

Patni Computer Systems LTD  
Form 6-K  
April 29, 2010

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 6-K**

**REPORT OF FOREIGN ISSUER**

**Pursuant to Rule 13a-16 or 15d-16 of  
the Securities Exchange Act of 1934**

For April 29, 2010

**PATNI COMPUTER SYSTEMS LIMITED**

**Akruti Softech Park , MIDC Cross Road No 21,  
Andheri (E) , Mumbai - 400 093, India**

(Exact name of registrant and address of principal executive offices)

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

Form 20-F  Form 40-F

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

Edgar Filing: Patni Computer Systems LTD - Form 6-K

Yes  No

If  Yes is marked, indicate below the file under assigned to the registrant in connection with Rule 12g3-2(b):



**Patni Computer Systems Limited**

FAX to SE

Registered Office : S-1A Irani Market Compound, Yerawada , Pune - 411 006,  
India.Corporate Office : Akruti , MIDC Cross Road No 21, Andheri (E) , Mumbai - 400  
093, India.**Summary of Consolidated financial results of Patni Computer Systems Limited and its subsidiaries for the quarter ended 31 March 2010, prepared as per US GAAP**

USD in lakhs except share data

|                                                                                      | Quarter ended 31 March |                     | Year ended 31 December |
|--------------------------------------------------------------------------------------|------------------------|---------------------|------------------------|
|                                                                                      | 2010<br>(Unaudited)    | 2009<br>(Unaudited) | 2009<br>(Audited)      |
| Net revenues                                                                         | 1,723                  | 1,567               | 6,559                  |
| Cost of revenues                                                                     | 1,063                  | 1,049               | 4,213                  |
| <b>Gross profit</b>                                                                  | <b>660</b>             | <b>518</b>          | <b>2,346</b>           |
| Selling, general and administrative expenses                                         | 346                    | 293                 | 1,243                  |
| Foreign exchange (gain)/loss, net                                                    | (48)                   | 65                  | 97                     |
| <b>Operating income</b>                                                              | <b>362</b>             | <b>160</b>          | <b>1,006</b>           |
| Interest and dividend income                                                         | 40                     | 27                  | 112                    |
| Interest expense                                                                     | (5)                    | (7)                 | (15)                   |
| Interest expense reversed                                                            |                        |                     | 28                     |
| Gain on sale of investments, net                                                     | 6                      | 1                   | 95                     |
| Other income, net                                                                    | 3                      | 4                   | 19                     |
| <b>Income before income taxes</b>                                                    | <b>406</b>             | <b>185</b>          | <b>1,245</b>           |
| Income tax expense                                                                   | 73                     | 35                  | 47                     |
| <b>Net Income</b>                                                                    | <b>333</b>             | <b>150</b>          | <b>1,198</b>           |
| <b>Earnings per share</b>                                                            |                        |                     |                        |
| Basic                                                                                | \$ 0.26                | \$ 0.12             | \$ 0.93                |
| Diluted                                                                              | \$ 0.25                | \$ 0.12             | \$ 0.92                |
| <b>Weighted average number of common shares used in computing earnings per share</b> |                        |                     |                        |
| Basic                                                                                | 129,251,485            | 128,105,007         | 128,254,916            |
| Diluted                                                                              | 133,200,892            | 128,238,563         | 130,241,085            |
| Total assets                                                                         | 9,714                  | 7,556               | 9,012                  |
| Cash and cash equivalents                                                            | 587                    | 466                 | 635                    |
| Investments                                                                          | 4,173                  | 2,532               | 3,842                  |

**Notes:**

- The consolidated financial statements of Patni Computer Systems Limited and its subsidiaries have been prepared in accordance with the accounting principles generally accepted in the United States of America ( US GAAP ). All inter-company transactions have been eliminated on consolidation.
- In December 2008, the Company received a Demand of approximately Rs. 4,587 for the Assessment Year (A.Y.) 2003-04 including an interest demand of Rs. 2,586 (\$ 102 including an interest demand of approximately \$ 58) and another Demand in January 2009 of approximately Rs. 11,330 for the A.Y. 2005-06 including an interest demand of approximately Rs. 4,225 (\$ 252 including an interest demand of approximately \$ 94). These new demands concern the same issue of disallowance of tax benefits under Section 10A of the Indian Income Tax Act, 1961( ACT ) as per earlier assessments. The Company has filed an appeal with the tax authorities and stay of demand has been granted till 30 June 2010 or settlement of appeal whichever is earlier.

## Edgar Filing: Patni Computer Systems LTD - Form 6-K

As per stay of demand order, till March 2010, the Company has paid sum of Rs. 660 (\$ 15) for the A.Y. 2003-04 and Rs. 2,218 (\$ 49) for the A.Y. 2005-06 as regards the matter under appeal. Management considers these demands as not tenable against the Company, and therefore, no provision for this tax contingency has been established.

The tax department had earlier rejected the Company's claim under section 10A of the Act and raised a demand of approximately Rs. 6,302 (\$ 140 including an interest demand of approximately \$ 42) for A.Y. 2004-05 and Rs. 2,617 (\$ 58 including an interest demand of approximately \$ 31) for A.Y. 2002-03 in December 2006 and December 2007, respectively. However on appeal, in 2008 the CIT (Appeals) had allowed the claim under section 10A of the Act. The Indian Income tax department has appealed against the CIT (Appeals) orders in respect of A.Y. 2002-03 and 2004-05 in the tribunal. Management considers these demands as not tenable against the Company, and therefore, no provision for this tax contingency has been established.

In December 2009 the Income tax department has issued draft assessment order for A.Y. 2006-07 disallowing 10A deduction of the Indian Income Tax Act, 1961 as per the earlier assessments, as well as making a Transfer Pricing Adjustment for the Company's BPO operations. The Company has filed objections against the draft order before the Dispute Resolution Panel ( DRP ) newly set up under the Income Tax Act, 1961. Management considers these disallowances as not tenable against the Company, and therefore, no provision for this tax contingency has been established.

Certain other income tax related legal proceedings are pending against the Company. Potential liabilities, if any, have been adequately provided for, and the Company does not currently estimate any incremental liability in respect of these proceedings. Additionally, the Company is also involved in lawsuits and claims which arise in ordinary course of business. There are no such matters pending that Patni expects to be material in relation to its business.

- 3 Previous period's figures have been appropriately reclassified/regrouped to conform to the current period's presentation.
- 4 The above summary of consolidated financial results was taken on record by the Board of Directors at its adjourned meeting held on 29 April 2010.

**Patni Computer Systems Limited**

FAX to SE

Registered Office : S-1A Irani Market Compound, Yerawada , Pune - 411 006,  
India.Corporate Office : Akruiti , MIDC Cross Road No 21, Andheri (E) , Mumbai -  
400 093, India.**Summary of consolidated financial statements prepared as per US GAAP - Convenience translation (Unaudited)**

Rs. in lakhs except share data

|                                              | Quarter ended 31 March<br>2010 | 2009          | Year ended 31 December<br>2009 |
|----------------------------------------------|--------------------------------|---------------|--------------------------------|
| Exchange Rate (Rs.)                          | 44.95                          | 50.87         | 46.40                          |
| Net revenues                                 | 77,454                         | 79,691        | 304,346                        |
| Cost of revenues                             | 47,770                         | 53,345        | 195,487                        |
| <b>Gross profit</b>                          | <b>29,684</b>                  | <b>26,346</b> | <b>108,859</b>                 |
| Selling, general and administrative expenses | 15,557                         | 14,913        | 57,665                         |
| Foreign exchange (gain)/loss, net            | (2,143)                        | 3,308         | 4,497                          |
| <b>Operating income</b>                      | <b>16,270</b>                  | <b>8,125</b>  | <b>46,697</b>                  |
| Interest and dividend income                 | 1,778                          | 1,384         | 5,208                          |
| Interest expense                             | (218)                          | (353)         | (693)                          |
| Interest expense reversed                    |                                |               | 1,303                          |
| Gain on sale of investments, net             | 270                            | 73            | 4,393                          |
| Other income, net                            | 151                            | 180           | 879                            |
| <b>Income before income taxes</b>            | <b>18,251</b>                  | <b>9,409</b>  | <b>57,787</b>                  |
| Income tax expense                           | 3,281                          | 1,802         | 2,208                          |
| <b>Net Income</b>                            | <b>14,970</b>                  | <b>7,607</b>  | <b>55,579</b>                  |
| <b>Earnings per share</b>                    |                                |               |                                |
| Basic                                        | 11.58                          | 5.94          | 43.33                          |
| Diluted                                      | 11.24                          | 5.93          | 42.67                          |
| Total assets                                 | 436,657                        | 384,380       | 418,148                        |
| Cash and cash equivalents                    | 26,394                         | 23,718        | 29,445                         |
| Investments                                  | 187,557                        | 128,818       | 178,268                        |

## Disclaimer:

We have translated the financial data derived from our consolidated financial statements prepared in accordance with US GAAP for each period at the noon buying rate in the City of New York on the last business day of such period for cable transfers in Rupees as certified for customs purposes by the Federal Reserve Bank of New York. The translations should not be considered as a representation that such US Dollar amounts have been, could have been or could be converted into Rupees at any particular rate, the rate stated above, or at all. Investors are cautioned not to rely on such translated amounts.

**By Order of the Board  
for Patni Computer Systems Limited**

Edgar Filing: Patni Computer Systems LTD - Form 6-K

**Mumbai**  
**29 April 2010**

**Jeya Kumar**  
*Chief Executive Officer*

2

---

**Patni Computer Systems Limited**

FAX to SE

Registered Office : S-1A Irani Market Compound, Yerawada , Pune - 411 006, India.

Corporate Office : Akruti , MIDC Cross Road No 21, Andheri (E) , Mumbai - 400 093, India.

**Audited consolidated financial results of Patni Computer Systems Limited and its subsidiaries for the quarter ended 31 March 2010, as per Indian GAAP.****Rs. in lakhs except share data**

|                                                                          | Quarter ended 31 March |                   | Year ended 31                 |
|--------------------------------------------------------------------------|------------------------|-------------------|-------------------------------|
|                                                                          | 2010<br>(Audited)      | 2009<br>(Audited) | December<br>2009<br>(Audited) |
| <b>Income</b>                                                            |                        |                   |                               |
| Sales and service income                                                 | 78,163                 | 77,644            | 314,615                       |
| Other operating income/(expenses)                                        | 3,319                  | (2,618)           | (2,835)                       |
|                                                                          | <b>81,482</b>          | <b>75,026</b>     | <b>311,780</b>                |
| <b>Expenditure</b>                                                       |                        |                   |                               |
| Personnel costs                                                          | 45,620                 | 46,794            | 183,573                       |
| Selling, general and administration costs                                | 15,750                 | 16,772            | 64,435                        |
| Depreciation (net of transfer from revaluation reserves)                 | 2,863                  | 2,881             | 14,208                        |
|                                                                          | <b>64,233</b>          | <b>66,447</b>     | <b>262,216</b>                |
| <b>Profit from Operations before Other Income and Interest</b>           | <b>17,249</b>          | <b>8,579</b>      | <b>49,564</b>                 |
| Other income                                                             | 1,969                  | 1,285             | 11,081                        |
| <b>Profit Before Interest</b>                                            | <b>19,218</b>          | <b>9,864</b>      | <b>60,645</b>                 |
| Interest costs                                                           | 219                    | 391               | 772                           |
| <b>Profit After Interest for the period/year</b>                         | <b>18,999</b>          | <b>9,473</b>      | <b>59,873</b>                 |
| Provision for taxation                                                   | 5,056                  | 2,332             | 5,445                         |
| MAT credit entitlement                                                   | (1,761)                | (651)             | (4,391)                       |
| Provision for taxation-Fringe benefits                                   |                        | 140               | 158                           |
| <b>Net profit for the period/year</b>                                    | <b>15,704</b>          | <b>7,652</b>      | <b>58,661</b>                 |
| Paid up equity share capital (Face value per equity share of Rs. 2 each) | 2,587                  | 2,562             | 2,583                         |
| Reserves excluding revaluation reserves                                  |                        |                   | 350,590                       |
| <b>Earnings per equity share of Rs.2 each</b>                            |                        |                   |                               |
| - Basic                                                                  | 12.15                  | 5.97              | 45.74                         |
| - Diluted                                                                | 11.75                  | 5.96              | 44.93                         |
| <b>Dividend per share (Face value per equity share of Rs. 2 each)</b>    |                        |                   | <b>3.00</b>                   |

**Notes:**

- The consolidated financial statements of Patni Computer Systems Limited and its subsidiaries have been prepared in accordance with the principles and procedures as prescribed by the Accounting Standard on Consolidated Financial Statements, mandated by Rule 3 of the

## Edgar Filing: Patni Computer Systems LTD - Form 6-K

Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with National Advisory Committee on Accounting Standards ( NACAS ), the provisions of the Companies Act, 1956, and guidelines issued by the Securities and Exchange Board of India ( SEBI ).

- 2 The financial statements of Patni Computer Systems Limited and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/transactions and resulting unrealized profits in full. Unrealized losses resulting from intra-group transactions have also been eliminated unless cost cannot be recovered. The amounts shown in respect of accumulated reserves comprise of the amount of the relevant reserves as per the balance sheet of the Parent Company and its share in the post acquisition increase/decrease in the relevant reserves/accumulated deficit of its subsidiaries. Consolidated financial statements are prepared using uniform accounting policies across the Group.
- 3 The subsidiaries considered in the consolidated financial statements as at 31 March 2010 are wholly owned subsidiaries, namely Patni Americas, Inc., Patni Computer Systems (UK) Limited, Patni Computer Systems GmbH, Patni Telecom Solutions Inc., Patni Telecom Solutions Private Limited, Patni Telecom Solutions (UK) Limited, Patni Life Sciences Inc., Patni Computer Systems (Czech) s.r.o, Patni Computer Systems Brasil Ltda, PCS Computer Systems Mexico SA de CV and Patni (Singapore) Pte. Ltd.
- 4 Paid up equity share capital does not include Rs. 34 (2009: Rs. Nil) which represents share application money received from employees, on exercise of stock options, pending allotment of shares.
- 5 Investor complaints for the three months ended 31 March 2010:

| <b>Pending as on 1 January<br/>2010</b> | <b>Received during<br/>the quarter</b> | <b>Disposed off<br/>during the quarter</b> | <b>Unresolved at the end of<br/>the<br/>quarter</b> |
|-----------------------------------------|----------------------------------------|--------------------------------------------|-----------------------------------------------------|
|                                         | 19                                     | 19                                         |                                                     |

- 6 Statement of Utilisation of ADS Funds as of 31 March 2010



Edgar Filing: Patni Computer Systems LTD - Form 6-K

|                                                              | No of shares | Price | Amount        |
|--------------------------------------------------------------|--------------|-------|---------------|
| Amount raised through ADS (6,156,250 ADSs @ \$20.34 per ADS) | 12,312,500   | 466   | 57,393        |
| Share issue expenses                                         |              |       | 3,694         |
| <b>Net proceeds</b>                                          |              |       | <b>53,699</b> |

**Deployment :**

|                                                          |               |
|----------------------------------------------------------|---------------|
| 1 Held as short term investments                         | 10,009        |
| 2 Utilised for Capital expenditure for office facilities | 42,482        |
| 3 Exchange loss                                          | 1,208         |
| <b>Total</b>                                             | <b>53,699</b> |

7 Total Public Shareholding\*

|                              | As of 31 March |            | As of 31 December |
|------------------------------|----------------|------------|-------------------|
|                              | 2010           | 2009       | 2009              |
| - Number of Shares           | 32,739,237     | 29,972,109 | 32,479,658        |
| - Percentage of Shareholding | 25.31%         | 23.40%     | 25.15%            |

---

\* Total Public Shareholding as defined under Clause 40A of the Listing Agreement (excludes shares held by promoters and promoter group and American Depository Receipt shareholders).

**Patni Computer Systems Limited**

FAX to SE

Registered Office : S-1A Irani Market Compound, Yerawada , Pune - 411 006, India.

Corporate Office : Akruiti , MIDC Cross Road No 21, Andheri (E) , Mumbai - 400 093, India.

|                                                                                         | As of 31 March<br>2010 | As of 31 March<br>2009 | As of 31 December 2009 |
|-----------------------------------------------------------------------------------------|------------------------|------------------------|------------------------|
| <b>Promoters and Promoter group Shareholding</b>                                        |                        |                        |                        |
| <b>a) Pledge/Encumbered</b>                                                             |                        |                        |                        |
| Number of shares                                                                        | Nil                    | Nil                    | Nil                    |
| Percentage of shares (as a % of the total shareholding of promoters and promoter group) | Nil                    | Nil                    | Nil                    |
| Percentage of shares (as a % of the total share capital of the Company)                 | Nil                    | Nil                    | Nil                    |
| <b>B) Non-encumbered</b>                                                                |                        |                        |                        |
| Number of shares                                                                        | 60,091,202             | 61,974,202             | 60,091,202             |
| Percentage of shares (as a % of the total shareholding of promoters and promoter group) | 100%                   | 100%                   | 100%                   |
| Percentage of shares (as a % of the total share capital of the Company)                 | 46.46%                 | 48.38%                 | 46.54%                 |

- 8 In December 2008 the Company received a Demand of approximately Rs. 4,587 for the Assessment Year (A.Y.) 2003-04 including an interest demand of Rs. 2,586 and another Demand in January 2009 of approximately Rs. 11,330 for the A.Y. 2005-06 including an interest demand of approximately Rs. 4,225. These new demands concern the same issue of disallowance of tax benefits under Section 10A of the Indian Income Tax Act, 1961 as per the earlier assessments. The Company has filed an appeal with the tax authorities and stay of demand has been granted till 30 June 2010 or settlement of appeal whichever is earlier. As per stay of demand order, till March 2010 the Company has paid sum of Rs. 660 for the A.Y. 2003-04 and Rs. 2,218 for the A.Y. 2005-06 as such the matter is under appeal. Management considers these demands as not tenable against the Company and, therefore, no provision for this tax contingency has been established.

The Tax department had earlier rejected the Company's claim under section 10A and raised a demand of Rs. 6,302 for A.Y. 2004-05 and Rs. 2,617 for A.Y. 2002-03 in December 2006 and December 2007 respectively. However on appeal in 2008, the CIT (Appeals) had allowed the claim under section 10A of the Income Tax Act, 1961. The Indian Income tax department has appealed against the CIT (Appeals) orders in respect of A. Y. 2002-03 and 2004-05 in the tribunal. Management considers these demands as not tenable against the Company and, therefore, no provision for this tax contingency has been established.

In December 2009 the Income tax department has issued draft assessment order for A.Y. 2006-07 disallowing 10A deduction of the Indian Income Tax Act, 1961 as per the earlier assessments, as well as making a Transfer Pricing Adjustment for BPO operations of the Company. The Company has filed objections against the draft order before the Dispute Resolution Panel ( DRP ) newly set up under the Income Tax Act, 1961. Management considers these disallowances as not tenable against the Company and therefore no provision for this tax contingency has been established.

Certain other income tax related legal proceedings are pending against the Company. Potential liabilities, if any, have been adequately provided for, and the Company does not currently estimate any incremental liability in respect of these proceedings. Additionally, the Company is also involved in lawsuits and claims which arise in ordinary course of business. There are no such matters pending that Patni expects to be material in relation to its business.

- 9 The Finance Act, 2009 has extended the availability of the 10-year income tax holiday by a period of one year such that the tax holiday will be available until the earlier of fiscal year ending 31 March 2011 or 10 years after the commencement of a Company's undertaking. The fringe benefit tax has also been abolished w.e.f. 1 April 2009.

**Patni Computer Systems Limited**

FAX to SE

Registered Office : S-1A Irani Market Compound, Yerawada , Pune - 411 006, India.

Corporate Office : Akruti , MIDC Cross Road No 21, Andheri (E) , Mumbai - 400 093, India.

**10 Segment Information:**

| Particulars                                       | Financial services | Insurance | Manufacturing, Retail & Distribution | Communications, Media & Utilities | Product Engineering | Total   |
|---------------------------------------------------|--------------------|-----------|--------------------------------------|-----------------------------------|---------------------|---------|
| <b>For the three months ended 31 March 2010</b>   |                    |           |                                      |                                   |                     |         |
| Sales and service income                          | 9,185              | 22,795    | 24,012                               | 9,457                             | 12,714              | 78,163  |
| <b>Balances as at 31 March 2010</b>               |                    |           |                                      |                                   |                     |         |
| Sundry debtors                                    | 7,397              | 11,843    | 15,850                               | 7,440                             | 8,801               | 51,331  |
| Unbilled revenue                                  | 1,764              | 4,850     | 6,105                                | 3,092                             | 2,315               | 18,126  |
| Billings in excess of cost and estimated earnings | (73)               | (94)      | (422)                                | (208)                             | (840)               | (1,637) |
| Advance from customers                            | (106)              | (64)      | (243)                                | (124)                             | (301)               | (838)   |

| Particulars                                       | Financial services | Insurance | Manufacturing, Retail & Distribution | Communications, Media & Utilities | Product Engineering | Total   |
|---------------------------------------------------|--------------------|-----------|--------------------------------------|-----------------------------------|---------------------|---------|
| <b>For the three months ended 31 March 2009</b>   |                    |           |                                      |                                   |                     |         |
| Sales and service income                          | 10,694             | 21,378    | 22,415                               | 11,184                            | 11,973              | 77,644  |
| <b>Balances at 31 December 2009</b>               |                    |           |                                      |                                   |                     |         |
| Sundry debtors                                    | 6,269              | 11,734    | 18,475                               | 7,924                             | 6,495               | 50,897  |
| Unbilled revenue                                  | 1,047              | 1,199     | 3,245                                | 2,523                             | 1,168               | 9,182   |
| Billings in excess of cost and estimated earnings | (123)              | (140)     | (1,148)                              | (465)                             | (784)               | (2,660) |
| Advance from customers                            | (152)              | (26)      | (216)                                | (115)                             | (37)                | (546)   |

Industry segments of the Group comprise financial services, insurance services, manufacturing, retail and distribution companies, communications, media and utilities, and technology services (comprising product engineering). The Group evaluates segment performance and allocates resources based on revenue growth. Revenue in relation to segments is categorized based on items that are individually identifiable to that segment. Costs are not specifically allocable to individual segment as the underlying resources and services are used interchangeably. Property, plant and equipment used in the Group's business or liabilities contracted have not been identified to any of the reportable segments, as the property, plant and equipment and services are used interchangeably between segments.

- 11 Previous period's figures have been appropriately reclassified/regrouped to conform to the current period's presentation.
- 12 The above statement of financial results was reviewed by the Audit Committee and approved by the Board of Directors at its adjourned meeting held on 29 April 2010.

**By Order of the Board  
for Patni Computer Systems Limited**

**Mumbai  
29 April 2010**

**Jeya Kumar**  
*Chief Executive Officer*



**Patni Computer Systems Limited**

FAX to SE

Registered Office : S-1A Irani Market Compound, Yerawada , Pune - 411 006, India.

Corporate Office : Akruti , MIDC Cross Road No 21, Andheri (E) , Mumbai - 400 093, India.

**Reconciliation of significant differences between Consolidated Net Income determined in accordance with Indian Generally Accepted Accounting Principles ( Indian GAAP ) and Consolidated Net Income determined in accordance with US Generally Accepted Accounting Principles ( US GAAP ) (Unaudited)**

Rs. in lakhs

|                                            | Quarter Ended 31 March |              | Year ended 31 December |
|--------------------------------------------|------------------------|--------------|------------------------|
|                                            | 2010                   | 2009         | 2009                   |
| Consolidated net income as per Indian GAAP | 15,704                 | 7,652        | 58,661                 |
| Income taxes                               | (2)                    | (96)         | (318)                  |
| Foreign currency differences               | (205)                  | 429          | 509                    |
| Employee retirement benefits               | 154                    | (620)        | (419)                  |
| ESOP related Compensation Cost             | (161)                  | 252          | (471)                  |
| Impairment of Intangibles                  |                        |              | 1,396                  |
| Business acquisition                       | (236)                  | (192)        | (903)                  |
| Others                                     | 13                     | 9            | (4)                    |
| <b>Total</b>                               | <b>(437)</b>           | <b>(218)</b> | <b>(210)</b>           |
| Consolidated net income as per US GAAP     | 15,267                 | 7,434        | 58,451                 |

**Note:**

The consolidated net income as per USGAAP shown in the table above differs from the consolidated net income shown under Summary of financials statements prepared as per USGAAP - Convenience Translation for reasons explained below the same table.

**Patni Computer Systems Limited**

FAX to SE

Registered Office : S-1A Irani Market Compound, Yerawada , Pune - 411 006, India.

Corporate Office : Akruiti , MIDC Cross Road No 21, Andheri (E) , Mumbai - 400 093, India.

**Financial results of Patni Computer Systems Limited for the quarter ended 31 March 2010, as per Indian GAAP (Standalone)****Rs. in Lakhs except share data**

|                                                                          | Quarter ended 31 March |                   | Year ended 31                 |
|--------------------------------------------------------------------------|------------------------|-------------------|-------------------------------|
|                                                                          | 2010<br>(Audited)      | 2009<br>(Audited) | December<br>2009<br>(Audited) |
| <b>Income</b>                                                            |                        |                   |                               |
| Sales and service income                                                 | 45,769                 | 40,952            | 173,486                       |
| Other operating income / (exepense)                                      | 3,495                  | (3,387)           | (3,161)                       |
|                                                                          | 49,264                 | 37,565            | 170,325                       |
| <b>Expenditure</b>                                                       |                        |                   |                               |
| Personnel costs                                                          | 21,600                 | 18,944            | 81,247                        |
| Selling, general and administration costs                                | 8,635                  | 6,879             | 31,114                        |
| Depreciation (net of transfer from revaluation reserves)                 | 2,297                  | 2,198             | 9,198                         |
|                                                                          | 32,532                 | 28,021            | 121,559                       |
| <b>Profit from operations before Other Income and Interest</b>           | 16,732                 | 9,544             | 48,766                        |
| Other income                                                             | 1,919                  | 1,225             | 10,087                        |
| <b>Profit before interest</b>                                            | 18,651                 | 10,769            | 58,853                        |
| Interest costs                                                           | 219                    | 285               | 674                           |
| <b>Profit from Ordinary Activities before tax</b>                        | 18,432                 | 10,484            | 58,179                        |
| Provision for taxation                                                   | 4,356                  | 2,429             | 8,108                         |
| MAT credit entitlement                                                   | (1,761)                | (602)             | (4,342)                       |
| Provision for taxation - Fringe benefits                                 |                        | 122               | 140                           |
| <b>Profit after taxation</b>                                             | 15,837                 | 8,535             | 54,273                        |
| Paid up equity share capital (Face value per equity share of Rs. 2 each) | 2,587                  | 2,562             | 2,583                         |
| Reserves excluding revaluation reserves                                  |                        |                   | 316,592                       |
| <b>Earnings per equity share of Rs. 2 each</b>                           |                        |                   |                               |
| - Basic                                                                  | 12.25                  | 6.66              | 42.32                         |
| - Diluted                                                                | 11.84                  | 6.63              | 41.47                         |
| <b>Dividend per share (Face value per equity share of Rs. 2 each)</b>    |                        |                   | 3.00                          |

**Notes :**

1 Investor complaints for the quarter ended 31 March 2010:

| Pending as on 1<br>January 2010 | Received during the quarter | Disposed of during<br>the quarter | Unresolved at the<br>end of the quarter |
|---------------------------------|-----------------------------|-----------------------------------|-----------------------------------------|
|                                 | 19                          | 19                                |                                         |

## Edgar Filing: Patni Computer Systems LTD - Form 6-K

### 2 Statement of Utilisation of ADS Funds as of 31 March 2010

|                                                               | No of shares | Price | Amount        |
|---------------------------------------------------------------|--------------|-------|---------------|
| Amount raised through ADS (6,156,250 ADSs @ \$ 20.34 per ADS) | 12,312,500   | 466   | 57,393        |
| Share issue expenses                                          |              |       | 3,694         |
| <b>Net proceeds</b>                                           |              |       | <b>53,699</b> |
| <b>Deployment:</b>                                            |              |       |               |
| 1 Held as short term investments                              |              |       | 10,009        |
| 2 Utilised for Capital expenditure for office facilities      |              |       | 42,482        |
| 3 Exchange loss                                               |              |       | 1,208         |
| <b>Total</b>                                                  |              |       | <b>53,699</b> |

**Patni Computer Systems Limited**

FAX to SE

Registered Office : S-1A Irani Market Compound, Yerawada , Pune - 411 006, India.

Corporate Office : Akruiti , MIDC Cross Road No 21, Andheri (E) , Mumbai - 400 093, India.

**Financial results of Patni Computer Systems Limited for the quarter ended 31 March 2010, as per Indian GAAP (Standalone)(Contd.)**

## 3 Total Public Shareholding \*

|                              | As of 31 March |            | As of 31 December 2009 |
|------------------------------|----------------|------------|------------------------|
|                              | 2010           | 2009       |                        |
| - Number of Shares           | 32,739,237     | 29,972,109 | 32,479,658             |
| - Percentage of Shareholding | 25.31%         | 23.40%     | 25.15%                 |

\* Total Public Shareholding as defined under Clause 40A of the Listing Agreement ( excludes shares held by promoters and promoter group and American Depository Receipt shareholders ).

## Promoters and Promoter group Shareholding

|                                                                                         | As of 31 March 2010 | As of 31 March 2009 | As of 31 December 2009 |
|-----------------------------------------------------------------------------------------|---------------------|---------------------|------------------------|
| 4 a) Pledge/Encumbered                                                                  |                     |                     |                        |
| Number of shares                                                                        | Nil                 | Nil                 | Nil                    |
| Percentage of shares (as a % of the total shareholding of promoters and promoter group) | Nil                 | Nil                 | Nil                    |
| Percentage of shares (as a % of the total share capital of the Company)                 | Nil                 | Nil                 | Nil                    |
| B) Non-encumbered                                                                       |                     |                     |                        |
| Number of shares                                                                        | 60,091,202          | 61,974,202          | 60,091,202             |
| Percentage of shares (as a % of the total shareholding of promoters and promoter group) | 100%                | 100%                | 100%                   |
| Percentage of shares (as a % of the total share capital of the Company)                 | 46.46%              | 48.38%              | 46.54%                 |

5 Paid up equity share capital does not include Rs. 34 (2009 : Rs. Nil) which represents share application money received from employees, on exercise of stock options, pending allotment of shares.

6 In December 2008 the Company received a Demand of approximately Rs. 4,587 for the Assessment Year (A.Y.) 2003-04 including an interest demand of Rs. 2,586 and another Demand in January 2009 of approximately Rs. 11,330 for the A.Y. 2005-06 including an interest demand of approximately Rs. 4,225. These new demands concern the same issue of disallowance of tax benefits under Section 10A of the Indian Income Tax Act, 1961 as per the earlier assessments. The Company has filed an appeal with the tax authorities and stay of demand has been granted till 30 June 2010 or settlement of appeal whichever is earlier. As per stay of demand order, till March 2010 the Company has paid sum of Rs. 660 for the A.Y. 2003-04 and Rs. 2,218 for the A.Y. 2005-06 as such the matter is under appeal. Management considers these demands as not tenable against the Company and, therefore, no provision for this tax contingency has been established.



## Edgar Filing: Patni Computer Systems LTD - Form 6-K

The Tax department had earlier rejected the Company's claim under section 10A and raised a demand of Rs. 6,302 for A.Y. 2004-05 and Rs. 2,617 for A.Y. 2002-03 in December 2006 and December 2007 respectively. However on appeal in 2008, the CIT (Appeals) had allowed the claim under section 10A of the Income Tax Act, 1961. The Indian Income tax department has appealed against the CIT (Appeals) orders in respect of A. Y. 2002-03 and 2004-05 in the tribunal. Management considers these demands as not tenable against the Company and, therefore, no provision for this tax contingency has been established.

In December 2009 the Income tax department has issued draft assessment order for A.Y. 2006-07 disallowing 10A deduction of the Indian Income Tax Act, 1961 as per the earlier assessments, as well as making a Transfer Pricing Adjustment for BPO operations of the Company. The Company has filed objections against the draft order before the Dispute Resolution Panel ( DRP ) newly set up under the Income Tax Act, 1961. Management considers these disallowances as not tenable against the Company and therefore no provision for this tax contingency has been established.

Certain other income tax related legal proceedings are pending against the Company. Potential liabilities, if any, have been adequately provided for, and the Company does not currently estimate any incremental liability in respect of these proceedings. Additionally, the Company is also involved in lawsuits and claims which arise in ordinary course of business. There are no such matters pending that Patni expects to be material in relation to its business.

- 7 The Finance Act, 2009 has extended the availability of the 10-year income tax holiday by a period of one year such that the tax holiday will be available until the earlier of fiscal year ending 31 March 2011 or 10 years after the commencement of a Company's undertaking. The fringe benefit tax has also been abolished w.e.f. 1 April 2009.
- 8 Previous period figures have been appropriately reclassified / regrouped to conform to the current period's presentations.
- 9 The above statement of financial results was reviewed by the Audit Committee and approved by the Board of Directors at the adjourned meeting held on 29 April 2010.

**By Order of the Board  
for Patni Computer Systems Limited**

**Mumbai  
29 April 2010**

**Mr. Jeya Kumar  
Chief Executive Officer**

Press Release

**Patni s Q1 2010 Net Income\* up 122.7% YoY**

**Mumbai, India, April 29, 2010:** Patni Computer Systems Limited (**Patni**) today announced its financial results for the first quarter ended 31st March 2010

---

*\* **Important Note:** As stated in our earnings release of Q4 2009, based on reviews certain tax positions for previous years was written back which led to a one time increase in other income of US\$ 1.5 million and decrease in tax expense of US\$ 9.5 million. Consequently, profit after tax had increased by US\$ 11.0 million for Q4 2009. These Variations were referred to as **Extra Ordinary Items** in said press release. In this release these have been separately shown as exclusion for non-GAAP presentation in respective lines of gross profit, other income, tax expense and net income, for comparative purposes and should be read together with the reported US GAAP results.*

- **Performance Highlights for the quarter ended March 31,2010**
  
- **Revenues for the quarter at US\$ 172.3 million (Rs.7,745.4 million)**
- Up 1.3% QoQ from US\$ 170.2 million (Rs.7,896.1 million)
- Up 10.0% YoY from US\$ 156.7 million (Rs.7,969.1 million)
- Constant currency Revenues up 1.9 % for the quarter
- Revenue concentration of Top 10 customers reduced sequentially to 48.7% from 50.9% in previous quarter.
  
- **Operating Income for the quarter at US\$ 36.2 million (Rs.1,627.0 million)**
- Up 8.7% QoQ from US\$ 33.3 million (Rs.1,545.6 million)
- Up 126.6% YoY from US\$ 16.0 million (Rs.812.4 million)
- Forex gain for the quarter US\$ 4.8 million, up 49% QoQ

- **Net Income for the quarter at US\$ 33.3 million (Rs.1,497.1 million)**
- Down 17.7% QoQ from US\$ 40.5 million (Rs. 1,878.4 million)
- Up 13.1% QoQ from US\$ 29.4 million (Excluding extra ordinary items)
- Up 122.7% YoY from US\$ 15.0 million (Rs.760.7 million)
  
- **EPS for the quarter at US\$ 0.26 per share (US\$ 0.52 per ADS).**

**Future Outlook:**

- Q2 CY2010 Revenues are expected to be at US\$ 171 million to US\$ 172 million and Net Income (Excluding the hedging Gain/Loss) is expected to be in the range of US\$ 27 million to US\$ 28 million
- *This guidance is based on constant Rupee -USD rate of Rs.45.5.*
- *Mark to Market foreign exchange gain during Q2 2010 is expected to be in the range of US\$ 2.5 million based on current estimates. This may change depending on further currency movements during the quarter and will impact our Net Earnings accordingly.*

www.patni.com

## Management Comments

*Mr. Jeya Kumar, Chief Executive Officer, said, Operating performance for Q1 2010 has been better than expectation. We are making strategic investments to our business in line with our micro vertical based strategy. These initiatives and expansion of coverage will start reflecting in higher market share for us in the mid term. Short term supply side pressures in term of higher than planned attrition were challenges that we faced and have been actioned for correctness. Overall we are pleased with the performance for the quarter. Our guidance for next quarter reflects short terms caution than mid to long term trends.*

*Speaking on the occasion, Mr. Surjeet Singh, Chief Financial Officer, said, Our operating margins management efforts have paid off with well managed cost structures and efficient forex and treasury management as reflected in the numbers. Growth investments and initiatives are in place and are being executed. We will continue to focus on productivity based savings to fund operating investments as we scale our business through organic and in organic means.*

## Corporate Developments

### Appointments:

- **Patni appoints Alison Fry as new HR Director for EMEA region**

Patni announced that it has appointed Alison Fry as its new Human Resources Director for the EMEA region. Alison has more than 20 years industry experience and will be responsible for the entire HR function within Patni's EMEA business. Alison joins Patni from Real HR Consulting, where she provided HR outsourcing consultancy to organizations in the financial and technology sectors. Before that, she worked in senior HR roles within companies such as TCS, SHL, Sony UK, Steria and Hitachi Data Systems.

### Awards & Recognition:

- **Patni wins award for innovative HR practices**

## Edgar Filing: Patni Computer Systems LTD - Form 6-K

Patni recently announced that it has received the award for Innovative Retention Strategies at the World HRD Congress 2010. The prestigious global HRD event, which honors organizational transformation and development, saw a congregation of 189 companies from over 25 countries. Rajesh Padmanabhan, EVP and Global HR Head at Patni, was also awarded the prestigious HR Professional of the Year for his leadership and contribution in the field of HR.

**Expansion:**

- **Patni bags large multiyear contract from Universal American and enters TPA segment**

Patni has announced a 5 year agreement for providing end-to-end policy administration services for Universal American Corp. (Universal American). Patni has also signed a definitive agreement to acquire CHCS Services, Inc., a wholly owned subsidiary of Universal American.

The acquisition creates a new hub for Patni in Pensacola, Fla. and establishes a new line of business for Patni as a Third-Party Administrator (TPA) in the insurance and healthcare sector, significantly enhancing its existing BPO capabilities to deliver end-to-end platform based solutions and TPA services to insurance providers' back-office transactions.

- **Patni Establishes New BPO Delivery Center in Texas for North American Customers**

Patni announced the establishment of a new North American hub for Business Process Outsourcing operations in El Paso, Texas. The move was triggered by a multiyear, multimillion-dollar BPO services contract with a leading healthcare technology and services provider. When fully staffed, it will employ more than 300 skilled professionals providing a wide range of insurance, financial services, F&A, technical support and multi-lingual helpdesk services to Patni's North American clients. In addition, the BPO services deal strengthens Patni's healthcare delivery capability across the Payers and Providers segment.

- **Patni Computer Systems Opens New IT Delivery Center in Queretaro, Mexico**

Patni recently hosted a ribbon-cutting ceremony to unveil a new state-of-the-art IT business center in Queretaro, Mexico, that will expand Patni's global delivery initiative and serve as the hub of the company's expansion efforts in Latin American markets. Patni is moving from its temporary facility into a permanent location in a high-rise building at ITESM Technological Park of Tech de Monterrey.

Edgar Filing: Patni Computer Systems LTD - Form 6-K

(Figures in Million US\$ except EPS and Share Data)

A1) UNAUDITED CONSOLIDATED STATEMENT OF INCOME US GAAP (US\$ 000) for the quarter / period ended

| Particulars                                                                          | GAAP        |             |               | NON GAAP Dec 31 2009 |             |               | GAAP        |             |              | NON GAAP 2009  |                      |                                                       |
|--------------------------------------------------------------------------------------|-------------|-------------|---------------|----------------------|-------------|---------------|-------------|-------------|--------------|----------------|----------------------|-------------------------------------------------------|
|                                                                                      | Mar 31 2009 | Mar 31 2009 | YoY change %  | Dec 31 2009          | Dec 31 2009 | QoQ change %  | Dec 31 2009 | Dec 31 2009 | QoQ change % | 2009 (Audited) | Extra Ordinary Items | Extra Ordinary Items (Excluding Extra Ordinary Items) |
| Revenue                                                                              | 172.3       | 156.7       | 10.0%         | 170.2                | 170.2       | 1.3%          | 170.2       | 170.2       | 1.3%         | 655.9          |                      | 655.9                                                 |
| Cost of revenues                                                                     | 102.2       | 101.1       | 1.1%          | 101.2                | 101.2       | 1.0%          | 101.2       | 101.2       | 1.0%         | 405.1          | (1.2)                | 406.2                                                 |
| Depreciation                                                                         | 4.0         | 3.8         | 7.2%          | 4.4                  | 4.4         | -8.2%         | 4.4         | 4.4         | -8.2%        | 16.2           |                      | 16.2                                                  |
| <b>Gross Profit</b>                                                                  | <b>66.0</b> | <b>51.8</b> | <b>27.5%</b>  | <b>64.5</b>          | <b>64.5</b> | <b>2.3%</b>   | <b>64.5</b> | <b>64.5</b> | <b>2.3%</b>  | <b>234.6</b>   | <b>1.2</b>           | <b>233.5</b>                                          |
| Sales and marketing expenses                                                         | 15.9        | 13.3        | 19.2%         | 14.2                 | 14.2        | 11.5%         | 14.2        | 14.2        | 11.5%        | 53.8           |                      | 53.8                                                  |
| General and administrative expenses                                                  | 18.2        | 16.1        | 12.9%         | 18.4                 | 18.4        | -1.1%         | 18.4        | 18.4        | -1.1%        | 68.2           |                      | 68.2                                                  |
| Provision for doubtful debts and advances                                            | 0.6         | (0.1)       | -809.9%       | 1.8                  | 1.8         | -68.4%        | 1.8         | 1.8         | -68.4%       | 2.3            |                      | 2.3                                                   |
| Foreign exchange (gain) / loss, net                                                  | (4.8)       | 6.5         | -173.3%       | (3.2)                | (3.2)       | 49.0%         | (3.2)       | (3.2)       | 49.0%        | 9.7            |                      | 9.7                                                   |
| <b>Operating income</b>                                                              | <b>36.2</b> | <b>16.0</b> | <b>126.6%</b> | <b>33.3</b>          | <b>33.3</b> | <b>8.7%</b>   | <b>33.3</b> | <b>33.3</b> | <b>8.7%</b>  | <b>100.6</b>   | <b>1.2</b>           | <b>(2) 99.5</b>                                       |
| Other income / (expense), net                                                        | 4.4         | 2.5         | 74.6%         | 4.3                  | 4.3         | 3.6%          | 1.5         | 2.7         | 62.7%        | 23.9           | 3.0                  | (3) 20.9                                              |
| <b>Income before income taxes</b>                                                    | <b>40.6</b> | <b>18.5</b> | <b>119.5%</b> | <b>37.6</b>          | <b>36.0</b> | <b>8.1%</b>   | <b>1.5</b>  | <b>36.0</b> | <b>12.7%</b> | <b>124.5</b>   | <b>4.2</b>           | <b>(4) 120.3</b>                                      |
| Income taxes                                                                         | 7.3         | 3.5         | 106.1%        | (2.9)                | (2.9)       | -350.0%       | (9.5)       | 6.6         | 10.9%        | 4.8            | (17.8)               | (5) 22.6                                              |
| <b>Net income/(loss)</b>                                                             | <b>33.3</b> | <b>15.0</b> | <b>122.7%</b> | <b>40.5</b>          | <b>29.4</b> | <b>-17.7%</b> | <b>11.0</b> | <b>29.4</b> | <b>13.1%</b> | <b>119.8</b>   | <b>22.0</b>          | <b>(6) 97.8</b>                                       |
| <b>Earning per share</b>                                                             |             |             |               |                      |             |               |             |             |              |                |                      |                                                       |
| - Basic                                                                              | \$ 0.26     | \$ 0.12     | 120.7%        | \$ 0.31              | \$ 0.23     | -18.1%        | \$ 0.23     | \$ 0.23     | 12.6%        | \$ 0.93        |                      | \$ 0.76                                               |
| - Diluted                                                                            | \$ 0.25     | \$ 0.12     | 114.4%        | \$ 0.31              | \$ 0.22     | -18.0%        | \$ 0.22     | \$ 0.22     | 12.7%        | \$ 0.92        |                      | \$ 0.75                                               |
| <b>Weighted average number of common shares used in computing earnings per share</b> |             |             |               |                      |             |               |             |             |              |                |                      |                                                       |
| - Basic                                                                              | 129,251,428 | 125,105,007 |               | 128,640,543          | 128,640,543 |               | 128,640,543 | 128,640,543 |              | 128,254,916    |                      | 128,254,916                                           |
| - Diluted                                                                            | 133,200,828 | 128,238,563 |               | 132,730,301          | 132,730,301 |               | 132,730,301 | 132,730,301 |              | 130,241,085    |                      | 130,241,085                                           |

## Edgar Filing: Patni Computer Systems LTD - Form 6-K

\*\* Reviews of certain tax positions for previous years has resulted in net reversal leading to an increase in 2009 Gross Profit, Operating Income and Net Income.

- (1) - Due to write back of provision for payroll taxes of earlier years
- (2) - Impact of 1
- (3) - Due to write back of provision for interest/ penalties of earlier years
- (4) - Impact of 2 and 3
- (5) - Due to write back of provision for income tax of earlier years
- (6) - Impact of 4 and 5



**Financial Statements Analysis:**

**Revenues**

Revenues during the quarter were higher by 1.3% sequentially to US\$ 172.3 million (Rs.7,745.4 million), from US\$ 170.2 million (Rs.7,896.1 million) in the preceding quarter. Revenue growth at constant currency was up 1.9%. Number of active clients were 260 at quarter end as compared to 272 in Q4 2009. New clients acquisitions during the quarter were 9.

**Gross Margin**

Gross Margins were at 38.3% or US\$ 66.0 million (Rs.2,968.4 million) against 37.9% or US\$ 64.5 million (Rs.2,995.1 million) in the previous quarter. Improvement in Gross margin is primarily on account of higher operating efficiencies.

Overall non cash expenses were US\$ 5.3 million which includes depreciation and amortization expenses of US\$ 4.5 million and stock option charge of US\$ 0.8 million. Corresponding expenses for Q4 were US\$ 4.9 million for depreciation and amortization and US\$ 0.8 million for stock option charge.

**Selling General and Administrative Expenses (SGA Expenses)**

Sales and marketing expenses during the quarter were at US\$ 15.9 million (Rs.712.7 million) at 9.2% as compared to US\$ 14.2 million (Rs.660.1 million) at 8.4% in the previous quarter.

G&A expenses during the quarter were at US\$ 18.2 million (Rs.816.9 million) or 10.5% as compared to US\$ 18.4 million (Rs.852.8 million) at 10.8% during the previous quarter.

Overall non cash expenses is US\$ 3.6 million which includes depreciation and amortization expenses at US\$ 2.2 million for the quarter as against US\$ 1.6 million in Q4 2009 and stock option charge at US\$ 1.4 million for the quarter as against US\$ 1.7 million in Q4 2009.

**Foreign exchange gain/loss**

The revaluation and mark to market foreign exchange gain for the quarter were at US\$ 4.8 million (Rs.214.3 million) as compared to foreign exchange gain of US\$ 3.2 million (Rs.148.5 million) during the previous quarter.

The quarter end rate for debtor s revaluation was Rs.44.91. Outstanding contracts at the end of Q1 2010 were about US\$ 356 million which were contracted in the range of Rs.41.1 to Rs 49.4.

**Operating Income**

Operating Income including foreign exchange gain / loss was at US\$ 36.2 million (Rs.1,627.0 million) or at 21.0% during the quarter as compared to US\$ 33.3 million or at 19.6% during previous quarter.

**Other Income**

For Q1 CY2010, other income (including interest and dividend income net of interest expenses, profit/loss on sale of investments and other miscellaneous income) stood at 2.6% or US\$ 4.4 million (Rs.198.2 million) during the quarter as compared to 2.5% or US\$ 4.3 million (Rs.197.4 million) during previous quarter.

Other Income adjusted for Extra ordinary items was at US\$ 2.7 million or at 1.6% during previous quarter.

**Profit before Tax**

Profit before tax for the quarter at 23.6% was US\$ 40.6 million (Rs.1,825.2 million), higher by 8.1% as compared to US\$ 37.6 million (Rs.1,743.0 million) during previous quarter. Profit before Tax adjusted for Extra Ordinary items was sequentially higher by 12.7% from US\$ 36.0 million.

**Income Taxes**

Income tax for the quarter was at US\$ 7.3 million (Rs.328.1 million) at an effective tax rate of 18.0%.

**Net Income**

Consequently, net income for the quarter is at 19.3% was US\$ 33.3 million (Rs.1,497.1 million), lower by 17.7% as compared to previous quarter net income of US\$ 40.5 million (Rs.1,878.4 million). Net Income adjusted for Extra ordinary items was sequentially higher by 13.1% from US\$ at US\$ 29.4 million.

**Balance Sheet and Cash Flow changes**

During the quarter, against net income of US\$ 33.3 million (Rs.1,497.1 million), cash from operating activities was at US\$ 13.3 million (Rs.596.7 million) net of changes in current assets and liabilities of US\$ (-) 26.8 million and non cash charges of US\$ 6.7 million.

Net cash used in investing activities was US\$ 21.3 million (Rs.958.2 million) including capital expenditure of US\$ 2.5 million (Rs.111.0 million), net cash invested in securities US\$ 18.8 million (Rs.847.2 million).

## Edgar Filing: Patni Computer Systems LTD - Form 6-K

Net cash inflow on financing activities was US\$ 1.4 million (Rs.63.4 million) comprising proceeds from common shares issued of US\$ 1.5 million (Rs.65.6 million) and US\$(-) 0.1 million (Rs.2.2 million) on other financing activities. Over all cash and cash equivalents (including short term investments) post revaluation, were at US\$ 467.3 million (Rs.21,006.7 million), as compared to US\$ 439.3 million (Rs.20,384.3 million) at the close of Q4 2009.

Receivables at the end of Q1 2010 were at US\$114.3 million as compared to US\$ 109.4 million at the end of Q4 2009. Number of days outstanding (Including Unbilled receivables) for current quarter was 80 days as compared to 69 days in Q4 2009

Figures in Million INR except EPS and Share Data

**D1) UNAUDITED CONSOLIDATED STATEMENT OF INCOME : BASED ON CONVENIENCE TRANSLATION**

**For the quarter / period ended**

| <b>Particulars</b>                                                                   | <b>Mar 31 2010</b> | <b>Mar 31 2009</b> | <b>Dec 31 2009</b> | <b>2009</b>     |
|--------------------------------------------------------------------------------------|--------------------|--------------------|--------------------|-----------------|
| <b>Exchange rate\$1 = INR</b>                                                        | 44.95              | 50.87              | 46.40              | 46.40           |
| Revenue                                                                              | 7,745.4            | 7,969.1            | 7,896.1            | 30,434.6        |
| Cost of revenues                                                                     | 4,595.5            | 5,142.9            | 4,696.9            | 18,795.7        |
| Depreciation                                                                         | 181.5              | 191.7              | 204.1              | 753.1           |
| <b>Gross Profit</b>                                                                  | <b>2,968.4</b>     | <b>2,634.5</b>     | <b>2,995.1</b>     | <b>10,885.9</b> |
| Sales and marketing expenses                                                         | 712.7              | 676.7              | 660.1              | 2,495.0         |
| General and administrative expenses                                                  | 816.9              | 818.7              | 852.8              | 3,166.3         |
| Provision for doubtful debts and advances                                            | 26.1               | (4.2)              | 85.1               | 105.2           |
| Foreign exchange (gain) / loss, net                                                  | (214.3)            | 330.8              | (148.5)            | 449.7           |
| <b>Operating income</b>                                                              | <b>1,627.0</b>     | <b>812.4</b>       | <b>1,545.6</b>     | <b>4,669.6</b>  |
| Other income / (expense), net                                                        | 198.2              | 128.4              | 197.4              | 1,109.0         |
| <b>Income before income taxes</b>                                                    | <b>1,825.2</b>     | <b>940.9</b>       | <b>1,743.0</b>     | <b>5,778.6</b>  |
| Income taxes                                                                         | 328.1              | 180.2              | (135.5)            | 220.8           |
| <b>Net income/(loss)</b>                                                             | <b>1,497.1</b>     | <b>760.7</b>       | <b>1,878.4</b>     | <b>5,557.8</b>  |
| <b>Earning per share</b>                                                             |                    |                    |                    |                 |
| - Basic                                                                              | 11.58              | 5.94               | 14.60              | 43.33           |
| - Diluted                                                                            | 11.24              | 5.93               | 14.15              | 42.67           |
| <b>Weighted average number of common shares used in computing earnings per share</b> |                    |                    |                    |                 |
| - Basic                                                                              | 129,251,485        | 128,105,007        | 128,640,543        | 128,254,916     |
| - Diluted                                                                            | 133,200,892        | 128,238,563        | 132,730,301        | 130,241,085     |

**Important Notes to this release:**

- **Fiscal Year**

Patni follows a January – December fiscal year. The current review covers the financial and operating performance of the Company for the quarter ended March 31, 2010

- **U.S. GAAP**

A Consolidated Statement of Income in US GAAP is available on page 3 of the Fact Sheet attached to this release

- **Percentage analysis**

Any percentage amounts, as set forth in this release, unless otherwise indicated, have been calculated on the basis of the U.S. Dollar amounts derived from our consolidated financial statements prepared in accordance with U.S. GAAP, and not on the basis of any translated Rupee amount. Calculation of percentage amounts on the basis of Rupee amounts may lead to results that are different, in a material way, from those calculated as per U.S. Dollar amounts.

- **Convenience translation**

A Consolidated Statement of Income as per Convenience Translation prepared in accordance with US GAAP is available on page 6 of the Fact Sheet attached to this release. We have translated the financial data derived from our consolidated financial statements prepared in accordance with U.S. GAAP for each period at the noon buying rate in the City of New York on the last business day of such period for cable transfers in Rupees as certified for customs purposes by the Federal Reserve Bank of New York. The translations should not be considered as a representation that such US Dollar amounts have been, could have been or could be converted into Rupees at any particular rate, the rate stated elsewhere in this document, or at all. Investors are cautioned to not rely on such translated amounts.

- **Attached Fact Sheet** (results & analysis tables)

**About Patni Computer Systems Ltd:**

Patni Computer Systems Limited (**BSE: PATNI COMPUT, NSE: PATNI, NYSE: PTI**) is a global provider of IT Services and business solutions, servicing Global 2000 clients. Patni services its clients through its industry-focused practices, including banking, financial services (BFS) and insurance (I); manufacturing, retail and distribution (MRD); life sciences; communications, media and utilities (CMU), and its technology-focused practices.

With an employee strength of around 14,000; multiple global delivery centers spread across 13 cities worldwide; 28 international offices across the Americas, Europe and Asia-Pacific; Patni has registered revenues of US\$ 656 million for the year 2009.

Patni's service offerings include application development and maintenance, enterprise application solutions, business and technology consulting, product engineering services, infrastructure management services, customer interaction services & business process outsourcing, quality assurance and engineering services.

Committed to quality, Patni adds value to its clients' businesses through well-established and structured methodologies, tools and techniques. Patni is an ISO 9001: 2008 certified and SEI-CMMI-Dev Level 5 (V 1.2) organization. In keeping with its focus on continuous process improvements, Patni adopts Six Sigma practices as an integral part of its quality and process frameworks.

Patni leverages its vast experience spanning three decades; deep domain expertise; full-spectrum services; and suites of IP-led solutions, methodologies and frameworks; in being an effective business transformation partner to its clients.

For more information on Patni, visit [www.patni.com](http://www.patni.com).

***FOR MORE INFORMATION PLEASE CONTACT:***





## Edgar Filing: Patni Computer Systems LTD - Form 6-K

### Investor Relations:

Gaurav Agarwal, Patni US; +1-617-914-8360; investors@patni.com

Gavin Desa, Citigate Dewe Rogerson India; +91-22-4007 5037; gavin@cdr-india.com

### Media Relations:

Heena Kanal, Patni India; +91-22-6693 0500; heena.kanal@patni.com

Tony Viola, Patni US; +1-617-354-7424; tony.viola@patni.com

### **IMPORTANT NOTE:**

Certain statements in this release concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in IT services including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, liability for damages on our service contracts, the success of the companies in which Patni has made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. The company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the Company.

**-Ends-**

***Financial and Operating Information***  
*for the quarter ended March 31, 2010*

*April 29, 2010*

**NOTES:**

• **Fiscal Year**

Patni follows a January – December fiscal year. The current review covers the financial and operating performance of the Company for the quarter ended March 31, 2010.

• **U.S. GAAP**

All figures in this release pertain to accounts presented as per U.S. GAAP unless stated otherwise.

• **Percentage analysis**

Any percentage amounts, as set forth in this release, unless otherwise indicated, have been calculated on the basis of the U.S. Dollar amounts derived from our consolidated financial statements prepared in accordance with U.S. GAAP, and not on the basis of any translated Rupee amount. Calculation of percentage amounts on the basis of Rupee amounts may lead to results that are different, in a material way, from those calculated as per U.S. Dollar amounts.

• **Convenience translation**

We have translated the financial data derived from our consolidated financial statements prepared in accordance with U.S. GAAP for each period at the noon buying rate in the City of New York on the last business day of such period for cable transfers in Rupees as certified for customs purposes by the Federal Reserve Bank of New York. The translations should not be considered as a representation that such US Dollar amounts have been, could have been or could be converted into Rupees at any particular rate, the rate stated elsewhere, or at all. Investors are cautioned to not rely on such translated amounts.

• **Reclassification**

Certain reclassifications have been made in the financial statements of prior years to conform to classifications used in the current year.

**Financial and Operating Information**  
for the quarter ended March 31, 2010

April 29, 2010

**Fact Sheet Summary Index**

| <b>Ref Number</b> | <b>Description</b>                                                            | <b>Page No.</b> |
|-------------------|-------------------------------------------------------------------------------|-----------------|
| <b>A</b>          | <b><u>US GAAP Financials</u></b>                                              |                 |
| <u>A1</u>         | <u>Consolidated Statement of Income</u>                                       | 3               |
| <u>A2</u>         | <u>Consolidated Balance Sheet</u>                                             | 4               |
| <u>A3</u>         | <u>Consolidated Cash Flow Statement</u>                                       | 4               |
| <b>B</b>          | <b><u>Indian GAAP Financials</u></b>                                          |                 |
| <u>B1</u>         | <u>Consolidated Statement of Income</u>                                       | 4               |
| <u>B2</u>         | <u>Consolidated Balance Sheet</u>                                             | 5               |
| <u>B3</u>         | <u>Consolidated Cash Flow Statement</u>                                       | 5               |
| <b>C</b>          | <b><u>Reconciliation between US GAAP and Indian GAAP Income Statement</u></b> | 5               |
| <b>D</b>          | <b><u>US GAAP Financials Based on Convenience Translation</u></b>             |                 |
| <u>D1</u>         | <u>Consolidated Statement of Income</u>                                       | 6               |
| <u>D2</u>         | <u>Consolidated Balance Sheet</u>                                             | 6               |
| <u>D3</u>         | <u>Consolidated Cash Flow Statement</u>                                       | 6               |
| <b>E</b>          | <b><u>Operational and Analytical Information</u></b>                          |                 |
| <u>E1</u>         | <u>Revenue Analysis</u>                                                       | 7               |
| <u>E2</u>         | <u>Revenue-Client Metrics</u>                                                 | 7               |
| <u>E3</u>         | <u>Revenue Mix and Utilization</u>                                            | 7               |
| <u>E4</u>         | <u>Employee Metrics</u>                                                       | 8               |
| <u>E5</u>         | <u>Infrastructure</u>                                                         | 8               |
| <u>E6</u>         | <u>Currency Rates</u>                                                         | 8               |

**Financial and Operating Information**  
for the quarter ended March 31, 2010

April 29, 2010

**A1) UNAUDITED CONSOLIDATED STATEMENT OF INCOME US GAAP (US\$ '000) for the quarter / period ended**

| Particulars                                                                          | GAAP          |               |               | NON GAAP Dec 31 2009 |               |                         | GAAP                                         |              |                | NON GAAP 2009        |                                       |  |
|--------------------------------------------------------------------------------------|---------------|---------------|---------------|----------------------|---------------|-------------------------|----------------------------------------------|--------------|----------------|----------------------|---------------------------------------|--|
|                                                                                      | Mar 31 2010   | Mar 31 2009   | YoY change %  | Dec 31 2009          | QoQ change %  | Extra Ordinary items ** | Dec 31 2009 (Excluding Extra Ordinary Items) | QoQ change % | 2009 (Audited) | Extra Ordinary Items | 2009 (Excluding Extra Ordinary Items) |  |
| Revenue                                                                              | 172,312       | 156,655       | 10.0%         | 170,174              | 1.3%          |                         | 170,174                                      | 1.3%         | 655,918        |                      | 655,918                               |  |
| Cost of revenues                                                                     | 102,236       | 101,098       | 1.1%          | 101,226              | 1.0%          |                         | 101,226                                      | 1.0%         | 405,079        | (1,158)              | 406,237                               |  |
| Depreciation                                                                         | 4,038         | 3,768         | 7.2%          | 4,399                | -8.2%         |                         | 4,399                                        | -8.2%        | 16,230         |                      | 16,230                                |  |
| <b>Gross Profit</b>                                                                  | <b>66,038</b> | <b>51,789</b> | <b>27.5%</b>  | <b>64,549</b>        | <b>2.3%</b>   |                         | <b>64,549</b>                                | <b>2.3%</b>  | <b>234,609</b> | <b>1,158</b>         | <b>233,451</b>                        |  |
| Sales and marketing expenses                                                         | 15,856        | 13,303        | 19.2%         | 14,225               | 11.5%         |                         | 14,225                                       | 11.5%        | 53,770         |                      | 53,770                                |  |
| General and administrative expenses                                                  | 18,173        | 16,094        | 12.9%         | 18,379               | -1.1%         |                         | 18,379                                       | -1.1%        | 68,240         |                      | 68,240                                |  |
| Provision for doubtful debts and advances                                            | 581           | (82)          | -809.9%       | 1,834                | -68.4%        |                         | 1,834                                        | -68.4%       | 2,267          |                      | 2,267                                 |  |
| Foreign exchange (gain) / loss, net                                                  | (4,767)       | 6,503         | -173.3%       | (3,199)              | 49.0%         |                         | (3,199)                                      | 49.0%        | 9,693          |                      | 9,693                                 |  |
| <b>Operating income</b>                                                              | <b>36,196</b> | <b>15,970</b> | <b>126.6%</b> | <b>33,310</b>        | <b>8.7%</b>   |                         | <b>33,310</b>                                | <b>8.7%</b>  | <b>100,639</b> | <b>1,158(2)</b>      | <b>99,481</b>                         |  |
| Other income / (expense), net                                                        | 4,409         | 2,525         | 74.6%         | 4,254                | 3.6%          | 1,544                   | 2,710                                        | 62.7%        | 23,900         | 3,039(3)             | 20,861                                |  |
| <b>Income before income taxes</b>                                                    | <b>40,605</b> | <b>18,495</b> | <b>119.5%</b> | <b>37,564</b>        | <b>8.1%</b>   | <b>1,544</b>            | <b>36,020</b>                                | <b>12.7%</b> | <b>124,539</b> | <b>4,197(4)</b>      | <b>120,342</b>                        |  |
| Income taxes                                                                         | 7,299         | 3,542         | 106.1%        | (2,919)              | -350.0%       | (9,500)                 | 6,581                                        | 10.9%        | 4,759          | (17,814)(5)          | 22,573                                |  |
| <b>Net income/(loss)</b>                                                             | <b>33,306</b> | <b>14,954</b> | <b>122.7%</b> | <b>40,483</b>        | <b>-17.7%</b> | <b>11,044</b>           | <b>29,439</b>                                | <b>13.1%</b> | <b>119,780</b> | <b>22,011(6)</b>     | <b>97,769</b>                         |  |
| <b>Earning per share</b>                                                             |               |               |               |                      |               |                         |                                              |              |                |                      |                                       |  |
| - Basic                                                                              | \$ 0.26       | \$ 0.12       | 120.7%        | \$ 0.31              | -18.1%        |                         | \$ 0.23                                      | 12.6%        | \$ 0.93        |                      | \$ 0.76                               |  |
| - Diluted                                                                            | \$ 0.25       | \$ 0.12       | 114.4%        | \$ 0.31              | -18.0%        |                         | \$ 0.22                                      | 12.7%        | \$ 0.92        |                      | \$ 0.75                               |  |
| <b>Weighted average number of common shares used in computing earnings per share</b> |               |               |               |                      |               |                         |                                              |              |                |                      |                                       |  |
| - Basic                                                                              | 129,251,428   | 105,007       |               | 128,640,543          |               |                         | 128,640,543                                  |              | 128,254,916    |                      | 128,254,916                           |  |
| - Diluted                                                                            | 133,200,823   | 238,563       |               | 132,730,301          |               |                         | 132,730,301                                  |              | 130,241,085    |                      | 130,241,085                           |  |

\*\* Reviews of certain tax positions for previous years has resulted in net reversal leading to an increase in 2009 Gross Profit, Operating Income and Net Income.

Edgar Filing: Patni Computer Systems LTD - Form 6-K

- (1) - Due to write back of provision for payroll taxes of earlier years
- (2) - Impact of 1
- (3) - Due to write back of provision for interest/ penalties of earlier years
- (4) - Impact of 2 and 3
- (5) - Due to write back of provision for income tax of earlier years
- (6) - Impact of 4 and 5

*Financial and Operating Information*  
for the quarter ended March 31, 2010

April 29, 2010

**A2) CONSOLIDATED BALANCE SHEET USGAAP (US\$ '000)**

| Particulars                                              | 31-Mar-10<br>(Unaudited) | 31-Dec-09<br>(Audited) | 31-Mar-09<br>(Unaudited) |
|----------------------------------------------------------|--------------------------|------------------------|--------------------------|
| <b>Assets</b>                                            |                          |                        |                          |
| Total current assets                                     | 663,397                  | 602,966                | 474,906                  |
| Goodwill                                                 | 65,504                   | 65,839                 | 65,227                   |
| Intangible assets, net                                   | 21,840                   | 22,895                 | 26,010                   |
| Property, plant, and equipment, net                      | 144,403                  | 147,632                | 144,321                  |
| Other assets                                             | 76,284                   | 61,850                 | 45,150                   |
| <b>Total assets</b>                                      | <b>971,428</b>           | <b>901,181</b>         | <b>755,613</b>           |
| <b>Liabilities</b>                                       |                          |                        |                          |
| Total current liabilities                                | 116,292                  | 110,253                | 145,285                  |
| Capital lease obligations excluding current installments | 79                       | 91                     | 151                      |
| Other liabilities                                        | 42,390                   | 43,803                 | 41,447                   |
| <b>Total liabilities</b>                                 | <b>158,761</b>           | <b>154,147</b>         | <b>186,882</b>           |
| Total shareholders' equity                               | 812,667                  | 747,034                | 568,731                  |
| <b>Total liabilities &amp; shareholders' equity</b>      | <b>971,428</b>           | <b>901,181</b>         | <b>755,613</b>           |

**A3) CONSOLIDATED CASH FLOW STATEMENT USGAAP (US\$ '000)**

| Particulars                                               | Mar 31 2010<br>(Unaudited) | Dec 31 2009<br>(Unaudited) | Mar 31 2009<br>(Unaudited) | 2009 (Audited)   |
|-----------------------------------------------------------|----------------------------|----------------------------|----------------------------|------------------|
| <b>Net cash provided by operating activities</b>          | <b>13,275</b>              | <b>48,087</b>              | <b>8,270</b>               | <b>137,206</b>   |
| <b>Net cash used in investing activities</b>              | <b>(21,317)</b>            | <b>(52,055)</b>            | <b>(18,055)</b>            | <b>(132,699)</b> |
| Capital expenditure, net                                  | (2,469)                    | (3,830)                    | (5,840)                    | (18,711)         |
| Investment in securities, net                             | (18,848)                   | (48,225)                   | (12,215)                   | (113,987)        |
| <b>Net cash provided / (used) in financing activities</b> | <b>1,410</b>               | <b>5,414</b>               | <b>(66)</b>                | <b>(3,150)</b>   |
| Others                                                    | (50)                       | (53)                       | (66)                       | (225)            |
| Common shares issued / (Buy Back)                         | 1,459                      | 5,467                      |                            | 6,332            |
| Dividend on common shares                                 | 0                          | (0)                        | (0)                        | (9,257)          |
| <b>Net increase / (decrease) in cash and equivalents</b>  | <b>(6,633)</b>             | <b>1,446</b>               | <b>(9,852)</b>             | <b>1,358</b>     |
| Effect of exchange rate changes on cash and equivalents   | 1,892                      | 4,366                      | (3,661)                    | 1,963            |
| Cash and equivalents at the beginning of the period       | 63,459                     | 57,647                     | 60,138                     | 60,138           |
| <b>Cash and equivalents at the end of the period</b>      | <b>58,718</b>              | <b>63,459</b>              | <b>46,625</b>              | <b>63,459</b>    |

**B1) CONSOLIDATED STATEMENT OF INCOME - INDIAN GAAP (RS. '000)**

For the quarter / period ended



Edgar Filing: Patni Computer Systems LTD - Form 6-K

| Particulars                                                                          | Mar 31 2010<br>(Audited) | Mar 31 2009<br>(Audited) | YoY Change<br>% | Dec 31 2009<br>(Unaudited) | QoQ Change %  | 2009 (Audited)    |
|--------------------------------------------------------------------------------------|--------------------------|--------------------------|-----------------|----------------------------|---------------|-------------------|
| Sales and service income                                                             | 7,816,300                | 7,764,443                | 0.7%            | 7,883,311                  | -0.9%         | 31,461,457        |
| Other income                                                                         | 528,829                  | (133,383)                | -496.5%         | 364,223                    | 45.2%         | 824,648           |
| <b>Total income</b>                                                                  | <b>8,345,129</b>         | <b>7,631,060</b>         | <b>9.4%</b>     | <b>8,247,533</b>           | <b>1.2%</b>   | <b>32,286,105</b> |
| Staff costs                                                                          | 4,562,003                | 4,679,425                | -2.5%           | 4,503,345                  | 1.3%          | 18,357,288        |
| Selling, general and administration expenses                                         | 1,861,287                | 1,965,300                | -5.3%           | 1,922,121                  | -3.2%         | 7,864,280         |
| Interest                                                                             | 21,906                   | 39,048                   | -43.9%          | 13,514                     | 62.1%         | 77,200            |
| <b>Total expenditure</b>                                                             | <b>6,445,196</b>         | <b>6,683,773</b>         | <b>-3.6%</b>    | <b>6,438,979</b>           | <b>0.1%</b>   | <b>26,298,768</b> |
| <b>Net profit before tax and adjustments</b>                                         | <b>1,899,933</b>         | <b>947,287</b>           | <b>100.6%</b>   | <b>1,808,554</b>           | <b>5.1%</b>   | <b>5,987,337</b>  |
| Provision for taxation                                                               | 329,575                  | 182,107                  | 81.0%           | (246,964)                  | -233.5%       | 121,195           |
| <b>Profit/(loss) for the period after taxation</b>                                   | <b>1,570,358</b>         | <b>765,180</b>           | <b>105.2%</b>   | <b>2,055,518</b>           | <b>-23.6%</b> | <b>5,866,141</b>  |
| Profit and loss account, brought forward                                             | 22,972,249               | 18,102,057               | 26.9%           | 21,912,675                 | 4.8%          | 18,102,057        |
| <b>Amount available for appropriation</b>                                            | <b>24,542,607</b>        | <b>18,867,237</b>        | <b>30.1%</b>    | <b>23,968,193</b>          | <b>2.4%</b>   | <b>23,968,198</b> |
| Proposed dividend on equity shares                                                   |                          |                          | 0.0%            | 387,378                    | -100.0%       | 387,383           |
| Dividend on equity shares                                                            |                          |                          | 0.0%            |                            | 0.0%          |                   |
| Dividend tax                                                                         |                          |                          | 0.0%            | 65,835                     | -100.0%       | 65,836            |
| Transfer to general reserve                                                          |                          |                          | 0.0%            | 542,731                    | -100.0%       | 542,731           |
| <b>Profit and loss account, carried forward</b>                                      | <b>24,542,607</b>        | <b>18,867,237</b>        | <b>30.1%</b>    | <b>22,972,248</b>          | <b>6.8%</b>   | <b>22,972,248</b> |
| <b>Earning per share (Rs. per equity share of Rs. 2 each)</b>                        |                          |                          |                 |                            |               |                   |
| - Basic                                                                              | 12.15                    | 5.97                     | 103.4%          | 15.98                      | -24.0%        | 45.74             |
| - Diluted                                                                            | 11.75                    | 5.96                     | 97.1%           | 15.47                      | -24.0%        | 44.93             |
| <b>Weighted average number of common shares used in computing earnings per share</b> |                          |                          |                 |                            |               |                   |
| - Basic                                                                              | 129,251,485              | 128,105,007              |                 | 128,640,543                |               | 128,254,916       |
| - Diluted                                                                            | 133,642,520              | 128,371,535              |                 | 132,877,290                |               | 130,560,132       |

*Financial and Operating Information*  
for the quarter ended March 31, 2010

April 29, 2010

**B2) AUDITED CONSOLIDATED BALANCE SHEET - INDIAN GAAP (RS. 000)**

| Particulars                                        | 31-Mar-10         | 31-Dec-09         | 31-Mar-09         |
|----------------------------------------------------|-------------------|-------------------|-------------------|
| <b>Assets</b>                                      |                   |                   |                   |
| Current assets, loans and advances                 | 12,786,771        | 11,521,915        | 11,472,319        |
| Goodwill                                           | 4,629,076         | 4,765,305         | 5,048,944         |
| Fixed assets(Net of Depreciation)                  | 8,103,057         | 8,269,096         | 8,947,131         |
| Investments                                        | 18,644,419        | 17,751,943        | 12,384,722        |
| Deferred tax asset, net                            | 778,338           | 893,334           | 935,117           |
| <b>Total assets</b>                                | <b>44,941,661</b> | <b>43,201,593</b> | <b>38,788,233</b> |
| <b>Liabilities</b>                                 |                   |                   |                   |
| Current liabilities and provisions                 | 7,593,076         | 7,616,163         | 9,242,803         |
| Secured loans                                      | 7,599             | 9,447             | 15,526            |
| Deferred tax liability, net                        | 65,820            | 66,589            | 138,926           |
| <b>Total liabilities</b>                           | <b>7,666,495</b>  | <b>7,692,199</b>  | <b>9,397,255</b>  |
| Total shareholders equity                          | 37,275,166        | 35,509,394        | 29,390,978        |
| <b>Total liabilities &amp; shareholders equity</b> | <b>44,941,661</b> | <b>43,201,593</b> | <b>38,788,233</b> |

**B3) CONSOLIDATED CASH FLOW STATEMENT - INDIAN GAAP (RS 000)**

| Particulars                                                                               | Mar 31 2010<br>(Audited) | Dec 31 2009<br>(Unaudited) | Mar 31 2009<br>(Audited) | 2009 (Audited)   |
|-------------------------------------------------------------------------------------------|--------------------------|----------------------------|--------------------------|------------------|
| Cash flows from / (used in) operating activities (A)                                      | 449,134                  | 2,241,852                  | 226,604                  | 6,124,977        |
| Cash flows used in investing activities (B)                                               | (802,967)                | (2,353,242)                | (762,375)                | (5,895,967)      |
| Cash flows from / (used in) from financing activities (C)                                 | 64,892                   | 196,153                    | (2,415)                  | (199,718)        |
| Effect of changes in exchange rates (D)                                                   | (26,651)                 | 95,047                     | (29,652)                 | (8,420)          |
| <b>Net increase / (decrease) in cash and cash equivalents during the period (A+B+C+D)</b> | <b>(315,592)</b>         | <b>179,810</b>             | <b>(567,838)</b>         | <b>20,872</b>    |
| <b>Cash and cash equivalents at the beginning of the period</b>                           | <b>2,952,622</b>         | <b>2,772,812</b>           | <b>2,931,750</b>         | <b>2,931,750</b> |
| <b>Cash and cash equivalents at the end of the period</b>                                 | <b>2,637,030</b>         | <b>2,952,622</b>           | <b>2,363,912</b>         | <b>2,952,622</b> |

**C) Reconciliation of Income as per Indian GAAP and US GAAP(RS. 000)**

Edgar Filing: Patni Computer Systems LTD - Form 6-K

| Particulars                                                   | Mar 31 2010      | Mar 31 2009     | Dec 31 2009      | 2009             |
|---------------------------------------------------------------|------------------|-----------------|------------------|------------------|
| <b>Consolidated net income as per Indian GAAP</b>             | <b>1,570,400</b> | <b>765,181</b>  | <b>2,055,500</b> | <b>5,866,100</b> |
| Income taxes                                                  | (200)            | (9,549)         | (109,500)        | (31,800)         |
| Foreign currency differences                                  | (20,500)         | 42,852          | (16,000)         | 50,900           |
| Employee retirement benefits                                  | 15,400           | (61,963)        | 11,600           | (41,900)         |
| ESOP related Compensation Cost                                | (16,100)         | 25,163          | (7,700)          | (47,100)         |
| Impairment of Intangible                                      |                  |                 |                  | 139,600          |
| Amortisation of Intangibles , arising on Business acquisition | (23,600)         | (19,210)        | (25,300)         | (90,300)         |
| Others                                                        | 1,300            | 906             | (1,300)          | (400)            |
| <b>Total</b>                                                  | <b>(43,700)</b>  | <b>(21,801)</b> | <b>(148,200)</b> | <b>(21,000)</b>  |
| <b>Consolidated net income as per US GAAP</b>                 | <b>1,526,700</b> | <b>743,380</b>  | <b>1,907,300</b> | <b>5,845,100</b> |

*Financial and Operating Information*  
for the quarter ended March 31, 2010

April 29, 2010

**D1) UNAUDITED CONSOLIDATED STATEMENT OF INCOME (RS. 000): BASED ON CONVENIENCE TRANSLATION**

For the quarter / period ended

| Particulars                                                                          | Mar 31 2010      | Mar 31 2009      | Dec 31 2009      | 2009              |
|--------------------------------------------------------------------------------------|------------------|------------------|------------------|-------------------|
| <b>Exchange rate\$1 = INR</b>                                                        | <b>44.95</b>     | <b>50.87</b>     | <b>46.40</b>     | <b>46.40</b>      |
| Revenues                                                                             | 7,745,434        | 7,969,058        | 7,896,066        | 30,434,601        |
| Cost of revenues                                                                     | 4,595,495        | 5,142,876        | 4,696,878        | 18,795,688        |
| Depreciation                                                                         | 181,529          | 191,668          | 204,114          | 753,060           |
| <b>Gross Profit</b>                                                                  | <b>2,968,411</b> | <b>2,634,514</b> | <b>2,995,073</b> | <b>10,885,852</b> |
| Sales and marketing expenses                                                         | 712,705          | 676,740          | 660,054          | 2,494,951         |
| General and administrative expenses                                                  | 816,881          | 818,694          | 852,782          | 3,166,329         |
| Provision for doubtful debts and advances                                            | 26,095           | (4,160)          | 85,114           | 105,188           |
| Foreign exchange (gain) / loss, net                                                  | (214,278)        | 330,822          | (148,452)        | 449,749           |
| <b>Operating income</b>                                                              | <b>1,627,008</b> | <b>812,418</b>   | <b>1,545,576</b> | <b>4,669,636</b>  |
| Other income / (expense), net                                                        | 198,191          | 128,445          | 197,383          | 1,108,958         |
| <b>Income before income taxes</b>                                                    | <b>1,825,199</b> | <b>940,863</b>   | <b>1,742,959</b> | <b>5,778,593</b>  |
| Income taxes                                                                         | 328,094          | 180,161          | (135,455)        | 220,812           |
| <b>Net income/(loss)</b>                                                             | <b>1,497,105</b> | <b>760,702</b>   | <b>1,878,413</b> | <b>5,557,781</b>  |
| <b>Earning per share</b>                                                             |                  |                  |                  |                   |
| - Basic                                                                              | 11.58            | 5.94             | 14.60            | 43.33             |
| - Diluted                                                                            | 11.24            | 5.93             | 14.15            | 42.67             |
| <b>Weighted average number of common shares used in computing earnings per share</b> |                  |                  |                  |                   |
| - Basic                                                                              | 129,251,485      | 128,105,007      | 128,640,543      | 128,254,916       |
| - Diluted                                                                            | 133,200,892      | 128,238,563      | 132,730,301      | 130,241,085       |

**D2) UNAUDITED CONSOLIDATED BALANCE SHEET USGAAP (RS. 000): BASED ON CONVENIENCE TRANSLATION**

| Particulars                         | As on<br>31-Mar-10 | As on<br>31-Dec-09 | As on<br>31-Mar-09 |
|-------------------------------------|--------------------|--------------------|--------------------|
| <b>Exchange rate\$1 = INR</b>       | <b>44.95</b>       | <b>46.40</b>       | <b>50.87</b>       |
| <b>Assets</b>                       |                    |                    |                    |
| Total current assets                | 29,819,716         | 27,977,605         | 24,158,448         |
| Goodwill                            | 2,944,383          | 3,054,908          | 3,318,113          |
| Intangible assets, net              | 981,689            | 1,062,318          | 1,323,116          |
| Property, plant, and equipment, net | 6,490,917          | 6,850,120          | 7,341,601          |
| Other assets                        | 3,428,968          | 2,869,832          | 2,296,763          |
| <b>Total assets</b>                 | <b>43,665,673</b>  | <b>41,814,783</b>  | <b>38,438,042</b>  |
| <b>Liabilities</b>                  |                    |                    |                    |
| Total current liabilities           | 5,227,338          | 5,115,758          | 7,390,639          |

Edgar Filing: Patni Computer Systems LTD - Form 6-K

|                                                     |                   |                   |                   |
|-----------------------------------------------------|-------------------|-------------------|-------------------|
| Capital lease obligations excl. installments        | 3,555             | 4,208             | 7,667             |
| Other liabilities                                   | 1,905,409         | 2,032,457         | 2,108,399         |
| <b>Total liabilities</b>                            | <b>7,136,302</b>  | <b>7,152,423</b>  | <b>9,506,705</b>  |
| Total shareholders' equity                          | 36,529,370        | 34,662,361        | 28,931,337        |
| <b>Total liabilities &amp; shareholders' equity</b> | <b>43,665,673</b> | <b>41,814,783</b> | <b>38,438,042</b> |

**D3) UNAUDITED CONSOLIDATED CASH FLOW STATEMENT USGAAP (RS 000): BASED ON CONVENIENCE TRANSLATION**

| Particulars                                               | Mar 31 2010      | Dec 31 2009        | Mar 31 2009      | 2009               |
|-----------------------------------------------------------|------------------|--------------------|------------------|--------------------|
| <b>Exchange rate \$1 = INR</b>                            | <b>44.95</b>     | <b>46.40</b>       | <b>50.87</b>     | <b>46.40</b>       |
| <b>Net cash provided by operating activities</b>          | <b>596,725</b>   | <b>2,231,224</b>   | <b>420,671</b>   | <b>6,366,367</b>   |
| <b>Net cash used in investing activities</b>              | <b>(958,219)</b> | <b>(2,415,343)</b> | <b>(918,481)</b> | <b>(6,157,214)</b> |
| Capital expenditure, net                                  | (110,999)        | (177,719)          | (297,105)        | (868,202)          |
| Investment in securities, net                             | (847,220)        | (2,237,624)        | (621,376)        | (5,289,012)        |
| Investment in subsidiary, net of cash acquired            |                  |                    |                  |                    |
| <b>Net cash provided / (used) in financing activities</b> | <b>63,360</b>    | <b>251,208</b>     | <b>(3,355)</b>   | <b>(146,155)</b>   |
| Others                                                    | (2,246)          | (2,444)            | (3,345)          | (10,448)           |
| Common shares issued, net of expenses                     | 65,604           | 253,666            |                  | 293,800            |
| Dividend on common shares                                 | 2                | (14)               | (10)             | (429,507)          |
| <b>Net increase / (decrease) in cash and equivalents</b>  | <b>(298,134)</b> | <b>67,090</b>      | <b>(501,165)</b> | <b>62,998</b>      |
| Effect of exchange rate changes on cash and equivalents   | 85,026           | 202,601            | (186,240)        | 91,080             |
| Cash and equivalents at the beginning of the period       | 2,852,487        | 2,674,812          | 3,059,243        | 2,790,424          |
| <b>Cash and equivalents at the end of the period</b>      | <b>2,639,379</b> | <b>2,944,503</b>   | <b>2,371,838</b> | <b>2,944,503</b>   |

**Financial and Operating Information**  
for the quarter ended March 31, 2010

April 29, 2010

**E1 ) REVENUE ANALYSIS**

| Revenue By Geographical Segments | Mar 31 2010   | Dec 31 2009   | Mar 31 2009   | 2009          |
|----------------------------------|---------------|---------------|---------------|---------------|
| Americas                         | 79.7%         | 80.5%         | 78.9%         | 80.1%         |
| EMEA                             | 13.4%         | 14.0%         | 15.1%         | 14.2%         |
| APAC                             | 6.8%          | 5.5%          | 6.0%          | 5.7%          |
| <b>Total</b>                     | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> |

| Revenue by Industry Verticals          | Mar 31 2010   | Dec 31 2009   | Mar 31 2009   | 2009          |
|----------------------------------------|---------------|---------------|---------------|---------------|
| Insurance                              | 29.0%         | 30.5%         | 27.3%         | 29.7%         |
| Manufacturing, Retail and Distribution | 30.8%         | 30.3%         | 29.2%         | 29.0%         |
| Financial Services                     | 11.7%         | 12.0%         | 13.7%         | 12.8%         |
| Communications,Media & Utilities       | 12.2%         | 12.3%         | 14.4%         | 13.5%         |
| Product Engineering Services           | 16.3%         | 14.8%         | 15.3%         | 15.0%         |
| <b>Total</b>                           | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> |

| Revenue by Service Offerings          | Mar 31 2010   | Dec 31 2009   | Mar 31 2009   | 2009          |
|---------------------------------------|---------------|---------------|---------------|---------------|
| Application Development & Maintenance | 64.6%         | 65.8%         | 65.1%         | 65.2%         |
| Package software implementation       | 13.4%         | 12.8%         | 13.7%         | 13.3%         |
| Product Engineering Services          | 12.1%         | 11.2%         | 11.4%         | 11.2%         |
| Infrastructure Management Services    | 5.0%          | 5.3%          | 3.5%          | 4.9%          |
| Business Process Outsourcing          | 4.9%          | 4.8%          | 6.3%          | 5.4%          |
| <b>Total</b>                          | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> |

| Revenue by Project Type                 | Mar 31 2010   | Dec 31 2009   | Mar 31 2009   | 2009          |
|-----------------------------------------|---------------|---------------|---------------|---------------|
| Time and Material                       | 56.4%         | 57.6%         | 62.4%         | 59.4%         |
| Fixed Price (including Fixed Price SLA) | 43.6%         | 42.4%         | 37.6%         | 40.6%         |
| <b>Total</b>                            | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> |

**E2) CLIENT- REVENUE METRICS**

| Particulars               | Mar 31 2010 | Dec 31 2009 | Mar 31 2009 | 2009  |
|---------------------------|-------------|-------------|-------------|-------|
| Top client                | 11.7%       | 11.1%       | 12.3%       | 11.9% |
| Top 5 Clients             | 36.4%       | 37.0%       | 33.7%       | 36.5% |
| Top 10 Clients            | 48.7%       | 50.9%       | 46.8%       | 49.7% |
| <b>Client data</b>        |             |             |             |       |
| No of \$1 million clients | 92          | 92          | 94          | 92    |

Edgar Filing: Patni Computer Systems LTD - Form 6-K

|                            |       |       |       |       |
|----------------------------|-------|-------|-------|-------|
| No of \$5 million clients  | 27    | 26    | 26    | 26    |
| No of \$10 million clients | 16    | 15    | 20    | 15    |
| No of \$50 million clients | 3     | 2     | 2     | 2     |
| No of new clients          | 9     | 20    | 22    | 56    |
| No. of active Clients      | 260   | 272   | 320   | 272   |
| % of Repeat Business       | 92.5% | 93.7% | 94.1% | 94.0% |

**E3) REVENUE MIX AND UTILIZATION**

|                    | Mar 31 2010 | Dec 31 2009 | Mar 31 2009 | 2009  |
|--------------------|-------------|-------------|-------------|-------|
| <b>Efforts</b>     |             |             |             |       |
| Onsite             | 25.2%       | 26.9%       | 28.3%       | 27.4% |
| Offshore           | 74.8%       | 73.1%       | 71.7%       | 72.6% |
| <b>Revenue</b>     |             |             |             |       |
| Onsite             | 53.2%       | 54.9%       | 57.9%       | 55.8% |
| Offshore           | 46.8%       | 45.1%       | 42.1%       | 44.2% |
| <b>Utilization</b> | 79.9%       | 77.4%       | 70.3%       | 74.9% |

*Financial and Operating Information*  
for the quarter ended March 31, 2010

April 29, 2010

#### E4) EMPLOYEE METRICS

|                               | Mar 31 2010   | Dec 31 2009   | Mar 31 2009   | 2009          |
|-------------------------------|---------------|---------------|---------------|---------------|
| <b>Total Employees</b>        | <b>13,959</b> | <b>13,995</b> | <b>14,540</b> | <b>13,995</b> |
| Offshore                      | 11,118        | 11,264        | 11,693        | 11,264        |
| Onsite                        | 2,841         | 2,731         | 2,847         | 2,731         |
| <b>Total</b>                  | <b>13,959</b> | <b>13,995</b> | <b>14,540</b> | <b>13,995</b> |
| <b>Total Employees</b>        |               |               |               |               |
| Sales & Support Staff         | 1,415         | 1,484         | 1,550         | 1,484         |
| Net Additions                 | (36)          | 388           | (354)         | (899)         |
| Attrition (LTM) excluding BPO | 17.7%         | 13.7%         | 15.5%         | 13.7%         |

#### E5) FACILITIES - INDIA INFRASTRUCTURE (as on Mar 31, 2010)

| Location    | Operational**            |               | Under Construction/<br>Furnishing |              |
|-------------|--------------------------|---------------|-----------------------------------|--------------|
|             | Built Up Area<br>(Sq ft) | No. of Seats  | Built Up Area<br>(Sq ft)          | No. of Seats |
| Mumbai      | 183,648                  | 1,766         |                                   |              |
| Navi Mumbai | 267,411                  | 3,189         |                                   |              |
| Airoli      | 462,845                  | 4,487         |                                   |              |
| Pune        | 306,020                  | 3,276         |                                   |              |
| Gandhinagar | 37,014                   | 404           |                                   |              |
| Noida       | 501,100                  | 3,751         |                                   |              |
| Hyderabad   | 97,497                   | 757           |                                   |              |
| Bangalore   | 114,330                  | 1,249         |                                   |              |
| Chennai     | 148,000                  | 1,192         |                                   |              |
|             | <b>2,117,865</b>         | <b>20,071</b> |                                   |              |

\*\* Owned plus leased

#### E6) RUPEE - CURRENCY RATES AGAINST US DOLLAR



Edgar Filing: Patni Computer Systems LTD - Form 6-K

|                                        | Mar 31 2010 | Dec 31 2009 | Mar 31 2009 |
|----------------------------------------|-------------|-------------|-------------|
| <b>Rupee</b>                           |             |             |             |
| Period end rate                        | 44.91       | 46.52       | 50.70       |
| Period average rate                    | 45.89       | 46.62       | 50.17       |
| <b>Other Currencies (Average Rate)</b> |             |             |             |
| AUD                                    | 0.90        | 0.91        | 0.66        |
| EURO                                   | 1.38        | 1.48        | 1.31        |
| GBP                                    | 1.56        | 1.64        | 1.44        |
| YEN                                    | 0.01        | 0.01        | 0.01        |

**SIGNATURES**

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

PATNI COMPUTER SYSTEMS LIMITED

Dated: April 29, 2010

By: /s/ ARUN KANAKAL  
Arun Kanakal  
*Company Secretary*

---