

analytics services. In June 2007, we acquired Flovate Technologies Limited (Flovate), a company engaged in the development and maintenance of software products and solutions, which we subsequently renamed as WNS Workflow Technologies Limited. In March 2008, we entered into a joint venture with Advanced Contract Solutions, Inc. (ACS), a provider in BPO services and customer care in the Philippines, to form WNS Philippines Inc. and in November 2011, we acquired ACS s shareholding in WNS Philippines Inc., which became our wholly-owned subsidiary. In April 2008, we acquired Chang Limited, an auto insurance claims processing services provider in the UK, through its wholly-owned subsidiary, Accidents Happen Assistance Limited (AHA) (formerly known as Call 24-7 Limited, or Call 24-7). In June 2008, we acquired Business Applications Associates Limited (BizAps), a provider of Systems Applications and Products (SAP®) solutions to optimize the enterprise resource planning functionality for our finance and accounting processes. In June 2012, we acquired Fusion Outsourcing Services (Proprietary) Limited (Fusion), a provider of a range of outsourcing services, including contact center, customer care and business continuity services, to both South African and international clients. Following our acquisition of Fusion, we have renamed it as WNS Global Services SA (Pty) Ltd. In June 2016, we acquired Value Edge, a leading provider of commercial research and analytics services to clients in the Pharma / Biopharma industry. In January 2017, we acquired Denali, a leading provider of strategic procurement BPM solutions. In March 2017, we acquired HealthHelp, an industry leader in BPM care management.

In fiscal 2010, we restructured our organizational structure in order to streamline our administrative operations, achieve operational and financial synergies, and reduce the costs and expenses relating to regulatory compliance. This restructuring involved the merger of the following seven Indian subsidiaries of WNS Global into WNS Global through a Scheme of Amalgamation approved by an order of the Bombay High Court passed in August 2009 pursuant to the Indian Companies Act, 1956: Customer Operational Services (Chennai) Private Limited, Marketics, Noida Customer Operations Private Limited, NTrance Customer Services Private Limited, WNS Customer Solutions (Private) Limited, WNS Customer Solutions Shared Services Private Limited and WNS Workflow Technologies (India) Private Limited. In another restructuring exercise, three of our subsidiaries, First Offshoring Technologies Private Limited, Hi-Tech Offshoring Services Private Limited and Servicesource Offshore Technologies Private Limited, were merged into WNS Global through a Scheme of Amalgamation approved by an order of the Bombay High Court passed in March 2010 pursuant to the Indian Companies Act, 1956. In fiscal 2011 and 2012, we restructured and rationalized our UK and US group companies, wherein three of our UK-based non-operating subsidiaries, Chang Limited, Town & Country Assistance Limited and BizAps, were voluntarily dissolved. In the US, two of our subsidiaries, WNS Customer Solutions North America Inc. and Business Application Associates Inc. were merged with and into WNS North America Inc. In fiscal 2012, we also incorporated a new subsidiary in the US, WNS Global Services Inc., established a new branch of WNS (Mauritius) Limited in the Dubai Airport Free Zone, United Arab Emirates, WNS Mauritius Limited ME (Branch), and de-registered our existing subsidiary WNS Global FZE in the Ras-Al-Khaimah Free Trade Zone, United Arab Emirates (UAE). In fiscal 2013, as part of our restructuring activities, WNS Philippines Inc. was merged into WNS Global Services Philippines, Inc. and ownership of our Costa Rican subsidiary, WNS BPO Services Costa Rica, S.R.L. (formerly known as WNS BPO Services Costa Rica, S.A.), was transferred and is now a subsidiary of WNS North America Inc. In May 2012, WNS Global Services (UK) Limited (WNS UK) established a branch in Poland, WNS Global Services (UK) Limited (Spółka Z Ograniczoną Odpowiedzialnością) Oddział W Polsce, Gdańsk. In March 2013, we also established a new branch of Business Applications Associates Beijing Ltd. in Guangzhou, China named Business Applications Associates Beijing Limited Guangzhou Branch. In January 2014, we incorporated a new subsidiary of WNS (Mauritius) Limited in China, WNS Global Services (Dalian) Co. Ltd. In March 2014, we incorporated WNS Legal Assistance LLP in the UK under the Limited Liability Partnership Act, 2000. In November 2014, we established a new branch of WNS Global Services Private Limited in Singapore, WNS Global Services Private Limited (Singapore Branch). In December 2015, we established a new branch of WNS Global Services (UK) Limited in France, WNS Global Services (UK) Limited (Branch) (France), and amalgamated WNS Customer Solutions (Private) Limited, which was a subsidiary of WNS Customer Solutions (Singapore) Private Limited, with WNS Global Services (Private) Limited, an entity based out of Sri Lanka. In February 2016, we established a new branch of WNS Global Services (UK) Limited in Romania, WNS Global Services (UK) Limited London Bucharest Branch.

In April 2016, WNS Workflow Technologies Limited was renamed WNS Assistance Limited and WNS Assistance (Legal) Limited, a wholly owned subsidiary of WNS Assistance Limited, was incorporated. In June 2016, we incorporated Ucademy (Pty) Limited, a wholly owned subsidiary of WNS Global Services SA (Pty) Limited. In December 2016, we established two new branches of WNS Global Services Netherlands Cooperatief U.A. in Ireland and Turkey, namely WNS Global Services Netherlands Cooperatief U.A (Ireland Branch) and WNS Global Services Netherlands Cooperatief U.A. Merkezi Hollanda Istanbul Merkez Subesi (Turkey Branch), respectively. In March 2017, we established WNS Global Services (Dalian) Co. Ltd - Shanghai Branch, a new branch of WNS Global Services (Dalian) Co. Ltd. In April 2017, we established the WNS B-BBEE Staff Share Trust with the principal objective of creating meaningful participation of the Black employees (as defined in the applicable legislation) of our South African subsidiaries in the growth of the company. We are committed to transformation in South Africa and are implementing this structure to benefit Black People in accordance with the objectives and requirements of the Codes of Good Practice on Black Economic Empowerment as promulgated by section 9(1) of the Broad-Based Black Economic Empowerment Act No. 53 of 2003 of South Africa. In June 2017, we established WNS New Zealand Limited, a wholly owned subsidiary of WNS Global Services (Australia) Pty Ltd. In July 2017, we merged Value

Edge into WNS Global Services Private Limited. Our organizational structure now comprises 33 entities in 22 countries, and nine branches in Poland, UAE, China, Singapore, France, Romania, Turkey and Ireland. Of these 33 entities, WNS Cares Foundation, which is a wholly-owned subsidiary of WNS Global, is a not-for-profit organization registered under the former Section 25 of the Indian Companies Act, 1956 (which has become Section 8 of the Indian Companies Act, 2013), India. The WNS Cares Foundation was formed for the purpose of promoting corporate social responsibilities and does not qualify as a subsidiary under IFRS 10 Consolidated Financial Statements and hence is not considered for the purpose of preparing our consolidated financial statements.

We have our principal executive office in Mumbai, India, and we have client service offices in Dubai (United Arab Emirates), Jersey City, New Jersey (the US), Sydney (Australia), London (the UK), and Singapore, and we have delivery centers in Guangzhou, Dalian and Shanghai (China), San Jose (Costa Rica), Bangalore, Chennai, Gurgaon, Mumbai, Nashik, Pune, Noida and Vizag (India), Manila, Iloilo and Alabang (the Philippines), Gydnia (Poland), Bucharest and Constanta (Romania), Cape Town, Johannesburg, Durban and Port Elizabeth (South Africa), Colombo (Sri Lanka), Zurich (Switzerland), Istanbul (Turkey), Ipswich, Manchester and Mansfield (the UK), and Columbia, South Carolina, Luzerne, Pennsylvania, Pittsburgh, Pennsylvania, Bellevue, Washington, Boston, Massachusetts, Houston, Texas, and New York, New York (the US).

Our capital expenditures in fiscal 2018, fiscal 2017, and 2016 amounted to $33.7 million, $22.9 million and $27.5 million, respectively. Our principal capital expenditure were incurred for the purposes of setting up new delivery centers, expanding existing delivery centers and developing new technology-enabled solutions to enable execution and management of clients business processes. We expect our capital expenditure needs in fiscal 2019 to be approximately $30.0 million, a significant amount of which we expect to spend on infrastructure build-out, technology-enablement and the streamlining of our operations. The geographical distribution, timing and volume of our capital expenditures in the future will depend on new client contracts we may enter into or the expansion of our business under our existing client contracts. As at March 31, 2018, we had commitments for capital expenditures of $5.8 million (net of advances to capital vendors) relating to the purchase of property and equipment for our delivery centers. Of this committed amount, we plan to spend approximately $3.0 million in India, approximately $0.3 million in South Africa, approximately $1.0 million in Philippines, approximately $0.04 million in Europe (excluding the UK), and approximately $1.5 million in the rest of the world. We expect to fund these estimated capital expenditures from cash generated from operating activities, existing cash and cash equivalents and the use of existing credit facilities. See Part I Item 5. Operating and Financial Review and Prospects Liquidity and Capital Resources for more information.

B. Business Overview

We are a global consultative BPM company, offering an array of end-to-end industry-specific and cross-industry solutions. We have deep industry and process expertise, and provide technology-led innovation, including intelligent automation tools (such as robotic process automation (RPA), artificial intelligence and cognitive computing), natural language processing and machine learning solutions, blockchain solutions, internet of things (IoT) solutions, business process as a service (BPaaS) platforms, embedded analytics and proprietary transformational and re-engineering frameworks. We strive to enable our clients to be more efficient and competitive through increased cost savings, better operational flexibility, improved service quality, actionable insights, and digital transformation. We seek to help our clients digitally transform their businesses by identifying business and process optimization opportunities through technology-enabled solutions, improvements to their processes, global delivery capabilities, analytics and an understanding of their business.

A key element in all our outsourcing engagements is our ability to continually deliver business value through co-creation of solutions and products with our clients and strategic partners. We derive this ability from our core differentiators of deep industry expertise, cutting-edge technology and analytics, and a client-centric approach. Our industry-focused solution design helps us provide a specialized focus on each of the industries that we target, effectively manage our clients business processes and offer customized solutions and business insights designed to improve their competitive positioning. The major industry verticals that we currently focus on are: insurance, travel and leisure, diversified businesses (including manufacturing, retail, consumer packaged goods (CPG), media and entertainment and telecommunication or telecom), healthcare, utilities, consulting and professional services, shipping and logistics, and banking and financial services.

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

We measure our execution of clients business processes against multiple performance parameters, and aim to consistently meet and exceed these parameters in order to maintain and expand our client relationships. We endeavor to build long-term client relationships, and typically sign multi-year contracts with our clients that provide us with recurring revenue. In fiscal 2018, 124 and 118 clients contributed more than $1 million to our revenue and revenue less repair payments (non-GAAP), respectively. In fiscal 2017, 101 and 94 clients contributed more than $1 million to our revenue and revenue less repair payments (non-GAAP), respectively.

As at March 31, 2018, we had 36,540 employees executing business processes for our 386 clients.

In fiscal 2018, our revenue was $758.0 million, our revenue less repair payments (non-GAAP) was $741.0 million and our profit was $86.4 million. Our revenue less repair payments is a non-GAAP financial measure. For a discussion of our revenue less repair payments (non-GAAP) and a reconciliation of our revenue less repair payments (non-GAAP) to revenue, see Part I Item 5. Operating and Financial Review and Prospects Overview.

Industry Overview

The global outsourcing market continues to evolve, with the focus shifting from cost reduction and process improvements to business transformation and business outcomes. While the original drivers of process efficiency, cost advantage and labor arbitrage remain relevant, there is a broader and more strategic narrative to outsourcing today with a strong focus on domain knowledge and digital, technology and analytics capabilities. Companies are now

seeking long-term, strategic relationships with BPM providers and expect them to play a bigger and more profound role in achieving both incremental and transformational outcomes. As companies outsource some of their more complex and high-end business processes, the key consideration for them is the ability of the BPM provider to execute intricate, multi-layered transfer programs and successfully manage these processes on an ongoing basis. As a result, we see the outsourcing marketplace expanding beyond transactional processes to include more complex business processes, consulting, automation, technology-led initiatives, digitization, support for IoT capabilities, cloud computing, and research and analytics. Increasingly, companies with the aim of standardizing processes and maximizing the returns on their investments are demanding higher-value, cost-effective services such as process re-engineering and business transformation from their BPM providers. The increased focus on variable cost structures and the creation of tangible business benefit has resulted in alternative service delivery and pricing models such as transaction- and outcome-based models.

Businesses are thus undertaking a rigorous and multi-faceted evaluation process when selecting a BPM provider. Based on our experience, a client typically seeks several key attributes in a business process management provider, including:

- Domain knowledge and industry-specific expertise;
- Process expertise across horizontal service offerings;
- Ability to innovate, add new operational expertise and drive best practices based on internal and external benchmarking;
- Proven ability to execute a diverse range of mission-critical and often complex business processes;
- Ability to tie service delivery or process automation with the client s existing information technology (IT) infrastructure;

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- Ability to deploy bolt-on tools or applications that can be easily added onto the enterprise architecture;
- Capabilities to drive improved process standardization across business units and multiple locations, demonstrating strong global delivery capabilities;
- Analytical capabilities to deliver actionable business insights;
- Technology-enabled services and solutions, including RPA, cognitive computing, artificial intelligence, cloud-based offerings and platform-based BPM;
- Global presence through a mix of offshore, nearshore and onshore delivery centers to access talent and capabilities, create cultural alignment, leverage language skills, and mitigate risks; and
- Capability to scale employees and infrastructure without a diminution in quality of service.

The recent outsourcing trends have driven BPM providers to be more innovative, strategic and forward-looking in their outlook. Against the backdrop of this changed environment, we believe our company with our extensive industry expertise, client-centric approach, global footprint, transformational and re-engineering frameworks and ability to identify levers of change, is well positioned to deliver business value to our clients. We offer technology-enabled and BPaaS solutions that help companies rapidly adapt to changing business conditions. On similar lines, in addition to traditional pricing models based on headcount (often referred to as full-time equivalents (FTEs)), we offer transaction and outcome-based pricing models to provide clients with cost flexibility and measurable business benefit. In fiscal 2018, 37.5% of our total revenues were generated from non-FTE models. These non-linear pricing models, which de-link the relationship between headcount and revenue for BPM providers, create an incentive for the providers to improve the productivity of their employees, increase the use of technology, and enhance the overall efficiency of their operations.

The global business process management industry is a large and growing industry. According to the Gartner Forecast: IT Services, Worldwide, 2016-2022, 1Q18 Update, the worldwide BPO market is estimated to have grown to $161.199 billion in 2017. Gartner has estimated that the revenue for the worldwide BPO market will grow from $161.199 billion in 2017 to $206.711 billion in 2022, which we calculate to represent a compounded annual growth rate of 5.1%.

Source: Gartner, Inc., Forecast: IT Services, Worldwide, 2016-2022, 1Q18 Update. Dated: April 3, 2018.

The Gartner Report(s) described herein, (the Gartner Report(s)) represent(s) research opinion or viewpoints published, as part of a syndicated subscription service, by Gartner, Inc. (Gartner), and are not representations of fact. Each Gartner Report speaks as of its original publication date (and not as of the date of this Annual Report) and the opinions expressed in the Gartner Report(s) are subject to change without notice.

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

Chart created by WNS Global Services based on Gartner research.

Source: Gartner, Inc., Forecast: IT Services, Worldwide, 2016-2022, 1Q18 Update. Dated: April 3, 2018.

The Gartner Report(s) described herein, (the Gartner Report(s)) represent(s) research opinion or viewpoints published, as part of a syndicated subscription service, by Gartner, Inc. (Gartner), and are not representations of fact. Each Gartner Report speaks as of its original publication date (and not as of the date of this Annual Report) and the opinions expressed in the Gartner Report(s) are subject to change without notice.

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Competitive Strengths

We believe that we have the competitive strengths necessary to maintain and enhance our position as a leading global provider of BPM services.

Well-positioned for the evolving BPM market

The BPM industry, which started with the first wave of simple outsourced processes, has now expanded to include complex business processes and higher-value services that involve process re-engineering, business and digital transformation, management of mission-critical operations, and generation of business insights to aid decision-making. We believe that our industry-specific expertise, end-to-end service capabilities, transformation capabilities, technology-enabled solutions, process management skills, embedded analytics, global delivery network and customer-centric approach position us at the forefront of the evolving BPM market.

Deep industry expertise

We have established deep expertise in the industries we target as a result of our vertical organizational structure, legacy client relationships, proprietary technology offerings, key acquisitions and the hiring of management with specific industry knowledge. Our deep domain expertise in each of the 12 industries we serve helps us develop keen insights and transform them into leading-edge impactful business solutions with the help of technology, analytics and process rigor. We have developed methodologies, proprietary knowledge and industry-specific technology platforms applicable to our target industries that allow us to provide industry-focused solutions and help clients compete within these industries.

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

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We have received numerous recognitions for our industry leadership. Our awards and recognitions in fiscal 2018 and 2017 are set forth below

Vertical-specific Recognitions

Insurance:

- A Winner s Circle player in HfS Research s Blueprint Report: Insurance As-a-Service 2017
- A Star Performer and Major Contender in Everest Group s Life and Pensions Insurance BPO Service Provider Landscape with PEAK Matrix Assessment 2017
- A Leader in NelsonHall s NEAT for Property & Casualty (P&C) Insurance 2017
- A Leader in Everest Group s P&C Insurance Service Provider Landscape with PEAK Matrix Assessment 2018

Travel and Leisure:

- A Winner s Circle player in HfS Research s Blueprint Report: Travel and Hospitality Customer Engagement Services 2017
- A Leader in NelsonHall s NEAT for Customer Experience Services in Travel, Transport & Hospitality NEAT 2018

Healthcare:

- A Star Performer and Major Contender in Everest Group s Healthcare Payer Business Process Services Service Provider Landscape with PEAK Matrix Assessment 2017
- A Major Contender in Everest Group s Healthcare Provider Business Process Services Service Provider Landscape with PEAK Matrix Assessment 2017

Banking and Financial Services:

- A Leader in NelsonHall s NEAT for Mortgage and Loan BPS 2017

A Major Contender in Everest Group s Capital Markets BPO Service Provider Landscape with PEAK Matrix Assessment 2017

A Major Contender in Everest Group s Mortgage BPO Service Provider Landscape with PEAK Matrix Assessment 2017

A Major Contender in Everest Group s Banking BPO Service Provider Landscape with PEAK Matrix Assessment 2018

Horizontal-specific Recognitions

Customer Interaction Services:

A Leader in NelsonHall s NEAT for Multi-Channel Customer Management Services 2017

A Major Contender in Everest Group s Contact Center Outsourcing Service Provider Landscape with PEAK Matrix Assessment 2017

Finance and Accounting (including Procurement and Supply Chain):

A Winner s Circle player in HfS Research s Blueprint Report: Finance As-a-Service 2017

A Major Contender in Everest Group s Finance and Accounting Outsourcing (FAO) Service Provider Landscape with PEAK Matrix Assessment 2017

A Leader in IDC MarketScape: Worldwide Finance and Accounting BPO Services 2017 Vendor Assessment

A Star Performer and Major Contender in Everest Group s Procurement Outsourcing (PO) PO Service Provider Landscape with PEAK Matrix Assessment 2017

A Leader in HfS Research s Blueprint Report: Procurement As-a-Service 2017

A Leader in IDC MarketScape: Worldwide Procurement As-a-Service 2018 Vendor Assessment

A Major Contender in Everest Group s PO PO Service Provider Landscape with PEAK Matrix Assessment 2018

Analytics:

A Star Performer and Major Contender in Everest Group s Analytics Business Process Services Service Provider Landscape with PEAK Matrix Assessment 2017

A Leader in NelsonHall s NEAT for Digital Marketing Services 2018

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Corporate:

Loyalty 360 Awards 2017 in Measurement category

Leader in the 2017 Global Outsourcing 100 List by IAOP

Big Data and Analytics Awards 2017 for Most Admired Data Analytics & Technology Provider

Big Data and Analytics Awards 2017 for Excellence in Industry Application Award Non-Banking Sector

Big Data and Analytics Awards 2017 for Academic Excellence in Big Data & Analytics

Big Data and Analytics Awards 2017 for Analytics Service in Business Intelligence

GSA UK Award 2017 for Outsourcing Works - Award for Delivering Business Value in Outsourcing

2017 Stevie International Business Awards for Best New Product or Service of the Year - Software - Social Business Solution (Gold Award)

2017 Stevie International Business Awards for Best New Product or Service of the Year - Software - Big Data Solution (Bronze Award)

2017 Stevie International Business Awards for Best New Product or Service of the Year - Software - Business or Competitive Intelligence Solution (Bronze Award)

2017 Stevie International Business Awards for Best New Product or Service of the Year - Software - Integration Solution (Bronze Award)

SSON Asia Excellence Awards 2017 for Best Outsourcing Partnership (Runners-up)

SSON Asia Excellence Awards 2017 for Excellence in Automation (Runners-up)

Golden Peacock Innovation Management Award 2018

Leader in the 2018 Global Outsourcing 100 List by IAOP

Big Data and Analytics Awards 2017 for Social Media Analytics

2018 Stevie Sales and Customer Service Award for Customer Service Success - other service industries (Bronze Award)

2018 Stevie Sales and Customer Service Award for Business Intelligence Solution - New (Bronze Award)

International ICT Awards Philippines 2017 for Best Company of the Year Providing Services for Finance and Accounting

Chief Financial Officer (CFO) 100 2018 Roll of Honor in the Mergers and Acquisitions Category

International ICT Awards Philippines 2018 for Best Company of the Year Providing Services for Finance & Accounting

CNBC TV 18 India Business Leader Awards - CNBC s Asia India Disruptor of the Year 2019

Golden Peacock Business Excellence Award 2018

PeopleSoft Innovator 2018 - Oracle

Technology:

Innovative CIO Award 2017 from CIOAXIS for the implementation of Cloud Email Security and Web Security Gateway

CIO Power List 2017 for Unified Communications Icon

IDG CIO 100 2017- The Digital Innovators Honoree

IDG CIO 100 2017 Networking Pioneer Honoree

Dataquest Vertical Warrior Award 2017 by Cybermedia for Digital Transformation of the Telephony Platform Services

3rd Edition Datacentre Award 2017 for implementation of Session Initiation Protocol and Omni-Channel Customer Interaction Management Platform

CIO Power List 2018

Human Resources (HR):

AON Best Employer Award-Poland (2017)

Responsible Employer Leader in HR (Poland) for Leader in HR (2017)

SHRM India HR Excellence Awards 2017 for Excellence in Leveraging HR Technology (Runners-up)

SHRM India HR Excellence Awards 2017 for Excellence in Human Resource Outside India (Special Recognition)

BW Businessworld HR Excellence Award 2017 for Best Implementation of HR Technology (Runners-up)

Golden Peacock HR Excellence Award 2018

51job China 2018 Top HR Management Awards (2017)

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Quality:

- Golden Peacock National Quality Award 2017
- World Quality Congress Award 2017 for Excellence in Quality Management for Best Use of Six Sigma in Travel Sector

Corporate Social Responsibility (CSR):

- Asia Pacific Customer Engagement Forum & Awards (ACEF) 2017 for Events and Promotion - Successful Use of CSR Activities (Bronze Award)
- ET 2 Good 4 Good for Governance Mechanisms and CSR (2017)
- 2017 Stevie International Business Awards for Corporate Social Responsibility Program of the Year - in Asia, Australia and New Zealand (Bronze Award)
- Asia Pacific Customer Engagement Forum & Awards (ACEF) 2018 for Events and Promotion - Successful Use of CSR Activities (Gold Award)

End-to-end service portfolio including higher-value transformational services and technology-enabled solutions

We seek to focus our service portfolio on more complex processes and solutions, and to shift away from reliance on services that are less integral to our clients core business operations, such as commoditized voice and transactional services (telemarketing and technical helpdesks), which characterized the business process outsourcing industry in its early days. We offer an array of higher-value, judgment-based services that seek to not only reduce cost and improve operating efficiency, but enable improved decision-making, competitive positioning and business outcomes for executive officers. These include high-end finance and accounting services, including strategic sourcing through supply chains, transformation services, technology-enabled offerings and analytics capabilities. We also provide a wide array of industry-specific solutions, which cut across these traditional horizontal services. These solutions are designed to help clients address process efficiency requirements, provide digital capabilities, and generate business insights specific to their industry.

We have also developed and continue to develop technology-enabled, or automated, solutions that utilize our proprietary software and licensed software in conjunction with our core business process management services. These integrated, technology-enabled solutions allow us to offer higher-value, differentiated services, which are more scalable and repeatable and create value for our clients through increased process efficiency and quality. We also collaborate with technology companies, combining their software tools, platforms and expertise with our service capabilities to deliver business solutions to the marketplace. These technologies include RPA, cognitive computing, and artificial intelligence. We believe these technology-enabled automated solutions will enable us to grow our revenue in a non-linear way by decoupling revenue growth from headcount growth.

To this end, we offer platform-enabled BPM or BPaaS that tightly integrates our domain expertise, business processes, automation, embedded analytics and a cloud-based infrastructure.

Proven global delivery platform

We deliver our services from 54 delivery centers in 11 countries around the world, located in China, Costa Rica, India, the Philippines, Poland, Romania, South Africa, Sri Lanka, Turkey, the UK and the US. Our ability to offer services delivered from a mix of onshore, nearshore and offshore locations benefits our clients from the perspectives of access to skills and talent, cultural alignment, language capabilities, business continuity, risk mitigation, scalability, efficiency and cost-effectiveness.

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

Our client-centric focus

We have a client-centric engagement model that leverages our industry-specific and shared-services expertise, flexible pricing models, client-partner relationship approach, as well as our global delivery platform to offer business solutions designed to meet our clients specific needs.

We seek to enhance our value proposition to our clients by providing them with flexible pricing models that align our objectives with those of our clients. In addition to traditional full-time equivalent-based pricing, we provide alternative pricing models such as transaction-based pricing and outcome-based pricing. A sizable percentage of our revenue, being 37.5% in fiscal 2018, is derived from these non-FTE -based pricing models. These models enable our clients to pay only for actual work performed or tangible benefit received.

We have also adopted a client-centric sales model, which is tightly integrated with our vertical organizational structure. Strategic client accounts are assigned a dedicated client partner from our team who is responsible for managing the day-to-day relationship. The client partner is typically a seasoned resource with deep domain experience, who works directly from the client s local offices. Within our company, the client partner is aligned with a specific vertical, and directly manages sales resources responsible for expanding client relationships (farmers). The client partner is responsible for driving business value to our clients, ensuring quality of delivery and customer satisfaction, and managing account growth and profitability.

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Experience in transitioning processes and running them efficiently

Many of the business processes that clients outsource to us are core to their operations, requiring substantial program management expertise to enable the transition of work to us. A well-planned and effectively managed transition is the cornerstone of our business proposition and helps our clients outsource their operations effectively and efficiently, focus on their business priorities and implement operating models that are designed to help them achieve their business strategies.

Our transition approach is structured to help deliver business outcomes to our clients by:

- Minimizing risk and achieving rapid transition of services;
- Ramping up operations with minimal disruption to existing business, metrics, customers and suppliers;
- Effectively managing changes brought about by transformative tools and technologies; and
- Managing a seamless transfer of responsibilities from any incumbent service providers to us.

At its core, all aspects of the transition process are governed by EnABLE, our proprietary transition toolkit, which has been tested and evolved over 20 years. EnABLE embeds multi-level governance, visibility and transparency, flexibility and compliance across the entire transition lifecycle.

Our differentiators include:

- *Customer-centricity*: Our practice of early transition voice of customer identifies and addresses opportunities to do better at meeting clients objectives and success criteria.
- *Robust governance*: Our multi-level governance approach seeks to ensure that transition reviews are conducted at all levels up to executive leadership. Risks are assessed and proactive support is provided with a view to achieving clients objectives.
- *Strong leadership and experience*: We have a robust and mature transition methodology with a strong record in managing and delivering transitions from clients as well as from major incumbent players.
- *Global presence*: Our team of skilled transition managers operates from all our major global delivery locations. Our agile and readily deployable team is always available for clients needs.

Extensive investment in human capital development

We have established the WNS Learning Academy, which provides ongoing training to our employees for the purpose of continuously improving their leadership and professional skills. This includes the provision of extensive training infrastructure, such as training rooms, mobile application-based learning systems and in-house learning programs, which help impart key professional skills and industry-specific knowledge to our employees. We seek to promote our team leaders and operations managers from within, thereby offering internal advancement opportunities and clear long-term career paths. The WNS Learning Academy is a training construct designed to build a culture of perpetual learning by placing the employees on a learning path, which imparts knowledge, builds confidence and enables advancement. As a part of the WNS Learning Academy, we have created specific Domain Universities, which enable individuals at any level of the organization to continuously improve their industry knowledge and prepare for increasingly complex, domain-specific roles. As part of their development, we have launched programs for our front-line managers and top employees to help them improve their performance in their current roles and to develop new skill sets to enable them to take on new roles. These programs include our business intervention programs Beyond Horizon, Inspire, TransforME, Empower, Evolve, and Ascend, which are all programs designed to id promising employees at various levels of the organization and empower them with the requisite skills to grow and eventually step into senior leadership roles. We have put in place our New Leadership Competency framework, which serves as a tool to help leaders measure the necessary skill sets and behavioral patterns required to excel in the current and future roles.

In addition, we create individual development plans for our top talent based on inputs from our line managers and business unit heads to help further their career development.

Our aim is to develop a high performing global team and increase our employees effectiveness. We expect to increasingly leverage technology to create a learning organization.

Experienced management team

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

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Business Strategy

Our objective is to strengthen our position as a leading global business process management provider. We seek to increase our client base and expand our existing relationships. We intend to achieve this through deep industry expertise and providing enhanced value proposition and actionable insights to our clients. We continually invest in domain expertise, analytics and technology to serve our clients better. We also intend to make select acquisitions to fill capability gaps.

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

- Expansion and reorganization of our sales force;
- Increase in the expertise and management capability within our sales force;
- Expansion of other sales channels including the development of new partnerships and alliances and broadening our engagement with outsourcing industry advisors and analysts;
- Increase in the range of services and solutions offered to our clients across different industries and business functions;
- Establishment of our Capability Creation Group to facilitate the creation of new client offerings and automation of solutions;
- Increased focus on analytics through internal investment, strategic partnerships and acquisitions;
- Increased use of technology in our service offerings, including the development of new technology-enabled solutions, including RPA, cognitive computing and artificial intelligence;
- Expansion of our global delivery platform; and
- Focused strategic acquisitions to improve our capabilities.

The key elements of our growth strategy are described below:

Increase business from existing clients and new clients

We have organized our company into vertical business units and were the first BPM company in the industry to do so. Our sales force of 101 members as at March 31, 2018, provides broad sales coverage and management experience. Our sales force is organized into two groups, one focused primarily on expanding existing client relationships

(farmers) and another focused on adding new clients (hunters).

We seek to expand our relationships with existing clients by cross-selling new services (such as technology-based and analytics offerings), moving up the value chain, and expanding into other lines of business and geographies within each client. Our account managers and client partners have industry-specific knowledge and expertise, and are responsible for maintaining a thorough understanding of our clients outsourcing roadmaps as well as identifying and advocating new outsourcing opportunities. As a result of this strategy, we have built a strong track record of extending the scope of our client relationships over time.

For new clients, we seek to provide value-added solutions by leveraging our deep industry knowledge built on the back of process expertise, technology-enablement, analytics and transformation solutions. As a result of our capabilities and industry vertical go-to-market approach, we have been able to compete effectively for new opportunities.

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Reinforce leadership in existing industries

Through our industry-focused operating model, we have established leading business process management practices in various industries and business sectors. We intend to leverage our knowledge of the following industries to penetrate additional client opportunities: insurance; travel and leisure; diversified businesses, including manufacturing, retail, CPG, media and entertainment and telecom; healthcare; utilities; consulting and professional services; shipping and logistics; and banking and financial services. To complement our industry-focused approach, we continue to invest in talent, analytics and technology platforms with the goal of expanding our business and acquiring industry-specific expertise to improve our service offerings across industries.

Provide higher value-added services

We enhance our value proposition to our clients by leveraging our industry-specific expertise; our portfolio of higher-value services such as our finance and accounting services, research and analytics services, transformation services and technology-enabled solutions; and our flexible pricing models. We expect that as the BPM market further matures, the demand for industry-specific services and non-linear pricing models will increase. Accordingly, we have made significant investments in both these areas which we expect will give us a competitive advantage. We intend to broaden the scope of our higher-value service offerings to capture new market opportunities. By delivering a wider portfolio of higher-value services to our clients, and migrating them towards transaction and outcome-based pricing models, we aim to move up the value chain with our clients and thereby enhance the size, strength and profitability of these relationships.

In January 2012, we established our Capability Creation Group, which is responsible for facilitating the creation of new industry-leading solution offerings, transformation methodologies and frameworks, and process re-engineering offerings. These solution offerings include automation of manual processes, solving operational challenges and enhancing productivity and efficiencies for client organizations. We intend to continue to expand on capability creation to drive process excellence, technology development, and new solutions and capabilities to address client needs.

Enhance awareness of the WNS brand name

Our reputation for operational excellence and domain expertise among our clients has been instrumental in attracting and retaining new clients as well as talented and qualified employees. We believe we have benefited from strong word-of-mouth references that have helped us to scale our business. We are actively increasing our efforts to enhance awareness of the WNS brand in our target client and employee markets. To accomplish this, we have a dedicated global marketing team comprised of experienced industry talent. We are also focusing on developing channels to increase market awareness of the WNS brand, including participation in industry events and conferences, exposure in industry publications, publication of articles and white papers, webinars and podcasts, internet and digital media, and other initiatives that create enhanced visibility of the WNS brand and establish WNS thought leadership capabilities in the BPM industry. In addition, we are working to improve visibility and positioning with the BPM industry analysts, sourcing advisors, general management consulting firms, and boutique outsourcing firms, who are often retained by prospective clients to provide strategic advice, act as intermediaries in the sourcing processes, develop scope specifications, and aid in the partner selection process.

Expand our delivery capabilities

We currently operate from 54 delivery centers located in 11 countries around the world. In fiscal 2018, we expanded our delivery capacity by 2,382 seats or approximately 8.5% of our capacity at the end of fiscal 2017. We will expand

our global delivery capability through additional delivery centers in onshore, nearshore and offshore locations as well through collaborations with other providers, based on client demand and market trends. This approach will allow us to offer our clients maximum value and flexibility, as well as gain access to potential clients and markets that may have specific delivery requirements or constraints.

Broaden industry expertise and enhance growth through selective acquisitions and partnerships

Our acquisition strategy is focused on adding new capabilities, including service offerings, technology-enabled automation tools and platforms, analytics capabilities, deeper industry expertise, and geographic delivery presence. Our acquisition track record demonstrates our ability to integrate, manage and develop the specific capabilities we acquire. One of our key objectives is to continue to pursue targeted acquisitions in the future and rely on our integration capabilities to expand the strategic positioning and growth of our business.

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Business Process Management Service Offerings

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

- Insurance;
- Travel and leisure;
- Diversified businesses including manufacturing, retail, CPG, media and entertainment and telecom;
- Healthcare;
- Utilities;
- Consulting and professional services;
- Shipping and logistics; and
- Banking and financial services.

In addition to industry-specific services, we offer a range of services that are common across multiple industries (which we refer to as our horizontal services), in the areas of customer interaction services, finance and accounting (including procurement), research and analytics and technology services. In addition, our global transformation practice offers higher-value services such as transformation services, which are designed to help our clients modify their business processes to enhance productivity, manage changes in the business environment, and leverage business knowledge to increase market competitiveness. We help clients drive these initiatives with technology-enabled solutions, process re-design including quality initiatives such as Six Sigma or Lean, and business analytics.

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

Vertical Business Units:

Insurance

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

The key insurance industry sectors that we serve include:

- Life, annuity and property and casualty insurers;
- Insurance brokers and loss assessors, property and casualty insurance providers, reinsurance brokers and motor insurance companies;
- Self-insured auto fleet owners; and
- Lloyds of London Market.

Our insurance business vertical includes our auto claims business, consisting of WNS Assistance Limited, AHA, WNS Assistance (Legal) Limited and WNS Legal Assistance LLP, which comprises our WNS Auto Claims BPM segment. We offer a technology-driven model that enables us to handle the entire automobile insurance claims cycle.

We offer Broker Connect, an advanced mobility solution that is designed to provide a comprehensive solution to meet the requirements of insurance brokers and financial advisors. It has features such as real-time status update / push notifications on new policy set-up as well as policy amendments. Our eAdjudicator tool automates the end-to-end adjudication process of various types of claims. It is driven by RPA and analytics, and improves the insurer s claims settlement rate with enhanced efficiency and accuracy. We also offer WNS IPAS, an insurance policy administration system integrator that provides a unified view of operations spread across multiple geographies with real-time distribution of work to manage high-transaction volumes. Our Claim Lodgment IntelliBot, a text analytics and automation tool, enables automated e-mail claim lodgment from unstructured data, leveraging natural language processing and text mining combined with robotics.

As at March 31, 2018, we had 8,645 employees working in this business unit. In fiscal 2018 and 2017, this business unit accounted for 25.7% and 29.6% of our revenue 24.0% and 26.6% of our revenue less repair payments (non-GAAP), respectively.

The following table illustrates the key areas of services that we provide to clients in this business unit:

Insurance Service Offerings			
Property & Casualty	**Actuarial**	**Analytics**	**Life & Annuity**
Sales & service, underwriting & support, policy administration, risk & compliance, premium / billing management, claims management, actuarial and research & analytics, shared services (procurement & claims, supply chain, finance & accounting, HR & payroll, consulting services), customer service (voice and non-voice)	*Actuarial services in life insurance*: In-force model projections / reporting, financial modeling, product management and pricing, capital management, asset liability management; *Actuarial services in property & casualty insurance*: Reserving & claims analysis, solvency II (a regulatory framework applicable to insurance companies) & capital modeling, pricing and underwriting support, catastrophe modeling	Claims analytics, subrogation analytics, fraud analytics, customer analytics, underwriting analytics, speech analytics, pricing analytics, digital analytics SocioSEER™, Brandttitude™	Sales & service, underwriting & support, policy administration, risk & compliance, premium / billing management, claims management, actuarial and research & analytics, shared services (finance & accounting, HR & payroll, consulting services), closed book, customer service (voice and non-voice)

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Travel and Leisure

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

The key travel and leisure industry sectors that we serve include:

- Airlines;
- Travel agencies, including OTAs, tour operators and travel management companies;
- Global distribution systems providers;
- Rental car companies and motor clubs; and
- Hotels and cruise lines.

As at March 31, 2018, we had 8,259 employees in this business unit, several hundred of whom have International Air Transport Association, Universal Federation of Travel Agents or other travel industry related certifications. In fiscal 2018 and 2017, this business unit accounted for 18.7% and 21.3% of our revenue and 19.2% and 22.1% of our revenue less repair payments (non-GAAP), respectively.

The following table illustrates the key areas of services that we provide to clients in this business unit:

Travel and Leisure Service Offerings

Front-office	Mid-office	Back-office
Reservations / sales, fares support, multi-channel customer care, baggage handling, loyalty program management	Pricing and revenue management, cargo support, fulfillment services, refunds processing, fraud management	Finance and accounting (including procurement), revenue accounting, human resource management, cabin crew management

Research and analytics: Loyalty analytics, customer interaction service analytics, commercial intelligence, flight operations, pricing and revenue management

Robotics process automation: Process automation of contact center, finance and accounting and industry-specific functions combined with artificial intelligence and machine learning

Business process consulting: Short-term, engagement-based consulting service with a focus on business process re-engineering

Technology platforms:

VERIFARE Plus[SM]**:** Fare audit solution

SmartPro[SM]**:** Interline proration engine that helps airlines arrest revenue leakage through accurate proration of partner revenues

Qbay[SM]**:** Automated queue distribution and workflow management solution, which empowers floor supervisors and process managers to improve operations, minimize costs and enhance customer service

RePAX[SM]**:** Automated flight disruption management solution, which is designed to help airlines minimize losses and improve passenger experience during flight disruptions

WNS Commercial Planning Suite: Comprehensive suite of analytic dashboards and decision support tools to assist the various commercial functions of an airline to maximize the revenues, quickly assess key gaps in revenue production and identify root causes

*Protect 360***:** Integrated solution for end-to-end airline revenue integrity

We also collaborate with technology solution providers across the world with a view to enhancing customer experience with innovative service offerings in chatbots and omni-channel customer relationship management.

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Diversified Businesses (including Manufacturing, Retail, Consumer Products, Media and Entertainment and Telecom)

We deliver comprehensive BPM services for diversified businesses, including manufacturing, retail, consumer products, media and entertainment, and telecom.

As at March 31, 2018, we had 5,013 employees in this business unit. In fiscal 2018 and 2017, this business unit accounted for 18.1% and 17.5% of our revenue and 18.5% and 18.2% of our revenue less repair payments (non-GAAP), respectively.

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

- Electronics manufacturers;
- Metal and mining companies;
- Optical equipment and imaging product manufacturers;
- Building and construction product manufacturers;
- Aeronautical product manufacturers;
- Precision engineering companies; and
- Food processing companies.

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The following table illustrates the key areas of services provided to clients in this business unit:

Manufacturing Service Offerings

Supply Chain Planning and Forecasting	Sourcing and Procurement	Fulfillment & Logistics	Warranty and Returns Management	Shared Services	Sales, Marketing and Customer Services
Sales and operations planning, demand forecasting, supply planning, inventory management, inventory analytics	Strategic sourcing, category management, contract management, spending analytics, transactional procurement	Order entry & processing, order tracking, billing / invoicing, transport management, logistics optimization	Warranty customer operations, warranty claims management, parts / repair management, warranty financial management, returns management, customer helpdesk	Finance and accounting services, statutory and compliance support, customer care services, human resource services, IT customer care services, IT web application support	Global market opportunities, brand building, go to market strategy, customer services, order management, acquisition analysis, retention analysis

Retail and Consumer Products: Our retail and CPG solutions are designed to help our clients derive consumer behavioral insights, optimize marketing expenditures, plan their growth strategy, reduce operational costs and streamline processes through efficiency, quality and productivity improvements, and improve customer service.

The key retail and CPG companies that we serve include:

- Beverage companies;
- Fast food chains and restaurants;
- Processed food suppliers;
- Cosmetics and healthcare companies;
- Specialty retailers; and

E-commerce retailers.

To support our services, we use our research and analytics platform, WADE[SM], which was designed and developed to enable retail and CPG companies to access, organize and analyze data from various outside sources and use the information to make informed decisions.

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The following table illustrates the key areas of services that we provide to clients in this business unit:

Retail and Consumer Packaged Goods Service Offerings

Strategy Solutions	Customer Service Solutions	Supply Chain Solutions	Revenue Management Solutions	Global Back-office Solutions
Market entry strategy, balancing portfolio investments, consumer and market insights, innovation strategies, power brand strategy, marketing spending optimization	Omni-channel (phone, e-mail, fax, website, live chat, social media) customer relationship management	Retailer-supplier collaboration for demand-driven supply chain and retail execution management, supply intelligence, supplier performance and risk monitoring, contract management, supply chain orchestration global trade shared services, trading partner helpdesks, logistics	Planning and execution of transaction and interaction-based campaign strategies, loyalty management, credit control and collections	Simplified, shared global self-service organization model with local business partners for finance and accounting (including indirect procurement) or human resources; end-to-end low cost shared services for transaction processes and virtual centers of excellence (CoEs) for specialized services (e.g., tax and internal audit)

Media and Entertainment: Our media and entertainment solutions are designed to help our clients create new revenue streams, capitalize on emerging digital opportunities, harness new-age consumers to their advantage and boost margins. The key media and entertainment sectors that we serve include:

- Music;
- Publishing;
- Television;
- Radio;
- Filmed entertainment;
- Gaming and animation;

- Sports entertainment; and
- Internet and outdoor advertising firms.

Working with some of the largest media and entertainment companies in the world gives us an undisputed advantage in understanding the nuances of the business. We leverage years of industry and process experience, and a large team of digital media experts in delivering new-age cost-effective solutions to clients in this industry.

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The following table illustrates the key areas of services that we provide to clients in this business unit:

Media and Entertainment Service Offerings

Strategy Solutions	Digital Operations and Royalty Management Solutions	Sales, Marketing and Distribution Solutions	Customer Service Solutions	Global Back-office Solutions
Market entry strategy, balancing portfolio investments, consumer and market insights, innovation strategies, brand power strategy, marketing expense optimization	Digital operations solutions to help companies successfully expand into the digital business; royalty management solutions to help clients manage rights and royalties in both new media and traditional media; piracy protection services to help companies prevent media piracy issues	Seamless integration of traditional and digital product sales, marketing and distribution to enable clients to roll out timely innovative pricing / packaging strategies	Omni-channel (phone, e-mail, fax, website, live chat, social media) customer relationship management	Simplified, shared global self-service organization model with local business partners for finance and accounting, human resources or indirect procurement; end-to-end low cost shared services for transaction processes and virtual CoEs for specialized services (e.g., tax and internal audit)

Telecom: Our experience in consolidating and centralizing the functions of our telecommunications clients with built-in variable capacity to meet business requirements helps us deliver business value. With end-to-end BPM services, our solutions are designed to enable telecom companies to transform their value chain while tackling myriad challenges. Our solutions are designed to deliver business value through the right mix of analytics, technology, domain and process expertise that enable our clients to achieve cost efficiencies and drive sustainable growth strategies.

The following table illustrates the key areas of services that we provide to clients in this business unit:

Telecommunications Service Offerings

Customer Acquisition	Order Provisioning and Order Management	Operations and Customer Relationship Management (CRM)	Global Back-office Solutions
Contract administration, sales order processing, service administration and data control	New products and services, service delivery process creation, order provisioning, technical validation and support, rejected order tracking, order tracking, proactive order management, billing, data management (e.g. forms and administration)	Inbound customer interaction services, logging and monitoring service requests, CRM analytics, collection analytics, web correspondence, IT customer care (global service desk)	Simplified, shared global self-service organization model with local business partners for finance and accounting; end-to-end low cost shared services for transaction processes and virtual CoEs for specialized

services (e.g., accounts payable, order management, collections)

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Utilities

We are a leading utilities BPM service provider, with domain expertise across the utilities value chain - generation, transmission and distribution. Our service portfolio supports utility companies catering to the residential, industrial, and small and medium enterprise (SME) segments.

The key energy and utilities industry sectors we serve include:

- Oil and gas;
- Electricity;
- Water; and
- Renewable energy.

As at March 31, 2018, we had 3,338 employees working in this business unit. In fiscal 2018 and 2017, this business unit accounted for 8.7% and 9.3% of our revenue, and 8.9% and 9.7% of our revenue less repair payments (non-GAAP), respectively.

We are a strategic outsourcing provider for clients from the US, the UK and Asia-Pacific regions. We support business-to-consumer and business-to-business processes for our clients through our offerings spanning meter-to-cash services (including customer acquisition and management, billing and metering, payment processing, credit and collections). Our long-standing relationships with leading companies globally have helped us develop geography- and industry-specific domain expertise and capabilities in the above-mentioned service segments. Our service delivery is enabled by analytics, digital platforms, tools and solutions, and automation through artificial intelligence (AI) and cognitive intelligence solutions.

Our capabilities to support clients across processes in oil and gas, electricity and water suppliers include end customer support, back-office processes, asset management, FAO services (including procurement services), debt management and other enabling services, such as meter reading, bill printing and digital support services (including smart metering). We offer platform integration, application integration, data integration, process integration, component integration and system integration capabilities to enhance process management through technology-enabled platforms. We also work with clients to provide a single view of the customer, using social media analytics and big data analytics across multiple channels. Our analytics offerings include data mining of structured and unstructured data, speech and text analysis, and debt management analytics with a view to increasing customer satisfaction and improving collection rates.

The table below illustrates the key services that we provide to our utility clients:

Utilities				
-to-Cash Revenue Cycle	Customer Management	Supply Chain Management	IT Solutions	Research and An

Operations		& Procurement		
ner billing, dispute on, exception handling, account management, of unmetered services, nd collections, payment s, tariff plans, renewals, nove processing	Customer acquisitions, customer retention, customer enhancement, cross- selling / up-selling, customer care queries, correspondence, asset management	eSourcing, vendor rationalization, supplier management, procurement optimization, sourcing, support, procure-to-pay (P2P) transaction, supply chain analytics	Document control and digitization, master data management, enterprise resource planning (ERP) implementation and support, meter-to-cash business-process-as-a-service, robotics automation, workflow, support for SAP implementations, BPaaS platform solutions for meter-to-cash	Data mining, deci support services, collections optimizations, cus analytics segme lifetime value ana net promoter scor (NPS) analysis predictive analytic analytics

Shared Services	
Finance & Accounting	**Human Resource Management**
Order-to-cash, financial analysis, procure-to-pay, accounts receivable / payable, joint venture accounting, royalty accounting, contract accounting services specific to utilities and oil and gas industries	Administration support and payroll services

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Consulting and Professional Services

Our consulting and professional services (CPS) business unit has a strong India presence coupled with global delivery capabilities, which allows us to serve a diverse and large global client base.

Our CPS business unit offers an array of services to a range of client sectors in consulting and professional services. These sectors include:

- Content and information publishers;
- Research and consulting firms;
- Real estate service firms;
- Executive search firms;
- Market research firms;
- Marketing service providers; and
- Legal services firms.

As at March 31, 2018, we had 1,533employees in the business unit. In fiscal 2018 and 2017, this business unit accounted for 5.2% and 6.9% of our revenue and 5.4% and 7.2% revenue less repair payments (non-GAAP), respectively.

We provide a wide range of services from complex business and financial research and analytics to very simple data management operations. Besides providing shared services support to our clients such as finance and accounting, human resource management, customer support and IT and infrastructure management, we provide the following domain-specific services:

Consulting and Professional Services Service Offerings

Content & Information Publishers	Research and Consulting Firms	Real Estate Services Firms	Executive Search Firms
Content sourcing, indexing / tagging, analysis & product creation, content management, including design and production services for digital / print products	Opportunity assessment, sector / thematic research, target screening, company analysis, including financial modeling, competitive intelligence and benchmarking	Strategy support, sales and marketing support, business research, survey management support, end-to-end conveyancing process, lease preparation &	Pitch book support, industry and company research, database clean-up, update and management, name identification, business

		abstraction, contract management	executive support

Market Research Firms	Marketing Service Providers	Legal Services Firms
End-to-end research operations support: research design, project management, survey programming, data collection, coding, data processing, data analytics and presentation	Industry, company & product research support, market research operations, market research analytics, shopper & CRM analytics, web / digital analytics, 24/7 data management production support, digital content management and production support (designing & development)	Legal support, legal and business research, digital dictation transcription, pitch support, accounts payables & general ledger, employee data management and payroll

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Healthcare

We deliver end-to-end BPM services across the healthcare industry value chain. We offer services that are designed to enable our clients to reduce administrative costs through process transformation, automation and robotics. Our services also seek to help clients enhance their quality of care by driving improved compliance with clinical pathways and derive deeper insights for better decision-making through advanced analytics.

The healthcare industry segments that we serve include:

- Durable medical equipment manufacturers;
- Health insurance companies;
- Healthcare provider practices and hospitals;
- Pharmaceutical and biotech companies; and
- Third-party administrators.

Our recent acquisitions of Value Edge and HealthHelp have considerably strengthened our end-to-end healthcare capabilities and services in the BPM industry. Value Edge strongly positions us in the pharmaceutical and biopharmaceutical industry with research and analytics expertise to support drug development and commercial services, leveraging Integrate Edge (a cloud-based, fully customizable competitive intelligence platform), Brandttitude™ (a proprietary cloud-based business intelligence self-serve analytics platform), Therapy Area Analyzer (a proprietary therapy area knowledge repository, covering 12 disease areas and 120 indications and providing information on disease etiology, epidemiology and product analysis for 15 countries) and other technology or domain internet protocols (IPs), which we have built with a view to delivering additional value to our clients. HealthHelp positions us as a strategic provider helping the healthcare industry deliver benefits management across several key specialty healthcare areas, including radiology, cardiology, oncology, sleep care, orthopedics and pain management. HealthHelp s analytics-based and medical-content-rules-driven platforms Consult™ and Protos™, which provide an alternative to traditional care management outsourcing, seek to deliver the right care to patients and reduce cost of care for our clients in the process. Our Analytics Knowledge Center comprising more than 800 analytics experts leverages its deep Pharma domain knowledge, strong analytics capabilities and proprietary frameworks to deliver actionable business insights to leading pharma companies.

As at March 31, 2018, we had 3,183 employees in this business unit. In fiscal 2018 and 2017, this business unit accounted for 14.7% and 6.8% of our revenue and 15.1% and 7.1% of our revenue less repair payments (non-GAAP), respectively.

The following table illustrates the key areas of services that we provide to client segments in this business unit:

Healthcare Service Offerings

Providers	Payer	Durable Medical Equipment Manufacturers	Enterprise Shared Services	Pharmaceutical and Consumer Health
Revenue cycle management, medical coding, bill preparation, receivables management, payment posting, debt analysis	Claims administration, member and provider services, clinical support, overpayment recovery, fraud detection and investigation, utilization management services (i.e., optimizing the payer healthcare spend on areas such as tests and procedures without compromising the patient care-quality-safety norms)	Billing and submissions, fulfillment support, collections, patient services, collection analytics	Finance and accounting, workflow / platforms, research and analytics (knowledge process outsourcing), technology solutions, front-end / mailroom, customer interaction services	Competitive intelligence, pipeline analysis, product profiling, key performance indicators (KPI) reporting, epidemiology analysis, market opportunity assessment, social media analysis, key opinion leader (KOL) research, modeling and tool building support, pricing analytics, patient data analytics

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Banking and Financial Services

We perform front and back office and other services for more than 20 banking and financial services clients, including large commercial and retail banks, wholesale and retail lenders, wealth advisors, asset managers, hedge funds, financial technology (or commonly referred to as fintech) organizations and mortgage servicing companies.

We aim to add value to our clients businesses by improving their customer satisfaction, unlocking cost efficiencies and streamlining processes through technology optimization.

The key banking and financial sectors that we serve include:

- Retail and commercial banking;
- Mortgage and loans;
- Wealth and investment banking;
- Capital markets and asset management;
- Financial advisory firms;
- Financial research and financial market intelligence companies;
- Trade finance; and
- Financial institutions.

As at March 31, 2018, we had 1,771 employees working in this business unit. In fiscal 2018 and 2017, this business unit accounted for 4.4% and 4.4% of our revenue and 4.5% and 4.6% of our revenue less repair payments (non-GAAP), respectively.

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The following table illustrates the key areas of services that we provide to clients in this business unit:

Banking and Financial Services Service Offerings			
Retail Banking	**Commercial Banking**	**Capital Markets**	**Mortgage Banking**
Acquisition: Lead generation and deployment, customer behavioral analysis, campaign management, product development / management and support;	*Trade finance*: Account opening, bills for collection, export bills negotiation, import bills, letter of credit processing, bank guarantee credit limits;	*Front office*: Financial and business research, investment strategy and modeling, order entry, allocation / rebalancing;	*Originations*: Indexing, pre-underwriting checklist, pre-funding audit, correspondent indexing, title commitment, credit evaluation, contact point verification, disbursals;
On boarding: Application scanning and indexing, account opening, product application processing, detailed documentation review and verification, underwriting / spend limit assignment, welcome calls;	*Credit risk management*: Financial spreading, proposal development, reconciliation, credit analysis, collateral management, renewal support, billing and contribution management, audit support;	*Middle office*: Reference data management, cash flow forecasting, risk management, amendments / maintenance of existing data, manual trade allocations, manual trade booking, trade exception / rejection management, trade amendment, trade confirmation, queries handling;	*Servicing*: Customer service, loan boarding and set-up, adjustable rate mortgage audit, payments processing, assignments and endorsements, lien release, escrow management / periodic analysis, final documents follow up and audit;
Maintenance and servicing: Account maintenance, account and general enquiries, customer data maintenance, statement generation, payment processing, funds allocation and return payment processing, complaint handling, funds transfers, remittance, refunds and settlements, billing queries and statement processing;	*Cash management*: Funds transfer, trade processing, reconciliations, accrual calculations, investigations, payment processing, settlement, reference data management, reporting;	*Back office Accounting*: Expense and income processing, securities lending, corporate actions processing, fund accounting / net asset value calculations, financial reporting, settlement follow-up with clients;	*Default servicing*: Pre-loss mitigation, foreclosure support, borrower research, operations intake, claims processing, investor reporting, closing and monitoring functions, trial period monitoring (forbearance support), loan modification document preparation; and
Collections: Collections and recovery, ship tracking, pre-delinquency management, payment plans; and	*Commercial lending*: Account opening, know your customer, loan onboarding, documentation, covenant monitoring, billing, statutory accounting; and	*Back office Asset servicing*: Clearing and settlement, custody / record keeping, stock transfer, collateral management, transfer agency, claims management; and	*Secondary markets services*: Post close audit, due diligence of acquired packets, documentary fulfillment.
Bank Secrecy Act / Anti-Money Laundering: Alert elimination, enhanced due diligence, fraud & cyber-crime, politically exposed personnel and negative news.	*Treasury services*: Cash management, foreign exchange settlements, bill discounting, rates updates, mark to market, margin allocation.		

Back office *Treasury*: Cash management, cash forecasting, payment processing, invoicing / billing processing.

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The following table illustrates our research and analytics practice focused on banking and financial services:

Retail Banking	Investment Banking	Commercial Banking	Wealth Management	Asset Management
Loans, cards, profitability, attrition, risk, fraud	Mergers and acquisitions (M&A), initial public offerings, private placements	Financial statement spreading, credit appraisal, risk ratings, portfolio construction, portfolio measurement, probability of default, loss given default exposure at default prediction models	Current investment reviews, new business, pitch books, CRM support, fund research, portfolio research	Fixed income, equities, investment strategies, portfolio monitoring

Data Mining and Data Management

Analysis of structured and unstructured data across the banking and finance sector, organization of data for retrieval and analysis

Financial Crime and Compliance

Anti-money laundering and know-your-customer (or commonly referred to as KYC) verification, suspicious transaction monitoring and remediation, and others.

Reporting, Dash-boarding and Visualization

Generation and presentation of data-driven insights, communication tools for analysts

Model Development and Recalibration

Actionable models for optimization of operations and strategic planning, insights for changing market conditions

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Shipping and Logistics

We deliver a range of industry-specific business processes across the shipping and logistics industry, in addition to providing services in the areas of finance and accounting (including procurement), customer interaction services, business technology and human resources administration. We also offer decision support services in the form of research and analytics. To support our shipping and logistics team, we leverage various enabling tools, technologies and our proprietary digitization platform to deliver high-quality service to our customers.

The key shipping and logistics industry sectors that we serve include:

- Global express and courier companies;
- Ocean sector non-vessel operating common carrier, ocean liners, ports and terminals and shipping agencies;
- Trucking sector Less than truckload, full truckload, truck rental and leasing, compliance, safety and accountability companies;
- Third and fourth-party logistics; and
- Freight forwarders.

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As at March 31, 2018, we had 2,489 employees working in this business unit. In fiscal 2018 and 2017, this business unit accounted for 4.5% and 4.3% of our revenue, and 4.6% and 4.4% of our revenue less repair payments (non-GAAP), respectively.

The following table illustrates the key areas of services provided to clients in this business unit:

		Shipping and Logistics				
Sales & Marketing	Customer Service	Document Processing	Operations Support	Finance & Accounting	Research and Analytics	Technology Services
Tariff filing and maintenance, rate quotes, service contract / rate agreement creation and maintenance	Customer file and debtor file administration, customer helpdesk, booking desk-phone, booking desk-e-mail, electronic data interchange / Web, rating	Exports, bill of lading, processing and data entry, advance manifest processing, freight audit, billing and invoicing, vessel closures, imports, import data quality process / checks, arrival notifications, import general manifest filings with customers, delivery order issuance, customers document processing, verified gross mass (VGM) updating	Vessel schedules long term support , vessel schedules coastal, routing module maintenance, traffic control coordination, booking with carrier, hazardous cargo approvals, vendor management vendor file administration, purchase order / job order creation, gate moves, ship husbanding, stowage planning, bayplan submission and distribution, inbound and outbound trans-shipment, maintenance and repairs, global stock reconciliation, container	Accounts payable, accounts receivables, disbursement accounting, credit and collections, agency reconciliations, general ledger / bank reconciliation, cash reporting and audit / vendor reconciliation, financial management reporting, vendor helpdesk, monthly closing / quarterly / yearly closing, treasury support, agency audits, claims management	Metrics realization & analysis, network design and optimization, transport management, shipping performance management, tonnage analytics, carrier sourcing analytics, fleet analysis and maintenance, corporate management, revenue analytics, reverse logistics analytics	Intranet support, claims management, data hubbing, e-commerce registration, e-learning module content management, e-learning module content creation

leasing
validation,
vessel
performance
reports,
inventory
management,
chart
corrections
management,
safety and
environmental
KPI monitoring
onshore

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Horizontal Units

Customer Interaction Services

We have a strong track record of supporting customer interaction services while focusing on business outcomes. We offer tailor-made solutions and seek to create value in core businesses by leveraging our industry-specific expertise, sophisticated technology, analytics-led transformation suite, and omni-channel digital stack supported by a strong talent pool. Customer interaction services are offered across our vertical business units.

As at March 31, 2018, we had 11,634 employees in this horizontal unit. In fiscal 2018 and 2017, this horizontal unit accounted for 25.5% and 27.9% of our revenue, and 26.1% and 29.1% of our revenue less repair payments (non-GAAP), respectively.

The following table illustrates the key customer interaction services that we provide:

Customer Interaction Services Service Offerings

Services	Channels	Languages
Customer acquisition (sales up-sell or cross-sell, campaign management) **Customer retention** (complaint management, loyalty program management, customer / guest relations) **Customer service** (account management, transaction processing, billing and payments) **Collections** (early stage, late stage, skip tracing) **Technical helpdesk** (support for query levels L0 and L1 - website assistance) **Digital customer experience management** (multi-channel, cognitive, robotic process automation) **As-a-Service models** (quality, training, workforce management)	Bots (voice, chat, e-mail), biometrics, visual interactive voice response (IVR), social media (traditional sites such as Facebook, Twitter, forums, blogs, and review sites), digital engagement (mobile, web), voice (inbound / outbound), e-mail, chat, social media, short message service (SMS)	English, French, Italian, Russian, Spanish, Portuguese, German, Hungarian, Greek, Turkish, Finnish, Dutch, Polish, Swedish, Mandarin, Cantonese, Japanese, Korean, Arabic, Filipino (Tagalog), IsiZulu, IsiXhosa, Afrikaans, and more than 20 regional languages

Analytics (customer segmentation, loyalty management, sentiment analytics, sales analytics)

Finance and Accounting

Our finance and accounting service offerings include a full suite of finance and accounting processes, business process re-engineering, and transformation, including automation of finance operations. Finance and accounting services are offered across all our vertical business units.We have experience in delivering large-scale and complex finance and accounting transformation programs, which include:

- Industry-specific accounting processes such as royalty accounting, fiduciary accounting, revenue recovery management and airline passenger revenue accounting;

- Source-to-pay procurement, including strategic sourcing capabilities such as category management, contract management, vendor management and spend analytics;

- Services across order-to-cash, including order management, supply chain fulfillment support, supply chain management, deductions management, cash application;

- End-to-end processes ranging from simple, transaction-based processes (such as journals and reconciliations) to high-end, judgment-based processes, such as analytics and treasury;

- Global risk and compliance services such as forensics, background screening and digital credit screening;

- Automation suite for accounting activities, including WNS IP best practices, robotics process automation, embedded analytics and reporting under the CFO TRAC offerings;

- Business process re-engineering and transformation tools offering such as our Process Maturity Model, which allows for objective assessment of processes, technology and people using performance benchmarks that are customized for the industry and size of the company or ADAPT, which is our proprietary business process re-engineering methodology;

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- Rapid, large-scale transitions;

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

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

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As at March 31, 2018, we had 5,184 employees in this horizontal unit. In fiscal 2018 and 2017, this horizontal unit accounted for 21.4% and 20.6% of our revenue, and 21.9% and 21.5% of our revenue less repair payments (non-GAAP), respectively.

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

Finance and Accounting Service Offerings

Source-to-Pay	**Order-to-Cash**	**Record-to-Report**	**Decision Support**	**Corporate Functions**
Sourcing services including strategic sourcing & category management, procurement and administration, invoice / expense processing and payment, accounts payables, accounting and treasury support	Accounts receivables, billing and cash application, order management, credit control, collections and deductions management	General accounting, fixed assets, reconciliations, month-end reporting and consolidation, tax filing and reporting, cost accounting, inter-company accounting, statutory reporting	Budgeting, forecasting, variance analysis, management reporting	Treasury, cash management, financial planning and analysis, tax and compliance, decision support, management accounting

Supply Chain Finance	**Industry-specific Accounting**	**Technology Solutions**	**Governance, Risk, Compliance and Audit Services**
Product costing, inventory accounting, manufacturing accounting, supply chain analytics, supply chain fulfillment support	Passenger revenue accounting, revenue audit and recovery, claims management, loan account maintenance, royalty accounting, fiduciary accounting, trip records, freight and fuel charges accounting, cost accounting, franchise accounting, meter reading, pre-payment billing, disbursement accounting	*Enterprise resource planning (ERP)*: Implementation, hosting, optimization *Bolt-on tools*: Reconciliations, reporting, workbench, query management, web portal *Enablers*: Mailroom solution, workflow	Governance consulting, risk analytics services, compliance services and audit services

Proprietary Platform:

Proprietary platform-based service offerings include: CFO TRAC Finance and Accounting Automation Suite brand umbrella, and Xponential The ERP Card Solution™, a part of our BizAps Procure-to-Pay (P2P) solutions brand umbrella

Our acquisition of Denali has further strengthened our services across source-to-pay, including strategic sourcing, category management, spend analytics, contract management, catalog (demand management), global procurement, end-to-end accounts payable, industry-specific accounts payable, treasury and accounting support activities.

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Research and Analytics

With more than 2,500 employees, our research and analytics practice helps more than 100 global clients make critical business decisions with data-driven insights. We combine our consultative approach with deep domain knowledge and advanced analytics to provide decision support to our clients. Our practice endeavors to support clients along the entire spectrum of Infra to Insights (being analytics services from data infrastructure set-up to insights generation, ranging from data aggregation and data processing to visualization of insights and data) with customized big data, machine learning, artificial intelligence, social media analytics and advanced analytics solutions for digital transformation, better customer understanding, improved marketing efficiencies, risk reduction, and insights generation to optimize operations.

Our industry analytics portfolio spans various verticals, including retail and CPG, healthcare, hospitality, travel, banking and insurance, utilities and other emerging industries.

Our integrated business analytics services provide focused solutions to clients and seek to create long-term business value. We employ our proprietary frameworks, products and techniques based on the business context to generate actionable insights, focus on operational goals of quality and efficiency, and aid transformational initiatives. Our Analytics Innovation Center , a specialized research and development-focused unit comprising data scientists and leading analytics experts, develops cutting-edge solutions, products and capabilities with the view to enhance our clients returns on their analytics investments.

Continued investments in AI/ML have helped create innovative solutions and products. In an increasingly blending digital and analytics ecosystem, new capabilities and products in areas such as personalization is helping to improve digital customer experience for our clients.

As at March 31, 2018, we had 2,543 employees in this horizontal unit. In fiscal 2018 and 2017, this horizontal unit accounted for 11.8% and 13.3% of our revenue, and 12.1% and 13.8% of our revenue less repair payments (non-GAAP), respectively.

The following illustrates the key research and analytics products and services:

SocioSEER™ is our proprietary big-data-enabled social media analytics platform that lets organizations create brand advantage by harnessing the power of social media. SocioSEER ™ combines machine learning and deep domain expertise to seek to help brands proactively manage and outperform their stated goals around brand health, customer centricity and topline growth. Innovative solutions, focused on determining the true value of music artists for the purpose of negotiating contracts and identifying celebrity brand matches for advertising, are powered by this platform.

Brandttitude™ is our proprietary cloud-based analytical market intelligence product designed to track brand performance and perceptions over multiple dimensions across varied data sources to help clients make informed decisions. The product is built using open source technologies on a scalable data harmonization platform**.** Leading consumer brands are already using this product in a licensing model to identify insights from harmonized data, such as correlation between weather patterns and brand sales.

Unison is our proprietary multi-channel customer interaction analytics platform that provides 360-degree customer insights (including insights generated from multiple channels such as social media, e-mail, website, mobile apps, CRM and other offline channels) based on sentiment analysis. It is flexible and scalable to add additional channels of customer interaction and provides actionability and insights through key customer service metrics that are contextualized to specific industries using our proprietary categorization engine.

InTouch is another proprietary intelligent social media, customer service and analytics platform designed to enable quick, automated and customized audience engagement across multiple social media channels, blogs and forums to help drive long-term brand and customer-centricity for clients. The artificial-intelligence-powered platform prioritizes customer interactions according to severity of issues and manages interactions across multiple languages, making it a one-stop-shop solution for intelligently managing customer queries.

Research and Analytics Service Offerings

Analytics Consulting	Sales and Marketing Analytics	Digital Analytics
Analytics maturity consulting, data maturity consulting, model validation, partnership evaluation, model conversations, visualization needs assessment, digital transformation, big data consulting	Customer analytics, campaign management and loyalty analytics, sales analytics, market / media mix modeling, market research analytics, pricing analytics, personalization, social media analytics	Social media analytics, web analytics, text mining
Big Data Analytics	**Research**	**Financial and Risk Analytics**
Big data advisory, data engineering, data governance, data stitching and analysis, reports and dashboards, visualization tools, data cleansing and aggregation	*Business research*: Strategic marketing intelligence, competitive research *Financial research*: Credit research, equity research, M&A research, fixed income research *Market research*: Survey programming and web surveys	Actuarial analytics, collections analytics, budgeting and forecasting, balance sheet analytics, working capital analytics, financial model validation, compliance analytics

Domain-based Analytics

Insurance Analytics	Travel & Leisure Analytics	Banking & Financial Analytics
Claims analytics, subrogation analytics, fraud analytics, customer analytics	Loyalty analytics, customer interaction service analytics, commercial intelligence, flight operations, pricing and revenue management	Data mining and data management: Analysis of structured and unstructured data across the banking and finance sector Reporting, dash-boarding and visualization Financial model development and recalibration
Utilities Analytics	**Shipping & Logistics Analytics**	**Healthcare (Pharma & Consumer Health) Analytics**
Data mining, decision support services, collections optimizations, customer analytics segmentation, lifetime value analysis, NPS	Metrics realization and analysis, network design and optimization, transport management, shipping performance management, tonnage analytics, carrier sourcing analytics,	Competitive intelligence, pipeline analysis, product profiling, KPI reporting, epidemiology analysis, market opportunity assessment, social media analysis, KOL research, modeling and tool building support,

analysis, predictive analytics, text analytics	fleet analysis and maintenance, corporate management, revenue analytics, reverse logistics analytics	pricing analytics, patient data analytics

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Technology Services

WNS TRAC™, our consolidated suite of next-generation BPM enablement technology solutions, is differentiated by our deep domain expertise in strategic verticals and process know-how in key horizontal domains to equip us with an ability to understand and identify suitable technology for our clients businesses outcomes. The WNS TRAC™ solutions are available in the form of (a) all-inclusive and comprehensive enterprise platforms that are a combination of own IP with key partner products and (b) as plug and play solutions that seamlessly integrate with client s existing technology environment without the need for a complete overhaul. Also, the solutions are pre-configured with best practices and industrialized accelerators to drive implementation around social, mobility, analytics, cloud, robotics and digital automation with a host of deployment options and commercial models to choose from. We are also working on several industry use cases for next-generation technologies such as cognitive automation, artificial intelligence, blockchain and IoT, to address the emerging client demands.

From consulting to application management and operations, WNS TRAC™ drives seamless technology deployment across the business process lifecycle with the view to achieve sustained growth and profitability.

As at March 31, 2018, we had 293 employees in this horizontal unit. In fiscal 2018 and 2017, this horizontal unit accounted for 2.1% and 2.0% of our revenue, and 2.1% and 2.1% of our revenue less repair payments (non-GAAP), respectively.

The following table illustrates our industry-specific and cross-industry solutions available as part of WNS TRAC™:

WNS TRAC™
Industry-specific solutions

Travel	**Insurance**	**Healthcare**	**S&L**	**Utilities**	**CPG & Retail**
Verifare	Policy administration	Order-to-cash (O2C) for medical device manufacturing	Shipping document lifecycle management	Front-office digital transformation	Deductions and warranty management
SmartPro	Broker connect	WNS HealthHelp collaborative care management	Less than Truckload billing transformation	SMART automation and analytics	
Qbay	eAdjudicator	WNS ValueEdge - analytics			
RePax	Actuarial proprietary platform	Fraud detection for payers			
Commercial planning suite					

WNS TRAC™
Cross-industry solutions

Solutions for Chief Financial Officers	**Solutions for Chief Procurement Officers**	**Robotics Process Automation**	**Customer Interaction Services**

WNS P2P solution	WNS-Denali procurement solutions	Robotics process automation consulting & RPA-as-a-service	WNS interaction analytics
WNS O2C solution	WNS Procurement Card solution	Robotic process automation implementation & support	WNS omni-channel solution
WNS record-to-report solution	WNS supplier portal		WNS chatbot
WNS reporting and analytics	WNS spend analytics		

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WNS TRAC™
Next-Generation Technology Solutions

WNS cognitive automation and artificial intelligence solutions

WNS natural language processing and machine learning solutions

WNS blockchain solutions

WNS IoT solutions

Sales and Marketing

The sales cycle for business process management services are time-consuming and complex in nature. The extended sales cycle generally includes initiating client contact, submitting requests for information and requests for proposals for client business, hosting client visits to our delivery centers, performing analysis (including diagnostic studies, proofs-of-concept, and pilot implementations) to demonstrate our delivery capabilities. Due to the complex nature of the sales cycle, we have aligned our sales teams to our vertical business units and staffed them with hunting or new sales professionals (hunters), as well as farming or client relationship professionals (farmers). Our hunters and farmers have specialized industry knowledge and experience, which enable them to better understand prospective and existing client s business needs and to offer appropriate domain-specific solutions.

Our sales and sales support professionals are based in Australia, UAE, Eastern Europe, India, Singapore, South Africa, the UK and the US. Our sales teams work closely with our global sales support team, which provides critical analytical support throughout the sales cycle. Other key functions provided by our sales support team include generating leads for potential business opportunities and research support. As at March 31, 2018, our front-line sales teams consisted of 101 members including hunters and farmers. Our teams of farmers are responsible for identifying and initiating discussions with and selling services in new areas to existing clients. We assign dedicated client partners and / or account managers to our key clients. These managers work with their clients to co-create cutting-edge solutions that help our clients embrace changing business models while providing unified customer experience. In addition, they are the conduit to our service delivery teams addressing clients needs. More importantly, by leveraging their detailed understanding of the client s business objectives gained through this close interaction, our farmers actively identify and target additional processes that can be managed by us to provide better efficiency, effectiveness and control. Through this methodology, we have developed a strong track record of increasing our sales year-on-year as well as grow our business from existing clients.

Clients

As at March 31, 2018, we had a diverse client base of 386 clients across a variety of industries and service types, including companies that we believe are among the leading players in their respective industries.

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

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

	Year ended March 31,	
	2018	**2017**
Below $1.0 million	262	248
$1.0 million to $5.0 million	93	76
$5.0 million to $10.0 million	17	14
More than $10.0 million	14	11

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Competition

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

We compete primarily with:

- Focused BPM service companies with presence in offshore locations (primarily India), such as EXL Service Holdings, Inc., Firstsource Solutions Limited and Genpact Limited;

- BPM divisions of numerous information technology service companies operating out of India, such as Cognizant Technology Solutions, Infosys Technologies Limited, Tata Consultancy Services Limited and Wipro Technologies Limited;

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

- Global financial services and consulting firms such as Deloitte Private Limited, industry-focused niche technology players such as InterGlobe Enterprises and Accelya, and specialty analytics service providers such as Mu Sigma Inc.

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

Intellectual Property

We use a combination of our clients software systems, third party software platforms and systems and our own proprietary software platforms and systems to provide our BPM and technology services. Our proprietary solutions and licensed software allows us to market our services as integrated solutions under WNS TRAC ™ that combine technology solutions together with our core BPM service offerings. Our principal proprietary software solutions include:

(1) WNS TRAC™ Travel technology solutions, including a revenue accounting platform and a fare audit platform, which we use in our travel and leisure business unit;

(2) WNS Auto Claims software platform, which we use in WNS Assistance;

(3) WNS TRAC™ Insurance technology solutions, including iPAS and eAdjudicator, which we use in our insurance business unit;

(4) WNS TRAC™ Finance and Accounting solutions, including proprietary software, point solutions and platform solutions developed on third party software that we use in our finance and accounting services; and

(5) WNS TRAC™ Robotics and Digital Transformation solutions, including our proprietary solutions and solutions developed on third party software, for delivering automation and transformation services to our clients.

We customarily enter into licensing and non-disclosure agreements with our clients with respect to the use of their software platforms and systems. We maintain intellectual property rights in our proprietary software platforms and systems, and license the use of third party software platforms and systems from their respective owners. Under our contracts with third-party software platform providers, any solutions developed by us on top of such third party software platforms, using our domain knowledge, are our intellectual property (unless qualified otherwise). Our client contracts usually provide that all customized intellectual property created specifically for the use of our clients will be assigned to them, unless it is clearly identified as our intellectual property.

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

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

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Technology

We have a dedicated team of technology experts who support clients at every stage of their engagement with us. The team designs, implements and supports technology solutions to enable delivery of business processes for our customers.

Wide-area-network We have designed and built a highly redundant and resilient global multi-protocol label switching (MPLS) network, connecting all of our delivery centers and client datacenters. We run data, voice and video services on this global MPLS network to serve our customers.

Customer interaction services technology infrastructure We have deployed omni-channel capable contact center platforms comprising voice, web chat, email, social media, and interactive voice response across all our delivery centers, delivering customer experience through customer interaction services. These customized platforms orchestrate omni-channel customer journeys across digital channels including self-service and payment card industry data security standard compliance.

Data centers We have built highly secure, redundant, state of art data centers for hosting our omni-channel contact center platform, automation tools as a service for some of our clients and our corporate infrastructure and application services.

Cloud Computing We have adopted cloud computing services like office productivity tools, virtual servers, virtual storage, web and email security, for some of our clients and our corporate usage.*Technology service management methodology* Our technology service delivery management is based on an information technology infrastructure library framework. We manage over 200 clients for technology implementation, service delivery and support for end user computing, wide area network, local area network telecommunications, customer interaction management platform, IT security, datacenter systems and cloud computing technology platforms.

Process and Quality Assurance and Risk Management

Our process and quality assurance compliance programs are critical for the success of our operations. We have an independent quality team to monitor, analyze, provide feedback and report process performance and compliance. Our company-wide quality management system focuses on effectively managing our client processes on an ongoing basis. Our process delivery is managed by independent empowered teams and is measured regularly against pre-defined operational metrics. We have over 950 employees in our quality assurance team which help us meet ISO 9001 standards for quality management systems and ensure continued compliance. We apply Lean Six Sigma methodologies, which are statistical and process-focused methodologies to improve and deliver consistent quality across processes. We apply well-defined quality management principles to improve and provide consistent levels of service quality to our clients. In fiscal 2018, more than 717 different projects were completed using Lean Six Sigma methodologies and over 628 additional projects are in progress. We have also trained over 13,800 employees in ISO 9001 and Lean & Six Sigma principles in fiscal 2018.

We have been honored with the following awards for our achievements in quality assurance in fiscal 2018:

- Golden Peacock National Quality Award 2017

World Quality Congress Award 2017 for Best Use of Six Sigma Project in the Travel sector

GSA UK Award for delivering business value in outsourcing

NASSCOM BPM award for BPM Partnership

Global Awards for Excellence in Quality for Best Six Sigma in Travel

World Quality Congress Award for Best Six Sigma Project

Golden Star Award For Best Six Sigma use in Outsourcing

Stevie Bronze Award for Best Six Sigma Project

World Innovation Congress 50 Most Innovative Leaders

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

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

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

Our approach to information security involves implementation of an organization-wide information security management system, which complies with the ISO 27001:2013 to manage organizational information security risks. These measures seek to ensure that sensitive information pertaining to our company or our clients remains secure. Currently, information security systems at 41 delivery centers are ISO 27001:2013 certified, and we expect to seek similar certifications for our newer delivery centers. We also comply with the Payment Card Industry Data Security Standard (PCI DSS) which is a security standard aimed at helping companies proactively protect cardholder data and sensitive authentication data. In addition, we also undergo Statement on Standards for Attestation Engagements No. 16 / International Standard on Assurance Engagements (ISAE) No. 3402, Reporting on Controls at a Service Organization (SOC) 1 Type 2 audits with respect to our general control environment supporting operational delivery and with respect to security, availability and confidentiality in accordance with ISAE on an annual basis.

Our approach to operations risk management involves the implementation of a three lines of defense framework for our clients offshored business processes. Under this framework, the quality assurance teams embedded within the business units act as the first line of defense, an independent and centralized risk management team acts as the second line of defense and client-end internal audit teams act as the third line of defense. Our lines of defense are designed to identify potential risks, evaluate design efficiency and operating effectiveness of controls embedded within the outsourced business processes that we manage for our clients, and propose additional controls as appropriate for mitigation of the identified risks.

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

Human Capital

As at March 31, 2018, we had 36,540 employees, of which 18 are based in Australia, 386 are based in China, 99 are based in Costa Rica, one is based in Denmark, 12 are based in France, 10 are based in Germany, 23,242 are based in India, 6,213 are based in the Philippines, 234 are based in Poland, 396 are based in Romania, one is based in Singapore, 4,075 are based in South Africa, 648 are based in Sri Lanka, two are based in Switzerland, eight are based in Turkey, one is based in the United Arab Emirates, 264 are based in the UK and 930 are based in the US. Most of our associates hold university degrees. As at March 31, 2018 and 2017, we had 36,540 and 34,547 employees, respectively. Our employees are not unionized. We believe that our employee relations are good. We focus heavily on recruiting, training and retaining our employees.

Recruiting and Retention

We believe that talent acquisition is an integral part our overall organizational strategy. We have developed effective human resource strategies and demonstrated a strong track record in recruitment specific to the needs of our business units to optimize the training and development of our employees. As we continue to grow, we look to improve and enhance our candidate pool, which is sourced from recruitment agencies, job portals, advertisements, college campuses (where we focus on recruiting talented individuals) and walk-in applications. In addition, a significant number of our applicants are referred to us by existing employees. We recruit an average of 1,653 employees per month. We have also initiated a hiring program, whereby we employ apprentices under the India government scheme, National Employability Enhancement Mission (NEEM), pursuant to which they undergo a three to 36 months

apprenticeship to enhance their employability. There is no guarantee of employment with us following the completion of the apprenticeship.

During fiscal 2018, 2017 and 2016, the attrition rate for our employees who had completed six months of employment with us was 29%, 34% and 34% respectively.

Training and Development

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

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We have established the WNS Learning Academy, where we offer specialized skills development, such as leadership and management development, skills and behavioral programs for employees across all levels. The WNS Learning Academy is focused on developing high-impact leadership and potential across all band levels and geographies. The WNS Learning Academy is staffed with over 35 full-time trainers content designers and e-learning developers. We customize our training programs according to the nature of the client s business, the country in which the client operates and the services the client requires. Further, the WNS Learning Academy has an in-house e-learning unit which creates computer or web-based learning modules to support ongoing learning and development.

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

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

Educational opportunities through tie-ups with leading institutions, such as the Narsee Monjee Institute of Management Studies and NIIT University;

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

The ongoing expansion of our virtual domain university for each business unit, which we intend to serve as a one stop solution for domain knowledge; and

Diversity and cross-cultural understanding training initiatives.

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

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

In order to keep pace with the ever-changing global business environment, we recognize that there is a strong need to focus on consolidating, building and sharing our domain knowledge. Hence, in fiscal 2015, we set up a virtual domain university for certain vertical business units such as finance and accounting, banking and financial services, travel, diversified businesses, and shipping and logistics. The university serves as repository for domain knowledge that is accessible virtually by our employees. The university was established to assist us in retaining and building our domain

knowledge for our business units, and we intend to continue to expand its offerings to cover each of our business units. It is expected to benefit us as well as our clients in the long run. In the past fiscal year, we have collaborated with Lynda.com (a LinkedIn company), a leading provider of learning solutions, to provide our employees the opportunity of self-paced learning. We have also introduced video-based learning that uses videos provided by Lynda.com for employees, which can be accessed through their mobile phones.

The WNS Learning Academy derives its goals through a focused goal-setting exercise that takes inputs from business vertical strategy, HR talent acquisition and development strategy, performance management records, and market insights, all of which ties into the WNS mission of outperforming our targets and expectations.

The training function at WNS is responsible for developing a variety of skills organization-wide and within focus groups, such as behavior, domain, technical, leadership, functional as well as process. Development of these skills is provided through an integrated learning organization, which comprises seven building blocks.

The WNS Learning Academy is focused on developing high-impact leadership skills and potential across all band levels and geographies.

Our WNS Learning Academy has more than 100 active programs for various bands and behavioral skill areas. These programs are conducted across locations based on defined competency-led roadmaps. In fiscal 2018, we launched the following two flagship programs:

(a) **Aspire** This is our leadership development program designed to build and foster our next-generation leaders. This program aims at creating functional leaders within the organization. It considers not only the individual participants personal career aspirations but also aligns it with their inherent competencies through assessment science and analytics.

(b) **Centurion** This is a talent development program designed for future women leaders. It is an initiative to proactively identify and nurture women employees within frontline managers to build next role capabilities and create an enabling environment for career opportunities.

In partnership with NIIT University, we have also designed a Master of Business Administration (MBA) program in Business Analytics that is relevant to the industry and helps create a pipeline of ready analytics professionals.

Other Development Initiatives

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

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Representatives of the learning and development team are also involved in feasibility studies for potential new locations from a talent availability point of view. To improve our reach, we are increasingly deploying blended learning solutions via video-based and e-learning to reach our managers globally. We have also collaborated with an external e-learning provider to assist in providing appropriate and relevant online training materials while keeping in mind our organizational goals. Our continued focus on e-learning has helped us in reducing costs associated with training as the costs associated with online products on a per person, per hour basis, are significantly less than the costs associated with training in the physical classroom.

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

Top Talent development initiatives We focus on employees identified as top talent via our WNS performance management system by building their capability to be future leaders in our company. These initiatives include:

- focusing on leadership pipeline development through programs to develop future-ready leaders in our company;
- investing in top talent individuals identified as best bets ; and
- providing a support system and learning mechanism to enable the individual to understand, improve and reinvent oneself.

Regulations

Due to the industry and geographic diversity of our operations and services, our operations are subject to a variety of rules and regulations, and several federal and state agencies in Australia, China, Costa Rica, France, Germany, India, Ireland, Mauritius, the Netherlands, New Zealand, the Philippines, Poland, Romania, Singapore, South Africa, Sri Lanka, Switzerland, Turkey, United Arab Emirates, the UK and the US that regulate various aspects of our business. See Part I Item 3. Key Information D. Risk Factors Risks Related to our Business Our global operations expose us to numerous and sometimes conflicting legal and regulatory requirements. Failure to adhere to the laws and regulations that govern our business or our clients businesses that we are required to comply with in performing our services could harm our business. We have benefitted from, and continue to benefit from, certain tax holidays and exemptions in various jurisdictions in which we have operations.

In fiscal 2018, 2017 and 2016, our tax rate in India, the Philippines and Sri Lanka impacted our effective tax rate. We would have incurred approximately $9.4 million, $5.2 million and $5.0 million in additional income tax expense on our combined operations in our SEZ operations in India, the Philippines and Sri Lanka for fiscal 2018, 2017 and 2016, respectively, if the tax holidays or exemptions as described below had not been available for the respective periods.

We expect our tax rate in India, the Philippines and Sri Lanka to continue to impact our effective tax rate. Our tax rate in India has been impacted by the reduction in the tax exemption enjoyed by our delivery center operating under the

STPI scheme, as more fully described below.

India

In the past, the majority of our Indian operations were eligible to claim income tax exemption with respect to profits earned from export revenue from operating units registered under the STPI. The benefit was available for a period of 10 years from the date of commencement of operations, but not beyond March 31, 2011. Effective April 1, 2011, upon the expiration of this tax exemption, income derived from our operations in India became subject to the prevailing annual tax rate, which is currently 34.95%, and was 34.61% in fiscal 2018, 2017 and 2016.

In 2005, the Government of India implemented the SEZ legislation, with the effect that taxable income of new operations established in designated SEZs may be eligible for a 15-year tax holiday scheme consisting of a complete tax holiday for the initial five years and a partial tax holiday for the subsequent ten years, subject to the satisfaction of certain capital investment conditions. During fiscal 2012, we also started operations in delivery centers in Pune, Mumbai and Chennai, India registered under the SEZ scheme, which were, prior to fiscal 2017, eligible for a complete tax holiday but commencing fiscal 2017 to fiscal 2026 are eligible for only a 50.0% income tax exemption. During fiscal 2015, we commenced operations at our new delivery centers in Gurgaon and Pune in India which are registered under the SEZ scheme and are eligible for a 100.0% income tax exemption until fiscal 2019, and a 50.0% income tax exemption from fiscal 2020 to fiscal 2029. During fiscal 2018, we commenced operations at our new delivery centers in Gurgaon and Pune, India which are registered under the SEZ scheme and are eligible for a 100.0% income tax exemption until fiscal 2022, and a 50.0% income tax exemption from fiscal 2023 to fiscal 2032.

The SEZ legislation has been criticized on economic grounds by the International Monetary Fund and the SEZ legislation may be challenged by certain non-governmental organizations. It is possible that, as a result of such political pressures, the procedure for obtaining benefits under the SEZ legislation may become more onerous, the types of land eligible for SEZ status may be further restricted or the SEZ legislation may be amended or repealed.

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

Since fiscal 2008, we have become subject to minimum alternate tax (MAT) and we have been required to pay additional taxes. The Government of India, pursuant to the Indian Finance Act, 2011, has also levied MAT on the book profits earned by the SEZ units at the prevailing tax rate, which is currently 21.55% and was 21.34% in fiscal 2018, 2017 and 2016. To the extent MAT paid exceeds the actual tax payable on our taxable income, we would be able to offset such MAT credits from tax payable in the succeeding 15 years, subject to the satisfaction of certain conditions. During fiscal 2018, 2017 and 2016, we have offset Nil, Nil and $9.2 million, respectively, of our MAT payments for earlier years from our increased tax liability based on our taxable income following the expiry of our tax holiday on STPI effective fiscal 2012.

The Government of India may enact new tax legislation that could impact the way we are taxed in the future. For example, the Government of India has issued guidelines on the GAAR, which came into effect on April 1, 2017, and which is intended to curb sophisticated tax avoidance. Under the GAAR, a business arrangement will be deemed an impermissible avoidance arrangement if the main purpose of the arrangement is to obtain tax benefits. Although the full implications of the GAAR are presently still unclear, if we are deemed to have violated any of its provisions, we may face an increase to our tax liability. However, we do not expect the GAAR to have a material adverse impact on our operations. The Government of India has passed the Goods and Service Tax Act (GST Act), which is effective from July 1, 2017. The majority of the various existing indirect tax levies have since been subsumed by the goods and services tax payable under the GST Act. Based on the current GST law and the rules, we do not expect a significant impact on our operations. See Part I Item 3. Key Information D. Risk Factors Risks Related to Key Delivery Locations New tax legislation and the results of actions by taxing authorities may have an adverse effect on our operations and our overall tax rate.

Philippines

During fiscal 2013, we started operations in a delivery center in the Philippines located in Techno Plaza II, Manila which was eligible for a tax exemption that expired in fiscal 2017. We have filed an application for extension of this tax exemption for an additional year. Accordingly, we expect to continue to avail ourselves of this tax exemption in fiscal 2018. During fiscal 2016, we started operations in a delivery center in Iloilo, Philippines which is also eligible for a tax exemption that will expire in fiscal 2020. During fiscal 2017, we started operations in additional delivery centers in Iloilo and Alabang, Philippines which are also eligible for tax exemption that will expire in fiscal 2021. During fiscal 2018, we started an additional delivery center in Alabang, Philippines which is eligible for a 100% tax exemption until fiscal 2022. Following the expiry of the tax exemption, income generated by WNS Global Services Philippines Inc. will be taxed at the prevailing special tax rate, which is currently 5.0% on gross margin.

Sri Lanka

Our operations in Sri Lanka are eligible to claim income tax exemption under the Sri Lanka Inland Revenue Act for profits earned from export revenue until fiscal 2018 and would be taxed at 14% on net basis with effect from April 1,

2018.

Costa Rica

Our subsidiary in Costa Rica is eligible for a 100.0% income tax exemption from fiscal 2010 until fiscal 2017 and a 50.0% income tax exemption from fiscal 2018 to fiscal 2021.

See Part I Item 5. Operating and Financial Review and Prospects Critical Accounting Policies Income Taxes.

Enforcement of Civil Liabilities

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

- the court which pronounced the judgment has jurisdiction to entertain the case according to the principles recognized by Jersey law with reference to the jurisdiction of the US courts;
- the judgment is given on the merits and is final and conclusive it cannot be altered by the courts which pronounced it;
- there is payable pursuant to the judgment a sum of money, not being a sum payable in respect of tax or other charges of a like nature or in respect of a fine or other penalty;
- the courts of the US have jurisdiction in the circumstances of the case;
- the judgment can be enforced by execution in the jurisdiction in which the judgment is given;
- the person against whom the judgment is given does not benefit from immunity under the principles of public international law;
- there is no earlier judgment in another court between the same parties on the same issues as are dealt with in the judgment to be enforced;
- the judgment was not obtained by fraud, duress and was not based on a clear mistake of fact; and
- the recognition and enforcement of the judgment is not contrary to public policy in Jersey, including observance of the principles of natural justice which require that documents in the US proceeding were properly served on the defendant and that the defendant was given the right to be heard and represented by counsel in a free and fair trial before an impartial tribunal.

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

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

- recognize or enforce judgments of US courts obtained against us or our directors or officers predicated upon the civil liability provisions of the securities laws of the US or any state in the US; or
- entertain original actions brought in each respective jurisdiction against us or our directors or officers predicated upon the federal securities laws of the US or any state in the US.

In India, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 (India) (the Civil Code), as amended. Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court in any country or territory outside India which the Indian government has by notification declared to be a reciprocating territory, such foreign judgment may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being in the nature of amounts payable in respect of taxes or other charges of a similar nature or in respect of fines or other penalties and does not include arbitration awards. The US has not been declared by the Indian government to be a reciprocating territory for the purposes of Section 44A of the Civil Code. Accordingly, a judgment of a foreign court, which is not a court in a reciprocating territory, may be enforced in India only by a fresh suit instituted in a court of India and not by proceedings in execution. Furthermore, the execution of the foreign decree under Section 44A of the Civil Code is also subject to the exception under Section 13 of the Civil Code, as discussed below.

Section 13 of the Civil Code, states that a foreign judgment is conclusive as to any matter directly adjudicated upon except:

- where the judgment has not been pronounced by a court of competent jurisdiction;
- where the judgment has not been given on the merits of the case;
- where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases where such law is applicable;
- where the proceedings in which the judgment was obtained were opposed to natural justice;
- where the judgment has been obtained by fraud; or
- where the judgment sustains a claim founded on a breach of any law in force in India.

The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy in India. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the Reserve Bank of India under the Indian Foreign Exchange Management Act, 1999, to repatriate any amount recovered pursuant to such execution and such amount may be subject to tax in accordance with applicable laws. Any judgment in a foreign currency would be converted into Indian rupees on the date of judgment and not on the date of payment. We cannot predict whether a suit brought in a court in India will be disposed of in a timely manner.

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C. Organizational Structure

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

Notes:

(1) All the shares except one share of WNS Business Consulting Services Private Limited are held by WNS North America Inc. The remaining one share is held by a nominee shareholder on behalf of WNS North America Inc. to satisfy the regulatory requirement to have a minimum of two shareholders.

(2) WNS (Holdings) Limited has made a 99.99% capital contribution in WNS Global Services Netherlands Cooperatief U.A. (the Co-op). The remaining 0.01% capital contribution in the Co-op was made by WNS North America Inc. to satisfy the regulatory requirement to have a minimum of two members.

(3) Value Edge Research Services Private Limited, which was a subsidiary of WNS Global Services Private Limited, was merged with and into WNS Global Services Private Limited pursuant to a National Company Law Tribunal order dated July 27, 2017. The effective date of the merger was January 1, 2017.

(4) WNS Cares Foundation is a not for profit organization registered under the former Section 25 of the Indian Companies Act, 1956 (which has become Section 8 of the Indian Companies Act, 2013), formed for the purpose of promoting corporate social responsibilities. As a result, it is not considered for the purpose of preparing our consolidated financial statements.

(5) WNS New Zealand Limited was incorporated on June 13, 2017.

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D. Property, Plants and Equipment

As at March 31, 2018, we have an installed capacity of 30,390 production workstations, or seats, that can operate on an uninterrupted 24/7 basis and can be staffed on a three-shift per day basis. The majority of our properties are leased by us, as described in the table below, and most of our leases are renewable at our option. The following table describes each of our delivery centers and sales offices, including centers under construction, and sets forth our lease expiration dates.

Location	Total Space (square feet)	Total number of work stations	Lease Expiration Date	Extendable Until[1]
India:				
Mumbai	364,835	2,979		
Godrej Plant 10			February 15, 2021	February 15, 2023
Godrej Plant 11			February 15, 2021	February 15, 2023
Godrej Plant 5			February 15, 2021	February 15, 2023
Raheja (SEZ), Airoli			May 31, 2019	N/A
Rupa Solitaire-Unit 316			June 1, 2018	N/A
Gurgaon	238,637	3,113		
World Tech park Block-B2 9th Floor			May 14, 2022	May 15, 2027
World Tech park Block-B3 9th Floor			May 14, 2022	May 15, 2027
World Tech Park-8th, 9th, 10th & part 11th Floor			April 27, 2019	April 27, 2024
World Tech Park- Remaining part of 11 th Floor			November 2, 2019	April 27, 2024
World Tech Park- Block A3, 11 th floor			September 19, 2020	September 19, 2024
Pune	640,203	7,837		
Magarpatta			N/A	N/A
Weikfield Phase I			February 14, 2023	N/A
Weikfield Phase II			April 30, 2023	N/A
Weikfield Phase III			June 14, 2023	N/A
Mantri Estate-2nd Floor			May 27, 2020	N/A
Mantri Estate-4th Floor			May 27, 2020	N/A
Magarpatta (SEZ) Level 5			February 14, 2026	N/A
Magarpatta (SEZ) Level 6			October 26, 2026	N/A
Magarpatta (SEZ) Level 7			February 28, 2027	N/A
Giga Space			January 17, 2021	N/A
Pune Info city			May 30, 2022	N/A
Nasik	88,356	1,206		
Shreeniketan			June 30, 2018	N/A
Vascon			October 13, 2018	N/A
Bangalore	191,890	1,467		
RMZ Centennial Ground Floor & Level 1			June 14, 2018	June 14, 2025
RMZ Centennial Level 2 & 3			October 31, 2018	October 31, 2025

RMZ Centennial Terrace			July 31, 2018	July 31, 2025
Chennai	110,792	915		
RMZ Millenia			March 31, 2021	March 31, 2045
DLF (SEZ) Phase 1			March 31, 2021	March 31, 2026
DLF (SEZ) Phase 2			March 31, 2021	N/A
Vishakhapatnam	71,633	577		
MPS Plaza			March 4, 2022	March 4, 2027
Apeita Tech-hub			April 30, 2026	N/A
Tiruchirappalli	217,800	N/A	November 15, 2111	November 15, 2210
Plot of land(2)				
Noida	41,061	210		
Brookefield			December 31, 2022	December 31, 2027
C-125 A 2nd & 3rd floor(3)			May 31, 2018	N/A
C-125 Ground & 1st floor			June 30, 2018	N/A
C-120(3)			May 31, 2018	N/A

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Sri Lanka:	59,249	871		
Colombo (HNB) Level 15			July 31, 2018	N/A
Colombo (Orion City) Level 12&13[1]			May 31, 2018	N/A
UK:	26,156	511		
Ipswich (Museum Street)			May 23, 2028	N/A
Cheadle (Hercules Office Park)			July 21, 2020	N/A
Piccadilly (Malta House)			February 10, 2027	N/A
Hayes (Hyde Park)			February 28, 2021	N/A
US:	161,274	1,002		
NJ (Exchange Place)			July 30, 2019	July 30, 2024
SC (The State Building)			July 31, 2020	April 19, 2023
Pennsylvania (Hanover Street)			October 31, 2018	N/A
Bellevue (Sterling Plaza)			November 30, 2022	N/A
Bellevue (Cascade Building)			October 31, 2019	N/A
Pittsburg (One Waterfront Place)			January 31, 2022	N/A
NY (East Greenbush)			February 28, 2019	N/A
Houston (Corporate Drive)			December 31, 2020	N/A
Houston (Northchase Drive)			March 31, 2026	N/A
Turkey:	N/A	12		
Istanbul (MeydanK Plaza)			April 30, 2019	N/A
Switzerland:	2,077			
Zurich (Bahnhofstrasse)			Can be terminated with three months notice	N/A
Romania:	53,201	633		
Bucharest (West Gate) 2nd & 3rd Floor			February 25, 2023	February 25, 2026
Constanta (Euro Construct)			January 15, 2022	N/A
Philippines:	336,128	3,669		
Manila				
Eastwood Basement 3 Parking			November 30, 2021	N/A
Eastwood Basement 4 Parking			June 4, 2021	N/A
Eastwood 10th floor			June 30, 2021	N/A
Eastwood 9th floor			June 30, 2021	June 30, 2031
Techno Plaza II			April 30, 2019	April 30, 2024
Exxa tower-15th Floor			March 19, 2023	March 19, 2028
Exxa Tower - 16th Floor			June 14, 2023	June 14, 2028
Ilo Ilo				
One Global Centre			January 15, 2021	N/A
Three Techno Place 4th Floor			March 15, 2022	N/A
Alabang				
Vector 2 - 9th & 10th floor			February 28, 2022	N/A
Capella			June 30, 2022	N/A
Costa Rica:	12,592	200		
San Jose (Forum H)			April 30, 2021	N/A
United Arab Emirates:	510	N/A		
Dubai Airport Free Trade Zone			November 22, 2020	N/A
South Africa:	339,522	4,491		
Cape Town				

Knowledge Park			March 31, 2019	N/A
Claremont Level 4			June 30, 2018	June 30, 2022
Claremont Level 5			June 30, 2018	June 30, 2022
Bellavile				
Ambition House 3rd Floor			June 30, 2018	June 30, 2019
Ambition House 4th Floor			September 30, 2019	N/A
Johannesburg				
Commissioners Street			September 30, 2018	N/A
DownSouth Ridge Park			August 31, 2021	N/A
Port Elizabeth (COEGA)			July 31, 2020	July 31, 2025
Durban				
Hippopark Avenue - Section #1 & 2			May 30, 2020	N/A
Grid Eye			June 30, 2021	N/A
Poland:	23,460	259		
Gdynia (Luzycka Office Park) Bldg C & D			August 31, 2022	N/A
China:	42,538	438		
Guangzhou (Zhongshan Street) 30th & 22nd Floor			April 30, 2019	N/A
Dalian (Dalian Software Park) Bldg 22			May 15, 2020	N/A
Beijing (YongAnDongLi) 5th Floor			April 30, 2019	N/A
Shanghai (Huang PL)			April 30, 2019	N/A
Australia:	1,216	N/A		
Sydney (Berry Street)			March 19, 2023	N/A

Notes:

N/A means not applicable.

(1) Reflects the expiration date if the applicable extension option is exercised.
(2) This is a SEZ plot in the ELCOT Navalpattu IT/ITES SEZ Park. We have submitted an application to the relevant authority for surrendering this plot of land and we are awaiting a reply to our application.
(3) We have served a notice of termination of the lease to the lessor and the premises will be surrendered on May 31, 2018.
(4) We are in the process of renewing the lease and expect the lease renewal to be finalized by June 2018.

Our delivery centers are equipped with fiber optic connectivity and have backups to their power supply designed to achieve uninterrupted operations. In fiscal 2019, we intend to establish additional delivery centers, as well as continue to streamline our operations by further consolidating production capacities in our delivery centers.

ITEM 4A. UNRESOLVED STAFF COMMENTS

None.

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ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

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

Overview

We are a leading global provider of BPM services, offering comprehensive data, voice, analytical and business transformation services with a blended onshore, near shore and offshore delivery model. We transfer the business processes of our clients to our delivery centers, located in China, Costa Rica, India, the Philippines, Poland, Romania, South Africa, Sri Lanka, Turkey, the UK, and the US, with a view to offer cost savings, operational flexibility, improved quality and actionable insights to our clients. We seek to help our clients transform their businesses by identifying business and process optimization opportunities through technology-enabled solutions, improvements to their processes, global delivery capabilities, analytics and an understanding of their business.

We win outsourcing engagements from our clients based on our domain knowledge of their business, our experience in managing the specific processes they seek to outsource and our customer-centric approach. Our company is organized into vertical business units in order to provide more specialized focus on each of the industries that we target, to more effectively manage our sales and marketing process and to develop in-depth domain knowledge. The major industry verticals we currently target are the insurance; travel and leisure; diversified businesses including manufacturing, retail, CPG, media and entertainment, and telecom; healthcare; utilities; consulting and professional services; shipping and logistics and banking and financial services industries.

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

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

The following table represents our revenue (a GAAP financial measure) for the periods indicated:

	Year ended March 31,		
	2018	2017	2016
	(US dollars in millions)		
Revenue	$ 758.0	$ 602.5	$ 562.2

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

For our non-fault repairs business, we generally provide a consolidated suite of accident management services including credit hire and credit repair, and we believe that measurement of such business on a basis that includes repair payments in revenue is appropriate. Revenue including repair payments is therefore used as a primary measure to allocate resources and measure operating performance for accident management services provided in our non-fault repairs business. Our non-fault repairs business where we provide accident management services accounts for a relatively small portion of our revenue for our WNS Auto Claims BPM segment. In our WNS Auto Claims BPM segment, effective July 1, 2015, WNS Legal Assistance LLP, a subsidiary of WNS Assistance Limited, received an approval from Solicitors Regulatory Authority, UK to provide legal services in relation to personal injury claims.

Revenue less repair payments is a non-GAAP financial measure which is calculated as (a) revenue less (b) in our auto claims business, payments to repair centers for fault repair cases where we act as the principal in our dealings with the third party repair centers and our clients. This non-GAAP financial information is not meant to be considered in isolation or as a substitute for our financial results prepared in accordance with GAAP. Our revenue less repair payments (non-GAAP) may not be comparable to similarly titled measures reported by other companies due to potential differences in the method of calculation.

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

	Year ended March 31,		
	2018	**2017**	**2016**
	(US dollars in millions)		
Revenue	$ 758.0	$ 602.5	$ 562.2
Less: Payments to repair centers[1]	17.0	24.1	31.2
Revenue less repair payments (non-GAAP)	$ 741.0	$ 578.4	$ 531.0

Note:

(1) Consists of payments to repair centers in our auto claims business for fault repair cases where we act as the principal in our dealings with the third party repair centers and our clients.

The following table sets forth our constant currency revenue less repair payments (a non-GAAP financial measure) for the periods indicated. Constant currency revenue less repair payments is a non-GAAP financial measure. We present constant currency revenue less repair payments (non-GAAP) so that revenue less repair payments (non-GAAP) may be viewed without the impact of foreign currency exchange rate fluctuations, thereby facilitating period-to-period comparisons of business performance. Constant currency revenue less repair payments (non-GAAP) is presented by recalculating prior period s revenue less repair payments (non-GAAP) denominated in currencies other than in US dollars using the foreign exchange rate used for the latest period, without taking into account the impact of hedging gains/losses. Our non-US dollar denominated revenue includes, but is not limited to, revenue denominated in pound sterling, Australian dollars, South African rand and euros. Management believes constant currency revenue less repair payments (non-GAAP) may be useful to investors in evaluating the underlying operating performance of our company. This non-GAAP financial information is not meant to be considered in isolation or as a substitute for our financial results prepared in accordance with GAAP. Our constant currency revenue less repair payments (non-GAAP) may not be comparable to similarly titled measures reported by other companies due to potential

differences in the method of calculation.

	Year ended March 31,		
	2018	**2017**	**2016**
	(US dollars in millions)		
Revenue less repair payments (non-GAAP)	741.0	578.4	531.0
Exchange rate impact	(9.2)	3.3	(29.5)
Constant currency revenue less repair payments (non-GAAP)	$ 731.8	$ 581.8	$ 501.5

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Global Economic Conditions

Global economic conditions continue to show signs of turbulence. Although some key indicators of sustainable economic growth show signs of improvement, volatility in the domestic politics of major markets may lead to changes in the institutional framework of the international economy. In June 2016, a majority of voters in the United Kingdom elected to withdraw from the European Union in a national referendum. The referendum was advisory, and the terms of any withdrawal are subject to a negotiation period that could last at least two years after the government of the United Kingdom formally initiated a withdrawal process on March 29, 2017, putting the United Kingdom on track to leave the European Union by April 2019. The referendum has created significant uncertainty about the future relationship between the United Kingdom and the European Union, including with respect to the laws and regulations that will apply as the United Kingdom determines which European Union-derived laws to replace or replicate in the event of a withdrawal. The referendum has also given rise to calls for the governments of other European Union member states to consider withdrawal. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have a material adverse effect on our business, financial condition and results of operations. In the US, economic growth is tempered by continuing concerns over the failure to achieve a long term solution to the issues of government spending, the increasing US national debt, and their negative impact on the US economy as well as concerns over potential increases in cost of borrowing and reduction in availability of credit as the US Federal Reserve begins raising interest rates. The policies that may be pursued by the presidential administration in the US, particularly with respect to implementation of the 2017 US Tax Reforms, have added further uncertainty to the global economy, and the prevailing political climate may lead to more protectionist policies. Globally, countries may require additional financial support, sovereign credit ratings may continue to decline, and there may be default on sovereign debt obligations of certain countries. Any of these may increase the cost of borrowing and cause credit to become more limited. Further, there continue to be signs of economic weakness, such as relatively high levels of unemployment, in major markets including Europe. Continuing conflicts and instability in various regions around the world may lead to additional acts of terrorism and armed conflict around the world. The ongoing refugee crisis in Europe, North Africa and the Middle East may contribute to political and economic instability in those regions. A resurgence of isolationist and/or protectionist policies in North America, Europe and Asia may curtail global economic growth. China continues to have room for economic growth, but such growth opportunities remain subject to political developments and uncertainties in the regulatory framework of the economy. Further, there is uncertainty regarding the imposition of tariffs on Chinese imports in the United States and the impact of a potential trade war between China and the United States on the global economy.

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

Furthermore, a weakening of the rate of exchange for the pound sterling, the US dollar or, to a lesser extent, the Australian dollar or the South African rand (in which our revenue is principally denominated) against the Indian rupee, or to a lesser extent, the South African rand (in which a significant portion of our costs are denominated) would

also adversely affect our results. Fluctuations between the pound sterling, the Indian rupee, the Australian dollar or the South African rand, on the one hand, and the US dollar, on the other hand, also expose us to translation risk when transactions denominated in these currencies are translated into US dollars, our reporting currency. The exchange rates between each of the pound sterling, the Indian rupee, the Australian dollar and South African rand, on the one hand, and the US dollar, on the other hand, have changed substantially in recent years and may fluctuate substantially in the future. For example, the pound sterling appreciated against the US dollar by an average of 1.4% in fiscal 2018, and depreciated by an average of 13.4% in fiscal 2017. The Indian rupee appreciated against the US dollar by an average 3.9% in fiscal 2018, and depreciated by an average of 2.6% in fiscal 2017. The South African rand appreciated against the US dollar by an average of 7.8% in fiscal 2018, and depreciated by an average of 2.3% in fiscal 2017. On the other hand, in fiscal 2018 and 2017, the Australian dollar appreciated against the US dollar by an average of 2.8% and 2.1%, respectively. The appreciation of the pound sterling against the US dollar in fiscal 2018 and the Australian dollar against the US dollar in fiscal 2018 and fiscal 2017 positively impacted our results of operations in those years, whereas the appreciation of the Indian rupee against the US dollar in fiscal 2018, and the depreciation of the pound sterling against the US dollar in fiscal 2017 negatively impacted our results of operations in those years.

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

Our History and Milestones

We began operations as an in-house unit of British Airways in 1996 and started focusing on providing business process management services to third parties in fiscal 2003. The following are the key milestones in our operating history since Warburg Pincus acquired a controlling stake in our company from British Airways in May 2002 and inducted a new senior management team:

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

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

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

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

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

In July 2006, we completed our initial public offering, whereupon our ADSs became listed on the New York Stock Exchange (the NYSE) under the symbol WNS.

In fiscal 2007, we expanded our facilities in Gurgaon, Mumbai and Pune, India, and we also acquired the fare audit services business of PRG Airlines and the financial accounting business of GHS.

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

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

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

In January 2008, we launched a 133-seat facility in Bucharest, Romania. Also, in March 2008, we entered into a joint venture with ACS, a provider in BPM services and customer care in the Philippines, to form WNS Philippines Inc.

In April 2008, we opened a facility in Manila, the Philippines, and we also acquired Chang Limited, an auto insurance claims processing services provider in the UK, through its wholly-owned subsidiary, AHA (formerly known as Call 24-7).

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

In July 2008, we acquired from Aviva all the shares of Aviva Global, which we renamed to WNS Global Singapore, and resumed ownership of the delivery center in Sri Lanka that was transferred to Aviva Global in July 2007, as mentioned above. In connection with our acquisition of Aviva Global, we also entered into the 2008 Aviva master services agreement (as varied by the variation agreement entered into in March 2009) with Aviva MS, pursuant to which we provided BPM services to Aviva s UK business and Aviva s Irish subsidiary, Hibernian Aviva Direct Limited, and certain of its affiliates. We replaced this 2008 Aviva master services agreement with the Aviva master services agreement in September 2014.

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

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

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

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

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

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

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

In February 2012, we completed a follow-on public offering of ADSs and raised approximately $50.0 million to fund our growth initiatives and enhance delivery capability.

In June 2012, we acquired Fusion, a provider of a range of management services, including contact center, customer care and business continuity services, to both South African and international clients, which we subsequently renamed as WNS Global Services SA (Pty) Ltd. We also opened a facility in Vizag, India.

In December 2012, we opened a facility in Gydnia, Poland.

In fiscal 2014, we added new facilities in Guangzhou, China; Colombo, Sri Lanka; and Mumbai, India.

In fiscal 2015, we added new facilities in Dalian, China; Cape Town, South Africa; and Pennsylvania, United States.

In fiscal 2016, we added new facilities in Durban and Port Elizabeth, South Africa; and Iloilo, the Philippines.

In June 2016, we acquired Value Edge, a leading provider of commercial research and analytics services to clients in the pharmaceutical and biopharmaceutical industries for a total consideration of $18.3 million, including adjustments for working capital of $0.8 million and contingent consideration of $5.1 million (which is held in escrow), subject to compliance with certain conditions, which is payable over three years. We funded this acquisition with cash on hand. Value Edge had 129 employees as at March 31, 2017 in India, the United States and Europe.

In January 2017, we acquired Denali, a leading provider of strategic procurement BPM services for a total consideration of $38.7 million, including contingent consideration of up to $6.2 million, dependent on the achievement of revenue targets over a period of three years and deferred consideration of $0.5 million payable in fiscal 2018, including adjustments for working capital. We funded this acquisition primarily with the proceeds from our $34.0 million secured three year term loan facility described under Liquidity and Capital Resources below. Denali had 269 employees as at March 31, 2017 in the United States, Turkey, China and India.

In March 2017, we acquired HealthHelp, an industry leader in care management, for a total consideration of $68.9 million, including contingent consideration of up to $8.5 million, payable over a period of two years and dependent on the achievement of revenue targets and the continuation of a specified client contract and working capital adjustments. We funded this acquisition primarily with the proceeds from our $84.0 million secured five year term loan facility described under Liquidity and Capital Resources below. HealthHelp had 406 employees as at March 31, 2017 in the United States.

In fiscal 2017, we added new facilities in Durban and Centurion, South Africa. We also added new facilities in Pune and Noida, India; Bellevue, Pittsburgh, New York City and Houston, USA; and Istanbul, Turkey. We also expanded our facility in Gurgaon, India.

In fiscal 2018, we added new facilities in Philippines; Romania; Pune and Vishakhapatnam, India and Shanghai, China. We also expanded our facilities in Nashik and Pune, India and Guangzhou, China.

Revenue

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

	Year ended March 31,		Change	
	2018	2017	$	%
	(US dollars in millions)			
Revenue	$ 758.0	$ 602.5	155.4	25.8%
Revenue less repair payments (non-GAAP)	$ 741.0	$ 578.4	162.5	28.1%

We have a large client base diversified across industries and geographies. Our client base grew from 349 clients as at March 31, 2017 to 386 clients as at March 31, 2018, including clients of the businesses we acquired in fiscal 2017.

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

Revenue by Top Clients

For fiscal 2018, 2017 and 2016, the percentage of revenue and revenue less repair payments (non-GAAP) that we derived from our largest clients were in the proportions set forth in the following table:

	Revenue			Revenue less repair payments (non-GAAP)		
	Year ended March 31,			Year ended March 31,		
	2018	2017	2016	2018	2017	2016
Top client	6.8%	9.0%	10.9%	7.0%	9.4%	11.6%
Top five clients	29.4%	32.1%	30.7%	30.1%	33.5%	32.5%
Top ten clients	43.0%	43.6%	43.0%	43.9%	45.4%	45.5%
Top twenty clients	55.1%	55.7%	57.3%	56.4%	58.0%	60.7%

One of our top five clients by revenue contribution in fiscal 2014, an OTA, provided us with a lower volume of business in fiscal 2015 as the OTA entered into a strategic marketing agreement with another OTA in August 2013 pursuant to which it over a period of time, from the fourth quarter of fiscal 2014 to the first quarter of fiscal 2016, moved its customer care and sales processes that were previously managed by us to a technology platform managed by the other OTA. As a result, we lost most of our business from that OTA and since June 2015, we ceased to provide services to that OTA. That OTA accounted for 2.5% of our revenue and 2.6% of our revenue less repair payments (non-GAAP) in fiscal 2015. The other OTA uses several BPM vendors to manage such processes on their technology platform. We are approved as one of the other OTA s providers of BPM services. We have managed to compete with incumbent BPM vendors for the other OTA s business and the other OTA has become one of our large clients.

We entered into the Aviva master services agreement with an existing major client, Aviva MS, effective April 1, 2014. The Aviva master services agreement replaced our prior master services agreement, the 2008 Aviva master services agreement, with the client that was due to expire in November 2016. See Our Contracts Revenue by Contract Type. The revised pricing arrangements under the new agreement, including the termination of a minimum

commitment fee during fiscal 2017, which had applied during the full fiscal 2016, resulted in lower revenue from the client in fiscal 2017, as compared to fiscal 2016. Aviva MS accounted for 6.8%, 9.0% and 10.9% of our revenue and 7.0%, 9.4% and 11.6% of our revenue less repair payments (non-GAAP) in fiscal 2018, 2017 and 2016 respectively. Part of the decline in revenue in fiscal 2017 was due to a reduction of services due to automation performed by Aviva MS on their end.

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Revenue by Industry

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

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

For fiscal 2018, 2017 and 2016, our revenue and revenue less repair payments (non-GAAP) were diversified across our industry-focused business units in the proportions set forth in the following table:

	As a percentage of revenue Year ended March 31,			As a percentage of revenue less repair payments (non-GAAP) Year ended March 31,		
Business Unit	**2018**	**2017**	**2016**	**2018**	**2017**	**2016**
Insurance	25.7%	29.6%	32.3%	24.0%	26.6%	28.5%
Travel and leisure	18.7%	21.3%	19.6%	19.2%	22.1%	20.7%
Diversified businesses including manufacturing, retail, CPG, media and entertainment, and telecom	18.1%	17.5%	15.4%	18.5%	18.2%	16.3%
Healthcare	14.7%	6.8%	5.2%	15.1%	7.1%	5.5%
Utilities	8.7%	9.3%	10.2%	8.9%	9.7%	10.8%
Consulting and professional services	5.2%	6.9%	7.9%	5.4%	7.2%	8.3%
Shipping and logistics	4.5%	4.3%	3.9%	4.6%	4.4%	4.1%
Banking and financial services	4.4%	4.4%	5.5%	4.5%	4.6%	5.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

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

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Revenue by Service Type

For fiscal 2018, 2017 and 2016, our revenue and revenue less repair payments (non-GAAP) were diversified across service types in the proportions set forth in the following table:

	As a percentage of revenue Year ended March 31,			As a percentage of revenue less repair payments (non-GAAP) Year ended March 31,		
Service Type	**2018**	**2017**	**2016**	**2018**	**2017**	**2016**
Industry-specific	34.1%	28.2%	30.2%	34.8%	29.4%	31.9%
Customer interaction services[1]	25.5%	27.9%	26.9%	26.1%	29.1%	28.5%
Finance and accounting	21.4%	20.6%	18.4%	21.9%	21.5%	19.5%
Research and analytics	11.8%	13.3%	12.4%	12.1%	13.8%	13.1%
Auto claims	4.7%	7.4%	9.5%	2.5%	3.6%	4.2%
Others[2]	2.5%	2.6%	2.6%	2.6%	2.7%	2.8%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Notes:

(1) We have renamed our contact center horizontal unit as customer interaction services with effect from April 1, 2016, as we have expanded the services offered in that horizontal unit to include more value-added services beyond the customary contact center services.

(2) Others includes revenue from technology services, legal services and human resources outsourcing services.

Since the fourth quarter of fiscal 2017, we have experienced a decrease in volume of and loss of business from certain clients of our traditional repair services in our WNS Auto Claims BPM segment. While we expect our business in our WNS Auto Claims BPM segment to improve in fiscal 2019, there s no assurance that it will improve to our expected level of performance or at all.

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Revenue by Geography

For fiscal 2018, 2017 and 2016, our revenue and revenue less repair payments (non-GAAP) were derived from the following geographies (based on the location of our clients) in the proportions set forth below in the following table:

	As a percentage of revenue Year ended March 31,			As a percentage of revenue less repair payments (non-GAAP) Year ended March 31,		
Geography	**2018**	**2017**	**2016**	**2018**	**2017**	**2016**
North America (primarily the US)	40.7%	32.6%	27.6%	41.6%	33.9%	29.3%
UK	34.2%	41.3%	47.1%	32.6%	38.8%	44.0%
Australia	8.8%	8.1%	7.2%	9.0%	8.5%	7.6%
Europe (excluding the UK)	6.2%	6.2%	6.2%	6.4%	6.5%	6.5%
South Africa	5.7%	7.1%	5.4%	5.8%	7.4%	5.7%
Rest of world	4.5%	4.7%	6.5%	4.6%	4.9%	6.9%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Our business in South Africa is evaluated for compliance with the South African government s BBBEE legislation against a BBBEE scorecard based on various criteria. South African government grants are available to certain businesses that meet specified conditions, including achieving a specified minimum BBBEE rating. Additionally, many South African companies require their service providers to maintain a minimum BBBEE rating, and many of our South African client contracts contain clauses that allow our clients to terminate their contracts with us or impose specified penalties on us if we do not maintain a minimum BBBEE rating.

New BBBEE criteria became effective for us from March 2017, according to which an entity receives a new compliance rating from the BBBEE rating agency. Under these new criteria, our rating based on our previous structure and practices would have dropped and we would have been required contractually to improve our rating. We developed a plan to achieve or improve our current rating by the BBBEE verification audit for period ended March 31, 2017 in May 2017. This plan included, among other measures, divesting some of our interests in our South Africa subsidiary to address the criterion relating to the percentage of ownership of an entity by black people (as defined under the applicable legislation). We achieved the required rating on the basis of the steps taken to comply with the new BBBEE criteria which is valid until May 2018. Based on the results of an interim BBBEE audit, we expect that we will achieve the required rating in our next BBBEE verification audit in May 2018 which, if achieved, would be valid until May 2019.

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Revenue by Location of Delivery Centers

For fiscal 2018, 2017 and 2016, our revenue and revenue less repair payments (non-GAAP) were derived from the following geographies (based on the location of our delivery centers) in the proportions set forth in the following table:

	As a percentage of revenue Year ended March 31,			As a percentage of revenue less repair payments (non-GAAP) Year ended March 31,		
Location of Delivery Center	**2018**	**2017**	**2016**	**2018**	**2017**	**2016**
India	51.6%	58.5%	61.4%	52.8%	60.9%	65.1%
United States	14.9%	3.9%	2.2%	15.2%	4.1%	2.3%
Philippines	11.5%	10.7%	8.2%	11.8%	11.2%	8.7%
South Africa	9.9%	11.1%	10.6%	10.1%	11.6%	11.2%
UK	5.7%	8.7%	10.2%	3.6%	4.9%	4.9%
Sri Lanka	1.9%	2.5%	2.8%	1.9%	2.6%	2.9%
Romania	1.6%	1.8%	2.1%	1.7%	1.9%	2.2%
China	1.3%	1.3%	1.0%	1.4%	1.4%	1.1%
Poland	1.0%	0.9%	0.7%	1.0%	0.9%	0.8%
Costa Rica	0.5%	0.6%	0.8%	0.5%	0.7%	0.8%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

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Our Contracts

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

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

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

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

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

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

3) subscription arrangements, which typically involve billings based on per member per month, based on contractually agreed rates;

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

5) 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

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

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

Outcome-based arrangements are examples of non-linear pricing models where revenues from platforms and solutions and the services we provide are linked to usage or savings by clients rather than the efforts deployed to provide these services. We intend to focus on increasing our service offerings that are based on non-linear pricing models that allow us to price our services based on the value we deliver to our clients rather than the headcount deployed to deliver the services to them. We believe that non-linear pricing models help us to grow our revenue without increasing our headcount. Accordingly, we expect increased use of non-linear pricing models to result in higher revenue per employee and improved margins. Non-linear revenues may be subject to short term pressure on margins, however, as initiatives in developing the products and services take time to deliver. Moreover, in outcome-based arrangements, we bear the risk of failure to achieve clients business objectives in connection with these projects. For more information, see Part I Item 3. Key Information D. Risk Factors If our pricing structures do not accurately anticipate the cost and complexity of performing our work, our profitability may be negatively affected.

In our WNS Auto Claims BPM segment, we earn revenue from claims handling and repair management services. For claims handling, we charge on a per claim basis or a fixed fee per vehicle over a contract period. For automobile repair management services, where we arrange for the repairs through a network of repair centers that we have established, we invoice the client for the amount of the repair. When we direct a vehicle to a specific repair center, we receive a referral fee from that repair center. We also provide a consolidated suite of services towards accident management including credit hire and credit repair for non-fault repairs business. Effective July 1, 2015, WNS Legal Assistance LLP, a subsidiary of WNS Assistance Limited, commenced providing legal services in relation to personal injury claims.

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Revenue by Contract Type

For fiscal 2018, 2017 and 2016, our revenue and revenue less repair payments (non-GAAP) were diversified by contract type in the proportions set forth in the following table:

	As a percentage of revenue Year ended March 31,			As a percentage of revenue less repair payments (non-GAAP) Year ended March 31,		
	2018	**2017**	**2016**	**2018**	**2017**	**2016**
Full-time-equivalent	62.5%	71.8%	73.0%	64.0%	74.8%	77.3%
Transaction	18.7%	17.7%	19.7%	16.8%	14.2%	15.0%
Subscription (1)	7.8%	1.3%	0.0%	8.0%	1.4%	0.0%
Fixed price	5.2%	4.5%	2.6%	5.4%	4.7%	2.8%
Others (1)	5.8%	4.6%	4.6%	5.9%	4.8%	4.9%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Note:

1) Commencing fiscal 2018, we are disclosing our revenue and revenue less repair payments (non-GAAP) derived from subscription arrangements separately given the increase in such revenue and including our revenue and revenue less repair payments (non-GAAP) derived from outcome-based arrangements under Others given the decrease in such revenue. We have presented a similar breakdown of our revenue and revenue less repair payments (non-GAAP) for fiscal 2017 and 2016 in the table above for comparative purposes. Previously, we included revenue and revenue less repair payments (non-GAAP) from subscription arrangements under Others and disclosed revenue and revenue less repair payments (non-GAAP) derived from outcome-based arrangements separately.

In September 2014, we continued our then ten-year relationship with Aviva MS by entering into the Aviva master services agreement with Aviva MS for a term of eight years, effective April 1, 2014 and expiring on March 31, 2022. The Aviva master services agreement replaced our 2008 Aviva master services agreement with the client that was due to expire in November 2016. The agreement continues to provide us with the exclusive right to provide the client with the services we currently provide, and in the same geographic regions, subject to the rights and obligations of the Aviva group under their existing contracts with other providers of similar services. Aviva MS has agreed, and further agreed to procure other members of the Aviva group, not to renew or extend such existing contracts unless they are contractually bound to do so. We are also regarded as a preferred supplier with respect to any new services or any new geographic regions in which the client seeks BPM services, subject to our meeting certain conditions of the client s supplier tender process.

Our clients customarily provide one to three month rolling forecasts of their service requirements. Our contracts with our clients do not generally provide for a committed minimum volume of business or committed amounts of revenue, with the exception of the Aviva master services agreement. The Aviva master services agreement required Aviva MS to provide us with a minimum volume of business until October 31, 2016 (the last complete month prior to the expiration of the 2008 Aviva master services agreement). 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 at least nine hours for 250 days a year. The revised contract is priced on an FTE pricing model for certain types of outsourced processes and a non-FTE based pricing model for other types of outsourced processes. In the event the mean average monthly volume of business in any rolling three-month period does not reach the minimum volume commitment, Aviva MS has agreed to pay us a minimum commitment fee as liquidated damages. Notwithstanding the minimum volume commitment, there are termination at will provisions which permit Aviva MS to terminate the Aviva master services agreement without cause, with six months notice upon payment of a termination fee. The annual minimum volume commitment under this contract was not met, due to decreased volumes on the client s end, in fiscal 2017 (until October 31, 2016), 2016 and 2015, and Aviva MS paid us the minimum commitment fee for fiscal 2017 (until October 31, 2016), 2016 and 2015.

The revised pricing arrangements under the Aviva master services agreement provide for productivity-related discounts associated with FTE and non-FTE models. Some of these discounts are mandatorily applied through the term of the contract. Pricing also varies based on degree of complexity of the outsourced processes. The revised pricing arrangements under the Aviva master services agreement, including the termination of the minimum commitment fee on October 31, 2016, resulted in lower revenue for fiscal 2017 as compared to fiscal 2016 and 2015. Aviva MS accounted for 6.8%, 9.0% and 10.9% of our revenue and 7.0%, 9.4% and 11.6% of our revenue less repair payments (non-GAAP) in fiscal 2018, 2017 and 2016, respectively.

Under the terms of an agreement with a former client (who was one of our top five clients by revenue contribution in fiscal 2014) negotiated in December 2009, we were the exclusive provider of certain key services from delivery locations outside of the US, including customer service and ticketing support for the client. This agreement became effective on April 1, 2010 and was due to expire in December 2015. Under our earlier agreement with this client, we were entitled to charge premium pricing because we had absorbed the initial transition cost in 2004. That premium pricing is no longer available in this subsequent agreement with this client. The early termination of the prior agreement entitled us to a payment by the client of a termination fee of $5.4 million which was received on April 1, 2010. As the termination fee was related to a renewal of our agreement with the client, we have determined that the recognition of the termination fee as revenue was to be deferred over the term of this subsequent agreement (i.e., over the period from April 1, 2010 to December 31, 2015). Since June 2015, we have ceased to provide services under this agreement to this client. Accordingly, in June 2015 we recognized in full the termination fee for the remaining six months of the term of this agreement.

Expenses

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

Cost of Revenue

Employee costs represent the largest component of cost of revenue. In addition to employee salaries, employee costs include costs related to recruitment, training and retention, and share-based compensation expense. Historically, our employee costs have increased primarily due to increases in number of employees to support our growth and, to a lesser extent, to recruit, train and retain employees. Salary levels in India and our ability to efficiently manage and retain our employees significantly influence our cost of revenue. See Part I Item 4. Information on the Company B. Business Overview Human Capital. Regulatory developments may, however, result in wage increases in India and increase our cost of revenue. For example, in December 2015, the Government of India amended the India Payment of Bonus Act, which mandated increased employee bonus amounts for certain wage categories, effective retroactively from April 1, 2014. See Part I Item. 3. Key Information. D. Risk Factors Risks Related to Our Business Wage increases may prevent us from sustaining our competitive advantage and may reduce our profit margin. We seek to mitigate these cost increases through improvements in employee productivity, employee retention and asset utilization.

Our WNS Auto Claims BPM segment includes repair management services, where we arrange for automobile repairs through a network of third party repair centers. This cost is primarily driven by the volume of accidents and the amount of the repair costs related to such accidents. It also includes incremental and direct costs incurred to contract with claimants by WNS Legal Assistance LLP.

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

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

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

Selling and Marketing Expenses

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

Selling and marketing expenses as a proportion of revenue was 5.5% in fiscal 2018 as compared to 5.4% and 5.5% for fiscal 2017 and 2016, respectively. Selling and marketing expenses as a proportion of revenue less repair payments (non-GAAP) was 5.6% in fiscal 2018 as compared with 5.6% and 5.8% for fiscal 2017 and 2016, respectively. We expect our selling and marketing expenses to increase in fiscal 2019 as we invest in our sales team to better serve our clients and in branding but at a lower rate than the increase in our revenue less repair payments (non-GAAP). See Part I Item 4. Information on the Company B. Business Overview Business Strategy Enhance awareness of the WNS brand name. Our sales team is compensated based on achievement of business targets set at the beginning of each fiscal year. Accordingly, we expect this variable component of the sales team costs to increase in line with overall business growth.

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General and Administrative Expenses

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

General and administrative expenses as a proportion of revenue was 15.5% in fiscal 2018 as compared with 15.2% and 14.0% for fiscal 2017 and 2016, respectively. General and administrative expenses as a proportion of revenue less repair payments (non-GAAP) was 15.9% in fiscal 2018 as compared with 15.9% and 14.9% for fiscal 2017 and 2016, respectively. We expect our general and administrative expenses to increase in fiscal 2019 as we continue to strengthen our support and enabling functions and invest in leadership development but at a lower rate than the increase in our revenue less repair payments (non-GAAP).

Foreign Exchange Loss / (Gain), Net

Foreign exchange gains or losses, net include:

- marked to market gains or losses on derivative instruments that do not qualify for hedge accounting and are deemed ineffective;
- realized foreign currency exchange gains or losses on settlement of transactions in foreign currency and derivative instruments; and
- unrealized foreign currency exchange gains or losses on revaluation of other assets and liabilities.

We had a foreign exchange gain of $15.0 million in fiscal 2018 as compared to $14.5 million and $11.0 million in fiscal 2017 and 2016, respectively. We expect our foreign exchange gains to be lower in fiscal 2019 as compared to fiscal 2018, based on our current hedge positions and exchange rates. Further, on adoption of IFRS 9 Financial Instruments (IFRS 9), with effect from April 1, 2018 cash flow hedging gains and losses, which are currently reported in the foreign exchange gains or losses, net line item, will be reported in the revenue line item.

Impairment of Goodwill

During the fourth quarter of fiscal 2017, proposed changes to the laws of the UK governing personal injury claims generated uncertainty regarding the future earnings trajectory of our legal services business in our WNS Auto Claims BPM segment, as a result of which we had expected that we would eventually exit from providing legal services in relation to personal injury claims. We also experienced a decrease in volume of and loss of business from certain clients of our traditional repair services in our WNS Auto Claims BPM segment in fiscal 2017. As a result, we had in fiscal 2017 expected the future performance of our WNS Auto Claims BPM segment to decline significantly and therefore significantly reduced our financial projections and estimates of our WNS Auto Claims BPM segment. Accordingly, we performed an impairment review of the goodwill associated with the companies we had acquired for our auto claims business and recorded an impairment charge of $21.7 million to our results of operations for fiscal 2017. There is no impairment charge recognized in fiscal 2018.

Amortization of Intangible Assets

Amortization of intangible assets is primarily associated with our acquisitions of Aviva Global in July 2008 (included up to November 2016) Fusion in June 2012, Value Edge and its subsidiaries in June 2016, Denali in January 2017, HealthHelp in March 2017 and the acquisition of a customer contract from Telkom SA SOC LIMITED (Telkom) in May 2015.

Other Income, Net

Other income, net comprises interest income, income from investments, gain or loss on sale of assets and other miscellaneous expenses.

Finance Expense

Finance expense primarily relates to interest charges payable on our term loans and short term borrowings, transaction costs and the gains/losses on settlement of our related derivative instruments. We expect our finance expense to be lower in fiscal 2019 as compared to fiscal 2018 on account of repayment of loans that were obtained to fund our acquisitions of Denali and HealthHelp.

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Operating Data

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

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

	As at March 31,		
	2018	**2017**	**2016**
Total headcount(1)	36,540	34,547	32,388
Built up seats(2)	30,390	28,008	26,407
Used seats(2)	22,550	20,795	20,063
Seat utilization rate(3)	1.22	1.23	1.21

Notes:

(1) Commencing fiscal 2018, we are including in our disclosed total head count the number of apprentices employed under the India government scheme, National Employability Enhancement Mission, pursuant to which apprentices undergo a three to 36 month apprenticeship to enhance their employability. There is no guarantee of employment with WNS following the completion of the apprenticeship. Our previously disclosed total head count does not include apprentices. The total head count and seat utilization rate presented for prior periods in the table above have been re-computed to include apprentices for comparative purposes.

(2) Built up seats refer to the total number of production seats (excluding support functions like Finance, Human Resource, Administration and seats dedicated for business continuity planning) that are set up in any premises. Used seats refer to the number of built up seats that are being used by employees. The remainder would be termed vacant seats. The vacant seats would get converted into used seats when we increase headcount.

(3) The seat utilization rate is calculated by dividing the average total headcount by the average number of built up seats to show the rate at which we are able to utilize our built up seats. Average total headcount and average number of built up seats are calculated by dividing the aggregate of the total headcount or number of built up seats, as the case may be, as at the beginning and end of the fiscal year by two.

We expect our total headcount in fiscal 2019 to increase as compared to fiscal 2018 as the impact of an increased flow of business from new and existing clients is expected to continue to increase our hiring requirements in fiscal 2019.

Foreign Exchange

Exchange Rates

We report our financial results in US dollars and our results of operations would be adversely affected if the pound sterling or, to a lesser extent, the Australian dollar depreciates against the US dollar, or if the Indian rupee or, to a

lesser extent, the South African rand or the Philippine peso appreciates against the US dollar. Although a substantial portion of our revenue and revenue less repair payments (non-GAAP) is denominated in US dollars (46.5% and 47.6%, respectively, in fiscal 2018, 38.7% and 40.3%, respectively, in fiscal 2017 and 34.8% and 36.9%, respectively, in fiscal 2016), pound sterling (31.8% and 30.2%, respectively, in fiscal 2018, 39.6% and 37.0%, respectively, in fiscal 2017 and 46.9% and 43.8%, respectively, in fiscal 2016), and, to a lesser extent, Australian dollars (8.0% and 8.1%, respectively, in fiscal 2018, 7.2% and 7.5%, respectively, in fiscal 2017 and 6.9% and 7.3%, respectively, in fiscal 2016), and South African rand (5.6% and 5.8%, respectively, in fiscal 2018, 6.8% and 7.0%, respectively, in fiscal 2017 and 5.2% and 5.6%, respectively, in fiscal 2016), most of our expenses (net of payments to repair centers) are incurred and paid in Indian rupees (43.6% in fiscal 2018, 51.1% in fiscal 2017 and 54.2% in fiscal 2016) and, to a lesser extent, in South African rand (10.2% in fiscal 2018, 11.1% in fiscal 2017 and 11.0% in fiscal 2016) and Philippine pesos (9.5% in fiscal 2018, 9.4% in fiscal 2017 and 8.0% in fiscal 2016). The exchange rates between these currencies and the US dollar have changed substantially in recent years and may fluctuate substantially in the future.

The average Indian rupee to US dollar exchange rate was approximately 64.46 per $1.00 in fiscal 2018, which represented an appreciation of the Indian rupee of 3.9% as compared to average exchange rate of 67.10 per $1.00 in fiscal 2017, which in turn represented a depreciation of the Indian rupee of 2.6% as compared with the average exchange rate of approximately 65.43 per $1.00 in fiscal 2016. The average pound sterling to US dollar exchange rate was approximately £0.75 per $1.00 in fiscal 2018, which represented an appreciation of the pound sterling of 1.4% as compared with the average exchange rate of approximately £0.77 per $1.00 in fiscal 2017, which in turn represented a depreciation of the pound sterling of 13.4% as compared with the average exchange rate of approximately £0.66 per $1.00 in fiscal 2016. The average Australian dollar to US dollar exchange rate was approximately A$1.29 per $1.00 in fiscal 2018, which represented an appreciation of the Australian dollar of 2.8% as compared with the average exchange rate of approximately A$1.33 per $1.00 in fiscal 2017, which in turn represented an appreciation of the Australian dollar of 2.1% as compared with the average exchange rate of approximately A$1.36 per $1.00 in fiscal 2016. The average South African rand to US dollar exchange rate was approximately R12.98 per $1.00 in fiscal 2018, which represented an appreciation of the South African rand of 7.8% as compared with the average exchange rate of approximately R14.07 per $1.00 in fiscal 2017, which in turn represented a depreciation of the South African rand of 2.3% as compared with the average exchange rate of approximately R13.75 per $1.00 in fiscal 2016.

The appreciation of the Indian rupee against the US dollar by 3.9% in fiscal 2018 as compared to the average exchange rate in fiscal 2017 had a negative impact on our expenses in fiscal 2018 while the depreciation of the India rupee against the US dollar by 2.6% in fiscal 2017 as compared to the average exchange rate in fiscal 2016 had a positive impact on our expenses in fiscal 2017. As a result, increases in our cost of revenue, and to a lesser extent, our general and administrative expenses were partially due to the impact of the appreciation of Indian rupee in fiscal 2018 whereas increases in these expenses were partially offset by the impact of the depreciation of Indian rupee in fiscal 2017. The appreciation of the South African rand in fiscal 2018 against the US dollar negatively impacted our results of operations in fiscal 2018 whereas the depreciation of the South African rand in fiscal 2017 against the US dollar and the appreciation of the Australian dollar in fiscal 2018 and 2017 positively impacted our results of operations in those years. The appreciation of the pound sterling in fiscal 2018 agaisnt the US dollar positively impacted our results of operations in 2018 and the depreciation of the pound sterling in fiscal 2017 against the US dollar negatively impacted our results of operations in that year. See Part I Item 11. Quantitative and Qualitative Disclosures About Market Risk B. Risk Management Procedures Components of Market Risk Exchange Rate Risk.

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

Currency Regulation

Our Indian subsidiaries are registered as exporters of business process management services with STPI or SEZ. According to the prevailing foreign exchange regulations in India, an exporter of business process management services registered with STPI or SEZ is required to receive its export proceeds in India within a period of 9 months from the date of such exports in order to avail itself of the tax and other benefits. In the event that such a registered exporter has received any advance against exports in foreign exchange from its overseas customers, it is required to render the requisite services so that such advances are earned within a period of 12 months from the date of such receipt. If such a registered exporter does not meet these conditions, it will be required to obtain permission from the Reserve Bank of India to receive and realize such foreign currency earnings.

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

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

Income Taxes

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

In fiscal 2018, 2017 and 2016, our tax rate in India, the Philippines and Sri Lanka impacted our effective tax rate. We would have incurred approximately $9.4 million, $5.2 million and $5.0 million in additional income tax expense on our combined operations in our SEZ operations in India, the Philippines and Sri Lanka for fiscal 2018, 2017 and 2016, respectively, if the tax holidays and exemptions as described below had not been available for the respective periods.

Further, in fiscal 2018 our effective tax rate is impacted due to one-time tax benefit of $1.7 million arising from a corporate legal restructuring and a net one-time tax benefit of $5.2 million resulting from the adjustments to the deferred tax balances due to a reduction in the US corporate tax rate and a transition tax charge on undistributed income of a foreign subsidiary (pursuant to the 2017 US Tax Reforms), partially offset by higher taxable profits during the year.

We expect our tax rate in India, the Philippines and Sri Lanka to continue to impact our effective tax rate. Our tax rate in India has been impacted by the reduction in the tax exemption enjoyed by our delivery center operating under the STPI scheme as discussed below.

India

In the past, the majority of our Indian operations were eligible to claim income tax exemption with respect to profits earned from export revenue from operating units registered under the STPI. The benefit was available for a period of 10 years from the date of commencement of operations, but not beyond March 31, 2011. Effective April 1, 2011, upon the expiration of this tax exemption, income derived from our operations in India became subject to the prevailing annual tax rate, which is currently 34.95%, and was 34.61% in fiscal 2018, 2017 and 2016.

In 2005, the Government of India implemented the SEZ legislation, with the effect that taxable income of new operations established in designated SEZs may be eligible for a 15-year tax holiday scheme consisting of a complete tax holiday for the initial five years and a partial tax holiday for the subsequent ten years, subject to the satisfaction of certain capital investment conditions. During fiscal 2012, we started operations in delivery centers in Pune, Mumbai and Chennai, India registered under the SEZ scheme, which were, prior to fiscal 2017, eligible for a complete tax holiday but commencing fiscal 2017 to fiscal 2026 are eligible for only a 50.0% income tax exemption. During fiscal 2015, we commenced operations at our new delivery centers in Gurgaon and Pune in India which are registered under the SEZ scheme and are eligible for a 100.0% income tax exemption until fiscal 2019, and a 50.0% income tax exemption from fiscal 2020 to fiscal 2029. During fiscal 2018, we started operations in our new delivery centers in Gurgaon and Pune, India which are registered under the SEZ scheme that are eligible for a 100% income tax exemption until fiscal 2022, and a 50% income tax exemption from fiscal 2023 to fiscal 2032.

The SEZ legislation has been criticized on economic grounds by the International Monetary Fund and the SEZ legislation may be challenged by certain non-governmental organizations. It is possible that, as a result of such political pressures, the procedure for obtaining benefits under the SEZ legislation may become more onerous, the types of land eligible for SEZ status may be further restricted or the SEZ legislation may be amended or repealed.

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

Since fiscal 2008, we have become subject to MAT and we have been required to pay additional taxes. The Government of India, pursuant to the Indian Finance Act, 2011, has also levied MAT on the book profits earned by the SEZ units at the prevailing tax rate, which is currently 21.55% and was 21.34% in fiscal 2018, 2017 and 2016. To the extent MAT paid exceeds the actual tax payable on our taxable income, we would be able to offset such MAT credits from tax payable in the succeeding 15 years, subject to the satisfaction of certain conditions. During fiscal 2018, 2017 and 2016, we have offset Nil, Nil and $9.2 million, respectively, of our MAT payments for earlier years from our increased tax liability based on our taxable income following the expiry of our tax holiday on STPI effective fiscal 2012.

The Government of India may enact new tax legislation that could impact the way we are taxed in the future. For example, the Government of India has issued guidelines on the GAAR which came into effect on April 1, 2017, and which is intended to curb sophisticated tax avoidance. Under the GAAR, a business arrangement will be deemed an impermissible avoidance arrangement if the main purpose of the arrangement is to obtain tax benefits. Although the full implications of the GAAR are presently still unclear, if we are deemed to have violated any of its provisions, we may face an increase to our tax liability. However, we do not expect the GAAR to have a material impact on our operations. The Government of India has passed the GST Act, which is effective from July 1, 2017. The majority of the various existing indirect tax levies have since been subsumed by the goods and services tax payable under the GST Act. Based on the current GST law and the rules, we do not expect a significant impact on our operations. See Part I Item 3. Key Information D. Risk Factors Risks Related to Key Delivery Locations New tax legislation and the results of actions by taxing authorities may have an adverse effect on our operations and our overall tax rate.

Philippines

During fiscal 2013, we started operations in a delivery center in the Philippines located in Techno Plaza II, Manila which was eligible for a tax exemption that expired in fiscal 2017. We have filed an application for extension of this tax exemption for an additional year. Accordingly, we expect to continue to avail ourselves of this tax exemption in fiscal 2018. During fiscal 2016, we started operations in a delivery center in Iloilo, Philippines which is also eligible for a tax exemption that will expire in fiscal 2020. During fiscal 2017, we started operations in additional delivery centers in Iloilo and Alabang, Philippines which are also eligible for tax exemption that will expire in fiscal 2021. During fiscal 2018, we started operations in an additional delivery center in Alabang, Philippines which is eligible for a 100% tax exemption until fiscal 2022. Following the expiry of the tax exemption, income generated by WNS Global Services Philippines, Inc. will be taxed at the prevailing special tax rate, which is currently 5.0% on gross margin.

Sri Lanka

Our operations in Sri Lanka are eligible to claim income tax exemption under the Sri Lanka Inland Revenue Act for the profits earned from export revenue until fiscal 2018 and would be taxed at 14% on net basis with effect from April 1, 2018.

Costa Rica

Our subsidiary in Costa Rica is eligible for a 100.0% income tax exemption from fiscal 2010 until fiscal 2017 and a 50.0% income tax exemption from fiscal 2018 to fiscal 2021.

Critical Accounting Policies

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

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

Revenue Recognition

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

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

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

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

In limited instances, we have entered into minimum commitment arrangements that provide for a minimum revenue commitment on an annual basis or a cumulative basis over multiple years, stated in terms of annual minimum amounts. Where a minimum commitment is specific to an annual period, any revenue shortfall is invoiced and recognized at the end of this period.

Our revenue is net of value-added taxes and includes reimbursements of out-of-pocket expenses.

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

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

With respect to claims handling, we enter into contracts with our clients to process all their claims over the contract period, where the fees are determined either on a per claim basis or a fixed payment for the contract period. Where our contracts are on a per claim basis, we invoice the client at the inception of the claim process. We estimate the

processing period for the claims and recognize revenue over the estimated processing period. This processing period generally ranges between one to two months. The processing time may be greater for new clients and the estimated service period is adjusted accordingly. The processing period is estimated based on historical experience and other relevant factors, if any. Where the fee is a fixed payment for the contract period, revenue is recognized on a straight line basis over the period of the contract. In certain cases, where the fee is contingent upon the successful recovery of a claim by the client, revenue is not recognized until the contingency is resolved. Revenue in respect of car hire is recognized over the car hire term.

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

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

(a) we have the primary responsibility of providing the services,

(b) we negotiate the labor rates with repair centers,

(c) we are responsible for timely and satisfactory completion of repairs, and

(d) we bear the risk that the customer may not pay for the services provided (credit risk).

If there are circumstances where the above criteria are not met and therefore we are not the principal in providing repair management services, amounts received from customers are recognized and presented net of payments to repair centers in the consolidated statement of income. Revenue from repair management services is recorded net of the repairer referral fees passed on to customers.

Revenue from legal services is recognized on the admission of liability by the third party to the extent of fixed fees earned at each stage and any further income on the successful settlement of the claim. Incremental and direct costs incurred to contract with a claimant are amortized over the estimated period of provision of services, not exceeding 15 months. All other costs to us are expensed as incurred.

Share-based Compensation

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

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

IFRS 2 requires the use of a valuation model to calculate the fair value of share-based awards. Based on our judgment, we have elected to use the Black-Scholes-Merton pricing model to determine the fair value of share-based awards on the date of grant. RSUs are measured based on the fair market value of the underlying shares on the date of grant. Further, each of the 2006 Incentive Award Plan and the 2016 Incentive Award Plan also allows for the grant of RSUs based on the market price of our shares achieving a specified target over a period of time. The fair value of market-based share awards is determined using Monte-Carlo simulation. In fiscal 2017, certain RSUs based on the market price of our shares were modified to vest on a longer timeframe. The additional cost as a result of such modification in respect of modified share awards amounted to $1.2 million. The additional cost is amortized over the period from the modification date until the vesting date of the modified award, which differ from the vesting date of the original award.

We believe the Black-Scholes-Merton model to be the most appropriate model for determination of fair value of the share-based awards. In determining the fair value of share-based awards using the Black-Scholes-Merton option pricing model, we are required to make certain estimates of the key assumptions that include expected term, expected volatility of our shares, dividend yield and risk free interest rate. Estimating these key assumptions involves judgment regarding subjective future expectations of market prices and trends. The assumptions for expected term and expected volatility have the most significant effect on calculating the fair value of our share options. We use the historical volatility of our ADSs in order to estimate future share price trends. In order to determine the estimated period of time that we expect employees to hold their share-based options, we have used historical exercise pattern of employees. The aforementioned inputs entered into the option valuation model that we use to determine the fair value of our share awards are subjective estimates and changes to these estimates will cause the fair value of our share-based awards and related share-based compensation expense we record to vary.

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

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

Business Combinations, Goodwill and Intangible Assets

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

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

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

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

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

Software Development Costs

Costs incurred for developing software or enhancements to the existing software products to be sold and/or used for internal use are capitalized once the research phase is complete, technological feasibility and commercial feasibility has been established, future economic benefits are probable, we have an intention and ability to complete and use or sell the software and the costs can be measured reliably. Technological feasibility is established upon completion of a detailed design program or, in its absence, completion of a working model. Significant management judgments and estimates are utilized in the assessment of when technological feasibility is established, as well as in the ongoing assessment of the recoverability of capitalized costs. Costs that qualify as software development costs include external direct costs of materials and services utilized in developing or obtaining software and compensation and related benefits for employees who are directly associated with the software project. The capitalized costs are amortized on a straight-line basis over the estimated useful life. Costs associated with research phase activities, training, maintenance and all post-implementation stage activities are expensed as incurred.

Impairment of Goodwill and Intangible Assets

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

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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 value in use, management estimates expected future cash flows from each asset or cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows management makes assumptions about future operating results. These assumptions relate to future events and circumstances. In arriving at our forecasts, we consider past experience, economic trends including underlying current dynamics of the business and inflation as well as industry and market trends. The projections also take into account factors such as the expected impact from new client contracts and expansion of business from existing clients, efficiency initiatives, and the maturity of the markets in which each business operates. To determine the fair value less costs of disposal the management uses Level 3 inputs under the Income Approach Discounted Cash Flow Analysis method. See note 9 to our consolidated financial statements included elsewhere in this annual report. The actual results of recoverable amount may vary, and may cause significant adjustments to our assets within the next financial year. The calculation of impairment loss involves significant estimates and assumptions which include revenue and earnings multiples, inputs used by market participants, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, and future economic and market conditions.

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

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

Income Taxes

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

Current Income Tax

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

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

Deferred Income Tax

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

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

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

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

Uncertainties in income taxes are not addressed specifically in IAS12 *Income Taxes* and hence the general measurement principles in IAS12 are applied in measuring the uncertain tax positions. Uncertain tax positions are reflected at the amount likely to be paid to the taxation authorities. A liability is recognized in connection with each item that is not probable of being sustained on examination by taxing authority. The liability is measured using single best estimate of the most likely outcome for each position taken in the tax return. Thus the provision would be the aggregate liability in connection with all uncertain tax positions. We also include interest related to such uncertain tax positions within our provision for income tax expense.

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

Derivative Financial Instruments and Hedge Accounting

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

Cash Flow Hedges

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

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

Fair Value Measurements

IFRS 13 *Fair Value Measurements* (IFRS 13) defines fair value as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm s length transaction. The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations, without any deduction for transaction costs. For financial instruments not traded in an active market, the fair value is determined using appropriate valuation models. Where applicable, these models project future cash flows and discount the future amounts to a present value using market-based observable inputs including interest rate curves, credit risk, foreign exchange rates, and forward and spot prices for currencies.

IFRS 7 *Financial Instruments: Disclosures* also requires the classification of fair value measurements using fair value hierarchy that reflects the significance of the inputs used in making the measurements as below:

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

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

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

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

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.

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Other Estimates

Allowance for Doubtful Trade Receivables

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

Accounting for Defined Benefit Plans

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

Results of Operations

The following table sets forth certain financial information as a percentage of revenue and revenue less repair payments (non-GAAP) for the periods indicated:

	As a percentage of					
	Revenue Year ended March 31,			Revenue less repair payments (non-GAAP) Year ended March 31,		
	2018	**2017**	**2016**	**2018**	**2017**	**2016**
Cost of revenue	66.4%	66.9%	65.0%	65.6%	65.6%	62.9%
Gross profit	33.6%	33.1%	35.0%	34.4%	34.4%	37.1%
Operating expenses:						
Selling and marketing expenses	5.5%	5.4%	5.5%	5.6%	5.6%	5.8%
General and administrative expenses	15.5%	15.2%	14.0%	15.9%	15.9%	14.9%
Foreign exchange loss / (gains), net	(2.0)%	(2.4)%	(2.0)%	(2.0)%	(2.5)%	(2.1)%
Impairment of goodwill		3.6%			3.7%	
Amortization of intangible assets	2.0%	3.4%	4.5%	2.1%	3.6%	4.7%
Operating profit	12.5%	7.8%	13.0%	12.8%	8.2%	13.7%
Other (income) / expense, net	(1.5)%	(1.4)%	(1.5)%	(1.5)%	(1.5)%	(1.6)%
Finance expense	0.6%	0.1%	0.0%	0.6%	0.1%	0.1%
Provision for income taxes	2.0%	2.9%	3.8%	2.1%	3.0%	4.0%
Profit	11.4%	6.3%	10.7%	11.7%	6.5%	11.3%

The following table reconciles revenue (a GAAP financial measure) to revenue less repair payments (a non-GAAP financial measure) and sets forth payments to repair centers and revenue less repair payments (non-GAAP) as a percentage of revenue for the periods indicated:

	Year ended March 31,					
	2018	2017	2016	2018	2017	2016
	(US dollars in millions)					
Revenue	$ 758.0	$ 602.5	$ 562.2	100.0%	100.0%	100%
Less: Payments to repair centers	17.0	24.1	31.2	2.2%	4.0%	5.5%
Revenue less repair payments (non-GAAP)	$ 741.0	$ 578.4	$ 531.0	97.8%	96.0%	94.5%

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

	Year ended March 31,		
	2018	2017	2016
	(US dollars in millions)		
Revenue	$ 758.0	$ 602.5	$ 562.2
Cost of revenue[1]	503.1	403.3	365.4
Gross profit	254.8	199.2	196.8
Operating expenses:			
Selling and marketing expenses[2]	41.8	32.6	30.8
General and administrative expenses[3]	117.6	91.7	78.9
Foreign exchange loss / (gains), net	(15.0)	(14.5)	(11.0)
Impairment of goodwill		21.7	
Amortization of intangible assets	15.5	20.5	25.2
Operating profit	94.9	47.2	72.8
Other income, net	(11.2)	(8.7)	(8.5)
Finance expense	4.3	0.5	0.3
Profit before income taxes	101.9	55.3	81.1
Provision for income taxes	15.4	17.5	21.2
Profit	$ 86.4	$ 37.8	$ 59.9

Notes:

(1) Includes share-based compensation expense of $3.8 million for fiscal 2018, $2.8 million for fiscal 2017 and $1.9 million for fiscal 2016.

(2) Includes share-based compensation expense of $2.6 million for fiscal 2018, $1.7 million for fiscal 2017 and $1.4 million for fiscal 2016.

(3) Includes share-based compensation expense of $24.2 million for fiscal 2018, $18.5 million for fiscal 2017 and $14.6 million for fiscal 2016.

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Fiscal 2018 Compared to Fiscal 2017

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

Revenue

	Year ended March 31,			
	2018	2017	Change	% Change
	(US dollars in millions)			
Revenue	$ 758.0	$ 602.5	$ 155.4	25.8%

The increase in revenue of $155.4 million was primarily attributable to (i) an increase in revenue from existing clients of $122.9 million, (ii) revenue from new clients of $30.1 million, and (iii) an increase in hedging gain on our revenue by $2.4 million to $9.2 million in fiscal 2018 from $6.8 million in fiscal 2017. The increase in revenue was primarily due to higher volumes in our healthcare (including due to HealthHelp which we acquired in March 2017), diversified businesses (including due to Denali which we acquired in January 2017), insurance, travel, utilities, shipping and logistics and banking and financial services verticals. The increase was contributed by an appreciation of the pound sterling, AUD and South African rand against the US dollar by an average of 1.4%, 2.8% and 7.8%, respectively, as compared to the respective average exchange rates in fiscal 2017. The increase in revenue was partially offset by a lower volume in our consulting and professional services vertical.

Revenue by Geography

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

	Revenue		As a percentage of Revenue	
	Year ended March 31,			
	2018	2017	2018	2017
	(US dollars in millions)			
North America (primarily the US)	$ 308.4	$ 196.2	40.7%	32.6%
UK	258.9	248.6	34.2%	41.3%
Australia	66.6	49.1	8.8%	8.1%
Europe (excluding the UK)	47.2	37.5	6.2%	6.2%
South Africa	42.8	42.7	5.7%	7.1%
Rest of world	34.0	28.5	4.5%	4.7%
Total	**$ 758.0**	**$ 602.5**	**100.0%**	**100.0%**

The increase in revenue in North America (primarily the US) region was primarily attributable to higher volumes in our healthcare (including due to HealthHelp which we acquired in March 2017), diversified businesses (including due to Denali which we acquired in January 2017), insurance, travel, banking and financial services, utilities, shipping and logistics, and consulting and professional services verticals. The increase in revenue from the Australia region was primarily attributable to higher volumes in our insurance, and travel verticals, and an appreciation of the Australian

dollar against the US dollar by an average of 2.8%, as compared to the average exchange rates in fiscal 2017, partially offset by a lower volume in our utilities vertical. The increase in revenue from the UK region was primarily attributable to higher volumes in our utilities, healthcare, travel, banking and financials services and diversified businesses verticals, and an appreciation of the pound sterling against the US dollar by an average of 1.4%, as compared to the average exchange rates in fiscal 2017, partially offset by lower volumes in our insurance, and consulting and professional services verticals. The increase in revenue from the Europe (excluding the UK) region was primarily attributable to higher volumes in our healthcare, travel, diversified businesses, and banking and financial services verticals, partially offset by a lower volume in our insurance vertical. The increase in revenue from the South Africa region was primarily attributable to higher volumes in our diversified businesses, and shipping and logistics verticals, and an appreciation of the South African rand against the US dollar by an average of 7.8%, as compared to the average exchange rates in fiscal 2017, partially offset by lower volumes in our utilities, consulting and professional services and banking and financial services verticals. The increase in revenue from the Rest of world region was primarily attributable to higher volumes in our shipping and logistics, and travel verticals, partially offset by a lower volume in our diversified businesses vertical.

Revenue Less Repair Payments (non-GAAP)

The following table sets forth our revenue less repair payments (non-GAAP) and percentage change in revenue less repair payments (non-GAAP) for the periods indicated:

	Year ended March 31,			
	2018	**2017**	**Change**	**% Change**
	(US dollars in million)			
Revenue less repair payments (non-GAAP)	$ 741.0	$ 578.4	$ 162.5	28.1%

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The increase in revenue less repair payments (non-GAAP) of $162.5 million was primarily attributable to (i) an increase in revenue less repair payments (non-GAAP) from existing clients of $130.4 million, (ii) revenue less repair payments (non-GAAP) from new clients of $29.8 million, and (iii) an increase in hedging gain on our revenue less repair payments (non-GAAP) by $2.4 million to $9.2 million in fiscal 2018 from $6.8 million in fiscal 2017. The increase in revenue was primarily due to higher volumes in our healthcare (including due to HealthHelp which we acquired in March 2017), diversified businesses (including due to Denali which we acquired in January 2017), insurance, travel, utilities, shipping and logistics and banking and financial services verticals. Further, the increase was also contributed by an appreciation of the pound sterling, AUD and South African rand against the US dollar by an average of 1.4%, 2.8% and 7.8%, respectively, as compared to the respective average exchange rates in fiscal 2017. The increase in revenue was partially offset by a lower volume in our consulting and professional services vertical.

Revenue Less Repair Payments (non-GAAP) by Geography

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

	Revenue less repair payments (non-GAAP)		As a percentage of revenue less repair payments (non-GAAP)	
	Year ended March 31,			
	2018	2017	2018	2017
	(US dollars in millions)			
North America (primarily the US)	$ 308.4	$ 196.2	41.6%	33.9%
UK	241.9	224.5	32.6%	38.8%
Australia	66.6	49.1	9.0%	8.5%
Europe (excluding the UK)	47.2	37.5	6.4%	6.5%
South Africa	42.8	42.7	5.8%	7.4%
Rest of world	34.0	28.5	4.6%	4.9%
Total	**$ 741.0**	**$ 578.4**	**100%**	**100%**

The increase in revenue less repair payments (non-GAAP) from North America (primarily the US) region was primarily attributable to higher volumes in our healthcare, diversified businesses, insurance, travel, banking and financial services, utilities, shipping and logistics, and consulting and professional services verticals. The increase in revenue less repair payments (non-GAAP) from the Australia region was primarily attributable to higher volumes in our insurance, and travel verticals and an appreciation of the Australian dollar against the US dollar by an average of 2.8%, as compared to the average exchange rates in fiscal 2017, partially offset by a lower volume in our utilities vertical. The increase in revenue less repair payments (non-GAAP) from the UK region was primarily attributable to higher volumes in our utilities, healthcare, travel, banking and financials services and diversified businesses verticals and an appreciation of the pound sterling against the US dollar, by an average of 1.4%, as compared to the average exchange rates in fiscal 2017, partially offset by a lower volume in our consulting and professional services vertical. The increase in revenue less repair payments (non-GAAP) from the Europe (excluding the UK) region was primarily attributable to higher volumes in our healthcare, travel, diversified businesses verticals, and banking and financial services verticals, partially offset by a lower volume in our insurance vertical. The increase in revenue less repair payments (non-GAAP) from the South Africa region was primarily attributable to higher volumes in our diversified

businesses and shipping and logistics verticals, and an appreciation of the South African rand against the US dollar by an average of 7.8% as compared to the average exchange rates in fiscal 2017, partially offset by lower volumes in our utilities, consulting and professional services and banking and financial services verticals. The increase in revenue less repair payments (non-GAAP) from the Rest of world region was primarily attributable to higher volumes in our shipping and logistics, and travel verticals, partially offset by a lower volume in our diversified businesses vertical.

Cost of Revenue

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

	Year ended March 31,		
	2018	**2017**	**Change**
	(US dollars in millions)		
Employee costs	$ 329.3	$ 249.7	$ 79.6
Facilities costs	86.1	72.6	13.5
Depreciation	19.5	16.4	3.1
Repair payments	17.0	24.1	(7.1)
Travel costs	12.9	10.6	2.4
Legal and professional costs	11.9	6.5	5.4
Other costs	26.4	23.4	3.0
Total cost of revenue	$ 503.1	$ 403.3	$ 99.8
As a percentage of revenue	66.4%	66.9%	

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The increase in cost of revenue was primarily due to higher employee cost on account of higher headcount (including headcount of businesses acquired during the fourth quarter of fiscal 2017), wage inflation and an increase in share-based compensation expense; higher facilities costs on account of the expansion of existing facilities, addition of new facilities in Philippines, India, China and Romania and the addition of new facilities of acquired businesses; higher legal and professional costs; higher depreciation costs; and higher travel cost. Further, the appreciation of the Indian rupee and South African rand against the US dollar by an average of 3.9% and 7.8%, respectively, in fiscal 2018, as compared to the average exchange rate in fiscal 2017, resulted in an increase of approximately $12.1 million in the cost of revenue. These increases were partially offset by lower repair payments, on account of an overall decrease in revenue from the auto claims segment. Further, the depreciation of the Philippine peso against the US dollar by an average of 5.4% in fiscal 2018, as compared to the average exchange rate in fiscal 2017, resulted in a decrease of approximately $2.1 million in the cost of revenue.

Gross Profit

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

	Year ended March 31,		
	2018	**2017**	**Change**
	(US dollars in millions)		
Gross profit	$ 254.8	$ 199.2	$ 55.6
As a percentage of revenue	33.6%	33.1%	
As a percentage of revenue less repair payments (non-GAAP)	34.4%	34.4%	

Gross profit as a percentage of revenue increased marginally and gross profit as a percentage of revenue less repair payments (non-GAAP) remained constant primarily due to lower cost of revenue as a percentage of revenue and revenue less repair payments (non-GAAP) and an increase in hedging gain on our revenue by $2.4 million to $9.2 million in fiscal 2018 from $6.8 million in fiscal 2017. Cost of revenue as a percentage of revenue and revenue less repair payments (non-GAAP) were lower notwithstanding the appreciation of the Indian rupee and South African rand against the US dollar by an average of 3.9% and 7.8%, respectively, in fiscal 2018, as compared to the average exchange rate for fiscal 2017.

During fiscal 2018, our built up seats increased by 8.5% from 28,008 as at the end of fiscal 2017 to 30,390 as at the end of fiscal 2018 as we added new facilities in Philippines; Romania; Pune, India and Shanghai, China. We also expanded our facilities in Nashik and Pune, India and Guangzhou, China. Our total headcount increased by 5.8% from 34,547 to 36,540 during the same period. The increase in builtup seats was greater than the increase in headcount, resulting in a decrease in our seat utilization rate from 1.23 in fiscal 2017 to 1.22 in fiscal 2018. This 0.01 decrease in our seat utilization rate decreased our gross profit as a percentage of revenue by approximately 0.1% and decreased our gross profit as a percentage of revenue less repair payments (non-GAAP) by approximately 0.2%.

Selling and Marketing Expenses

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

Year ended March 31,

	2018	2017	Change
	(US dollars in millions)		
Employee costs	$ 31.4	$ 24.7	$ 6.7
Other costs	10.4	7.9	2.5
Total selling and marketing expenses	$ 41.8	$ 32.6	$ 9.1
As a percentage of revenue	5.5%	5.4%	
As a percentage of revenue less repair payments (non-GAAP)	5.6%	5.6%	

The increase in selling and marketing expenses was primarily due to an increase in employee costs as a result of an increase in sales headcount, wage inflation, and higher share based compensation; higher travel cost; higher miscellaneous cost and higher marketing costs. Further, the appreciation of the pound sterling and Indian rupee against the US dollar by an average of 1.4% and 3.9% respectively, in fiscal 2018, as compared to the average exchange rate for fiscal 2017, resulted in an increase of approximately $0.3 million of selling and marketing expenses. Our selling and marketing expenses also increased as a result of our acquisitions during the fourth quarter of fiscal 2017.

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General and Administrative Expenses

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

	Year ended March 31,		
	2018	2017	Change
	(US dollars in millions)		
Employee costs	$ 90.3	$ 68.9	$ 21.4
Other costs	27.3	22.8	4.5
Total general and administrative expenses	$ 117.6	$ 91.7	$ 25.9
As a percentage of revenue	15.5%	15.2%	
As a percentage of revenue less repair payments (non-GAAP)	15.9%	15.9%	

The increase in general and administrative expenses was primarily due to an increase in employee costs as a result of higher salaries on account of a higher headcount, wage inflation and higher share-based compensation, and an increase in other cost as a result of higher travel cost, higher miscellaneous cost and higher legal and professional cost. Further, the appreciation of the Indian rupee and South African rand against the US dollar by an average of 3.9% and 7.8%, respectively, for fiscal 2018, as compared to the respective average exchange rates for fiscal 2017, resulted in an increase of approximately $2.2 million in general and administrative expenses. Our general and administrative expenses also increased as a result of acquisitions during the fourth quarter of fiscal 2017.

Foreign Exchange Loss / (Gains), Net

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

	Year ended March 31,		
	2018	2017	Change
	(US dollars in millions)		
Foreign exchange loss / (gains), net	$ (15.0)	$ (14.5)	$ (0.5)

The foreign exchange gains were higher primarily due to higher gains of $8.5 million from our US dollar denominated hedges as a result of an appreciation of the pound sterling against the US dollar and our rupee denominated hedges as a result of a appreciation of the Pound Sterling against the Indian rupee, partially offset by a higher foreign currency revaluation loss of $8.0 million arising from a loss of $4.1 million for the year ended March 31, 2018 as against a gain of $3.9 million for the year ended March 31, 2017.

Impairment of Goodwill

Year ended March 31,		
2018	2017	Change
(US dollars in millions)		

Impairment of Goodwill	$	$ 21.7	$ (21.7)

We performed an impairment review of the goodwill associated with the companies we had acquired for our auto claims business and recorded an impairment charge of $21.7 million to our results of operations for fiscal 2017. There is no impairment charge recognized in fiscal 2018.

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Amortization of Intangible Assets

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

	Year ended March 31,		
	2018	2017	Change
	(US dollars in millions)		
Amortization of intangible assets	$ 15.5	$ 20.5	$ (5.0)

The decrease in amortization of intangible assets was primarily attributable to the completion of amortization in November 2016 of intangible assets associated with our acquisition of Aviva Global made in July 2008, partially offset by the amortization of intangible assets arising out of our acquisitions of Denali and HealthHelp in January 2017 and March 2017, respectively.

Operating Profit

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

	Year ended March 31,		
	2018	2017	Change
	(US dollars in millions)		
Operating profit	$ 94.9	$ 47.2	$ 47.7
As a percentage of revenue	12.5%	7.8%	
As a percentage of revenue less repair payments (non-GAAP)	12.8%	8.2%	

Operating profit as a percentage of revenue and revenue less repair payments (non-GAAP) is higher due to higher revenue, no impairment of goodwill in fiscal 2018 as compared to the impairment of goodwill recorded in fiscal 2017, lower amortization expenses and higher foreign exchange gain, partially offset by higher cost of revenue, higher general and administrative expenses and higher selling and marketing expenses, each as described above.

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Other income, net

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

	Year ended March 31,		
	2018	2017	Change
	(US dollars in millions)		
Other income, net	$ (11.2)	$ (8.7)	$ (2.5)

Other income is higher in fiscal 2018 as compared with fiscal 2017 due to higher cash and cash equivalents and investments, partially offset by lower interest yield.

Finance Expense

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

	Year ended March 31,		
	2018	2017	Change
	(US dollars in millions)		
Finance expense	$ 4.3	$ 0.5	$ 3.7

Finance expense increased primarily on account of interest on long term loans obtained during the fourth quarter of fiscal 2017 to fund our acquisition of Denali and HealthHelp.

Provision for Income Taxes

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

	Year ended March 31,		
	2018	2017	Change
	(US dollars in millions)		
Provision for income taxes	$ 15.4	$ 17.5	$ (2.1)

The decrease in provision for income taxes was primarily on account of a one-time tax benefit of $ 1.7 million arising from a corporate legal restructuring and a net one-time tax benefit of $ 5.2 million resulting from the adjustments to the deferred tax balances due to a reduction in US corporate tax rate and transition tax charge on undistributed income of a foreign subsidiary (pursuant to the 2017 US Tax Reforms), partially offset by higher taxable profits during the year.

Profit

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

	Year ended March 31,		
	2018	2017	Change
	(US dollars in millions)		
Profit	$ 86.4	$ 37.8	$ 48.7
As a percentage of revenue	11.4%	6.3%	
As a percentage of revenue less repair payments (non-GAAP)	11.7%	6.5%	

The increase in profit was primarily on account of higher operating profit, higher other income and a decrease in provision for income taxes partially offset by an increase in finance expense, as explained above.

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Fiscal 2017 Compared to Fiscal 2016

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

Revenue

	Year ended March 31,			
	2017	2016	Change	% Change
	(US dollars in millions)			
Revenue	$ 602.5	$ 562.2	$ 40.4	7.2%

The increase in revenue of $40.4 million was primarily attributable to (i) revenue from new clients of $35.8 million including revenue from clients of acquired businesses during fiscal 2017, (ii) an increase in revenue from existing clients of $4.1 million, and (iii) an increase in hedging gain on our revenue by $0.4 million to $6.8 million in fiscal 2017 from $6.4 million in fiscal 2016. The increase in revenue was primarily due to higher volumes in our diversified businesses, travel, healthcare, and shipping and logistics verticals. The increase in revenue was partially offset by the impact of a lower volume of business from one of our top five clients by revenue contribution in fiscal 2016, and lower volumes in our banking and financial services, insurance, and consulting and professional services verticals. The increase was also partially offset by a depreciation of the pound sterling and South African rand against the US dollar by an average of 13.4% and 2.3%, respectively, as compared to the respective average exchange rates in fiscal 2016.

Revenue by Geography

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

	Revenue		As a percentage of Revenue	
	Year ended March 31,			
	2017	2016	2017	2016
	(US dollars in millions)			
UK	$ 248.6	$ 264.9	41.3%	47.1%
North America (primarily the US)	196.2	155.3	32.6%	27.6%
Australia	49.1	40.3	8.1%	7.2%
South Africa	42.7	30.1	7.1%	5.4%
Europe (excluding the UK)	37.5	34.7	6.2%	6.2%
Rest of world	28.5	36.8	4.7%	6.5%
Total	**$ 602.5**	**$ 562.2**	**100.0%**	**100.0%**

The increase in revenue in North America (primarily the US) was primarily driven by higher volumes in our travel, diversified businesses, healthcare, consulting and professional services, shipping and logistics, banking and financial services and utilities verticals and revenues from clients of businesses acquired in fiscal 2017. The increase in revenue from the South Africa region was primarily attributable to higher volumes in our diversified businesses and utilities

verticals, partially offset by lower volumes in our banking and financial services, and travel vertical. The increase in revenue from the Australia region was primarily attributable to higher volumes in our insurance, travel, and shipping and logistics verticals, partially offset by a lower volume in our utilities vertical. The increase in revenue from the Europe (excluding the UK) region was primarily attributable to higher volumes in our healthcare and travel verticals, partially offset by a lower volume in our insurance vertical. The decrease in revenue from the UK region was primarily attributable to lower volumes in our insurance, consulting and professional services, travel, and utilities verticals, partially offset by higher volumes in our healthcare, diversified businesses, and banking and financial services verticals. The decrease in revenue from the Rest of world region was primarily attributable to lower volumes in our banking and financial services, travel, and diversified businesses verticals, partially offset by a higher volume in our insurance vertical.

Revenue Less Repair Payments (non-GAAP)

The following table sets forth our revenue less repair payments (non-GAAP) and percentage change in revenue less repair payments (non-GAAP) for the periods indicated:

	Year ended March 31,			
	2017	**2016**	**Change**	**% Change**
	(US dollars in million)			
Revenue less repair payments (non-GAAP)	$ 578.4	$ 531.0	$ 47.4	8.9

The increase in revenue less repair payments (non-GAAP) of $47.4 million was primarily attributable to (i) revenue less repair payments (non-GAAP) from new clients of $35.0 million, including revenue from clients of acquired businesses during fiscal 2017, (ii) an increase in revenue less repair payments (non-GAAP) from existing clients of $12.0 million, and (iii) an increase in hedging gain on our revenue less repair payments (non-GAAP) by $0.4 million to $6.8 million in fiscal 2017 from $6.4 million in fiscal 2016. The increase in revenue was primarily due to higher volumes in our diversified businesses, travel, healthcare, shipping and logistics, and insurance verticals. The increase in revenue was partially offset by the impact of a lower volume of business from one of our top five clients by revenue contribution in fiscal 2016, and lower volumes in our banking and financial services, and consulting and professional services verticals. The increase was also partially offset by a depreciation of the pound sterling and South African rand against the US dollar by an average of 13.4% and 2.3%, respectively, as compared to the respective average exchange rates in fiscal 2016.

Revenue Less Repair Payments (non-GAAP) by Geography

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

	Revenue less repair payments (non-GAAP)		As a percentage of revenue less repair payments (non-GAAP)	
	Year ended March 31,			
	2017	2016	2017	2016
	(US dollars in millions)			
UK	$ 224.5	$ 233.7	38.8%	44.0%
North America (primarily the US)	196.2	155.3	33.9%	29.3%
Australia	49.1	40.3	8.5%	7.6%
South Africa	42.7	30.1	7.4%	5.7%
Europe (excluding the UK)	37.5	34.7	6.5%	6.5%
Rest of world	28.5	36.8	4.9%	6.9%
Total	**$ 578.4**	**$ 531.0**	**100%**	**100%**

The increase in revenue less repair payments (non-GAAP) in North America (primarily the US) was primarily driven by higher volumes in our travel, diversified businesses, healthcare, consulting and professional services, shipping and logistics, banking and financial services, utilities verticals and revenues from clients of businesses acquired in fiscal 2017. The increase in revenue less repair payments (non-GAAP) from the South Africa region was primarily attributable to higher volumes in our diversified businesses and utilities verticals, partially offset by lower volumes in our banking and financial services and travel vertical. The increase in revenue less repair payments (non-GAAP) from the Australia region was primarily attributable to higher volumes in our insurance, travel, and shipping and logistics verticals, partially offset by a lower volume in our utilities vertical. The increase in revenue less repair payments (non-GAAP) from the Europe (excluding the UK) region was primarily attributable to higher volumes in our healthcare and travel verticals, partially offset by a lower volume in our insurance vertical. The decrease in revenue less repair payments (non-GAAP) from the UK region was primarily attributable to lower volumes in our insurance, consulting and professional services, travel, and utilities verticals, partially offset by higher volumes in our healthcare, diversified businesses, and banking and financial services verticals. The decrease in revenue less repair payments

(non-GAAP) from the Rest of world region was primarily attributable to lower volumes in our banking and financial services, travel, and diversified businesses verticals, partially offset by a higher volume in our insurance vertical.

Cost of Revenue

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

	Year ended March 31,		
	2017	2016	Change
	(US dollars in millions)		
Employee costs	$ 249.7	$ 217.1	$ 32.6
Facilities costs	72.6	64.8	7.7
Repair payments	24.1	31.2	(7.1)
Depreciation	16.4	14.9	1.5
Travel costs	10.6	10.3	0.2
Legal and professional costs	6.5	7.0	(0.5)
Other costs	23.4	20.0	3.4
Total cost of revenue	$ 403.3	$ 365.4	$ 38.0
As a percentage of revenue	66.9%	65.0%	

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The increase in cost of revenue was primarily due to higher employee cost on account of higher headcount (including headcount of businesses acquired during fiscal 2017), wage inflation, an increase in share-based compensation expense; higher facilities costs; increase in subcontracting costs; and higher depreciation costs. These increases were partially offset by lower repair payments; and lower legal and professional costs. Further, the depreciation of the Indian rupee and South African rand against the US dollar by an average of 2.6% and 2.3%, respectively, in fiscal 2017, as compared to the average exchange rate in fiscal 2016, resulted in a decrease of approximately $6.0 million in the cost of revenue.

Gross Profit

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

	Year ended March 31,		
	2017	**2016**	**Change**
	(US dollars in millions)		
Gross profit	$ 199.2	$ 196.8	$ 2.4
As a percentage of revenue	33.1%	35.0%	
As a percentage of revenue less repair payments (non-GAAP)	34.4%	37.1%	

Gross profit as a percentage of revenue and revenue less repair payments (non-GAAP) decreased primarily due to higher cost of revenue as discussed above. Cost of revenue was higher notwithstanding the depreciation of the Indian rupee and South African rand against the US dollar by an average of 2.6% and 2.3%, respectively, in fiscal 2017, as compared to the average exchange rate for fiscal 2016. This increase in cost of revenue was partially offset by higher revenue, and an increase in hedging gain on our revenue by $0.4 million to $6.8 million in fiscal 2017 from $6.4 million in fiscal 2016.

During fiscal 2017, our built up seats increased by 6.1% from 26,407 as at the end of fiscal 2016 to 28,008 as at the end of fiscal 2017 as we expanded our existing facility in Gurgaon, India, and added new facilities in South Africa. Our expansion of the facility in Gurgaon was part of our strategy to expand our delivery capabilities, including in the SEZ in India. Further, we added new facilities in Pune and Noida, India, Turkey and the US due to our acquisitions of Value Edge, Denali and HealthHelp during fiscal 2017. Our total headcount increased by 6.7% from 32,388 to 34,547 during the same period, resulting in an increase in our seat utilization rate from 1.21 in fiscal 2016 to 1.23 in fiscal 2017. This 0.02 increase in our seat utilization rate increased our gross profit as a percentage of revenue by approximately 0.21% and increased our gross profit as a percentage of revenue less repair payments (non-GAAP) by approximately 0.22%.

Selling and Marketing Expenses

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

	Year ended March 31,		
	2017	**2016**	**Change**
	(US dollars in millions)		
Employee costs	$ 24.7	$ 22.3	$