

Patni Computer Systems Limited

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

Corporate Office : Akuriti , 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 and nine months ended

30 September 2010, prepared in accordance with US GAAP

FAX to SE

USD in lakhs except share data

	Three months ended September 30		Nine months ended September 30		Year ended December 31
	2010 (Unaudited)	2009 (Unaudited)	2010 (Unaudited)	2009 (Unaudited)	2009 (Audited)
Net Revenues	1,788	1,672	5,186	4,858	6,559
Cost of revenues	1,182	1,052	3,335	3,157	4,213
Gross profit	606	620	1,851	1,701	2,346
Selling, general and administrative expenses	332	327	991	898	1,243
Foreign exchange (gain)/loss, net	(48)	22	(139)	130	97
Operating income	322	271	999	673	1,006
Interest and dividend income	28	28	112	82	112
Interest expense	(3)	(3)	(8)	(12)	(15)
Interest expense reversed	-	18	-	16	28
Gain on sale of investments, net	5	9	32	94	95
Equity in losses of affiliates	(1)	-	(1)	-	-
Other income/ (expenses), net	(4)	7	4	17	19
Income before income taxes	347	330	1,138	870	1,245
Income taxes	61	(27)	200	77	47
Net Income	286	357	938	793	1,198
Earnings per share					
- Basic	\$0.22	\$0.28	\$0.72	\$0.62	\$0.93
- Diluted	\$0.21	\$0.27	\$0.70	\$0.61	\$0.92
Weighted average number of common shares used in computing earnings per share					
- Basic	130,424,874	128,163,437	129,750,565	128,124,961	128,254,916
- Diluted	133,862,898	131,290,834	133,633,044	129,411,346	130,241,085
Total assets	8,327	8,351	8,327	8,351	9,012
Cash and cash equivalents	855	576	855	576	635
Investments	2,323	3,251	2,323	3,251	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.
- During the three months ended 30 September 2009, the US Internal Revenue Service ("IRS") completed its assessment of tax returns for the years ended 2005 and 2006 of Patni Americas Inc. Based on the completion of assessment of these years, the Company reviewed the adequacy of the previously established tax exposure reserves with respect to these years and re-measured the established tax positions for subsequent years based on the experience gained from the tax examination. Accordingly, the following amounts have been included in the income statement for the three months ended 30 September 2009:

	Three months ended 30 September 2009
Reduction of accrual for payroll taxes ⁽¹⁾	(12)
Reduction in interest expense ⁽²⁾	(18)
Reduction in other expense ⁽³⁾	(2)
Reduction in income taxes - current	(94)
Increase in income taxes - deferred	12
	(114)

(1) Included under Cost of revenues

(2) Included under Interest expense reversed

(3) Included under Other income/(expense)

- In December 2008, the Company received a demand of approximately `4,587 for the Assessment Year (A.Y.) 2003-04 including an interest demand of `2,586 (\$102 including an interest demand of approximately \$58) and another demand in January 2009 of approximately `11,330 for the A. Y. 2005-06 including an interest demand of approximately `4,225 (\$252 including an interest demand of approximately \$94). These new demands concerns the same issue of disallowance of tax benefits under Section 10A of the Indian Income Tax Act, 1961("ACT") as per earlier assessments. Subsequently, in June 2010, the Company has filed an further extension for stay of demand.

As per stay of demand order, till September 2010, the Company has paid sum of `660 (\$15) for the A. Y. 2003-04 and `2,391 (\$53) 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 `6,302 (\$140 including an interest demand of approximately \$42) for A.Y. 2004-05 and `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 the 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 the Company expects to be material in relation to its business.

- The Company's Board of Directors approved special interim dividend of `63 per equity share of `2/- each in their meeting held on 13 August 2010. The record date for the purpose of payment of special interim dividend was fixed as 31 August 2010. The total amount paid was \$2,066 (including dividend tax of \$ 294).
- Previous period's figures have been appropriately reclassified/regrouped to conform to the current period's presentation.
- The above summary of consolidated financial results was taken on record by the Board of Directors at its adjourned meeting held on 27 October 2010.

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 financial statements prepared as per US GAAP - Convenience translation (Unaudited)

₹ in lakhs except share data

	Quarter ended 30 September		Nine months ended 30 September		Year ended 31 December
	2010	2009	2010	2009	2009
Exchange Rate (₹)	44.56	48.09	44.56	48.09	46.40
Net Revenues	79,667	80,402	231,113	233,594	304,346
Cost of revenues	52,669	50,567	148,622	151,813	195,487
Gross profit	26,998	29,835	82,491	81,781	108,859
Selling, general and administrative expenses	14,798	15,718	44,152	43,203	57,665
Foreign exchange (gain)/loss, net	(2,167)	1,086	(6,189)	6,200	4,497
Operating income	14,367	13,031	44,528	32,378	46,697
Interest and dividend income	1,232	1,353	4,983	3,911	5,208
Interest expense	(124)	(154)	(366)	(580)	(693)
Interest expense reversed	-	881	-	777	1,303
Gain on sale of investments, net	233	427	1,428	4,528	4,393
Equity in losses of affiliates	(51)	-	(51)	-	-
Other income/ (expenses), net	(171)	327	182	812	879
Income before income taxes	15,486	15,865	50,704	41,826	57,787
Income taxes	2,679	(1,292)	8,912	3,692	2,208
Net Income	12,807	17,157	41,792	38,134	55,579
Earnings per share					
- Basic	9.82	13.39	32.21	29.76	43.33
- Diluted	9.51	13.07	31.21	29.47	42.67
Total assets	371,038	401,600	371,038	401,600	418,148
Cash and cash equivalents	38,097	27,722	38,097	27,722	29,445
Investments	103,514	156,363	103,514	156,363	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**

**Mumbai
27 October 2010**

Jeya Kumar
Chief Executive Officer

Patni Computer Systems Limited

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 and nine months ended 30 September 2010, as per Indian GAAP.

FAX to SE

₹ in lakhs except share data

	Quarter ended 30 September		Nine months ended 30 September		Year ended 31 December
	2010 (Audited)	2009 (Audited)	2010 (Audited)	2009 (Audited)	2009 (Audited)
Income					
Sales and service income	82,270	80,173	236,721	235,781	314,615
Other operating income	3,573	(916)	9,400	(4,584)	(2,835)
	85,843	79,257	246,121	231,197	311,780
Expenditure					
Personnel costs	48,758	47,343	139,767	138,539	183,573
Selling, general and administration costs	17,946	15,326	50,112	48,017	64,435
Depreciation (net of transfer from revaluation reserves)	3,142	3,115	8,913	11,404	14,208
	69,846	65,784	198,792	197,960	262,216
Profit from Operations before Other Income and Interest	15,997	13,473	47,329	33,237	49,564
Other income	1,315	2,628	5,965	9,188	11,081
Profit Before Interest	17,312	16,101	53,294	42,425	60,645
Interest costs	128	155	375	637	772
Profit from Ordinary Activities before tax	17,184	15,946	52,919	41,788	59,873
Provision for taxation	4,595	1,452	13,156	6,534	5,445
MAT credit entitlement	(1,856)	(2,270)	(5,060)	(2,999)	(4,391)
Provision for taxation-Fringe benefits	-	(94)	-	147	158
Net profit for the period/year	14,445	16,858	44,823	38,106	58,661
Paid up equity share capital (Face value per equity share of ₹ 2 each)	2,620	2,566	2,620	2,566	2,583
Reserves excluding revaluation reserves					350,590
Earnings per equity share of ₹ 2 each					
- Basic	11.08	13.15	34.55	29.74	45.74
- Diluted	10.77	12.83	33.44	29.36	44.93
Dividend per share (Face value per equity share of ₹ 2 each)	63.00		63.00		3.00

Notes:

- The consolidated financial statements of Patni Computer Systems Limited, its subsidiaries and Joint Venture have been prepared in accordance with the principles and procedures as prescribed by the Accounting Standards on Consolidated Financial Statements and Financial Reporting of Interests in Joint Ventures, mandated by Rule 3 of the 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').
- In June 2010, Patni Computer Systems Japan Inc. has entered into a Joint Venture Agreement (49% stake) with J R Kyushu System Solutions Inc. The Joint Venture Company J R Kyushu Patni Systems Inc. has been incorporated on 1 July 2010 in Japan. In September 2010, a new subsidiary, Patni Computer Systems (Suzhou) Ltd., has been incorporated in China.
- The financial statements of Patni Computer Systems Limited, its subsidiaries and Joint Venture 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. The interest in Joint Venture is reported using proportionate consolidation method. Consolidated financial statements are prepared using uniform accounting policies across the Group.
- The subsidiaries considered in the consolidated financial statements as of 30 September 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 (upto 27 January 2010), PCS Computer Systems Mexico SA de CV, Patni (Singapore) Pte. Ltd., Patni Computer Systems Japan Inc., CHCS Services Inc., Patni Computer Systems (Suzhou) Ltd. and in addition, the joint venture company, J R Kyushu Patni Systems Inc. (49% stake) has also been consolidated in the said financial statements.

5 Investor complaints for the quarter ended 30 September 2010:

Pending as of 1 July 2010	Received during the quarter	Disposed off during the quarter	Unresolved at the end of the quarter
-	86	86	-

6 Statement of Utilisation of ADS Funds as of 30 September 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
Net proceeds			53,699
Deployment :			
1 Held as short term investments			9,034
2 Utilised for Capital expenditure for office facilities			43,457
3 Exchange loss			1,208
Total			53,699

Patni Computer Systems Limited

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.

FAX to SE

7 Total Public Shareholding*

	As of 30 September		As of 31 December
	2010	2009	2009
- Number of Shares	70,884,415	66,344,830	69,034,830
- Percentage of Shareholding	54.12%	51.70%	53.46%

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

Promoters and Promoter group Shareholding	As of 30 September		As of 31 December
	2010	2009	2009
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)	100.00%	100.00%	100.00%
- Percentage of shares (as a % of the total share capital of the Company)	45.88%	48.30%	46.54%

8 Paid up equity share capital does not include ` 242 (December 2009 : ` Nil) which represents share application money received from employees, on exercise of stock options, pending allotment of shares.

9 During the three months ended 30 September 2009, U. S. Internal Revenue Service (IRS) completed it's assessment of tax returns for the years ended 2005 and 2006 of Patni Americas Inc. The settlement with the IRS for these years addressed issues relating to payroll tax, transfer pricing and other income tax matters. Based on the completion of assessment of these years, the Company reviewed the adequacy of the previously established tax exposure reserves with respect to these years and re-measured the established tax positions for later years based on the experience gained from the tax examination and accordingly the following amounts have been included in the income statement during the three months ended 30 September 2009:

	Three months ended 30 September 2009
Decrease of accrual for Payroll taxes ⁽¹⁾	(566)
Reversal of interest expenses ⁽²⁾	(894)
Reduction of Other expense ⁽³⁾	(113)
Reduction of income taxes -current	(4,561)
Increase in income taxes -deferred	584
Total	(5,550)

(1) Included in personnel costs

(2) Included in Other Income - Interest from Others

(3) Included in Selling, general and administration costs

10 In December 2008, the Company received a demand of approximately `4,587 for the Assessment Year (A.Y.) 2003-04 including an interest demand of `2,586 and another demand in January 2009 of approximately `11,330 for the A. Y. 2005-06 including an interest demand of approximately `4,225. These new demands concerns the same issue of disallowance of tax benefits under Section 10A of the Indian Income Tax Act, 1961('ACT') as per earlier assessments. Subsequently, in June 2010, the Company has filed an extension for stay of demand. As per stay of demand order, till September 2010, the Company has paid sum of `660 for the A. Y. 2003-04 and `2,391 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 and raised a demand of `6,302 for A. Y. 2004-05 and `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 the objections against the draft order before the Dispute Resolution Panel ("DRP") newly set up under the IncomeTax Act, 1961. Management considers these disallowances as not tenable against the Company and in absence of any demand raised at this juncture, no provision is required.

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 the Company expects to be material in relation to its business.

11 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.

12 The Company's Board of Directors approved special interim dividend of `63 per equity share of `2/- each in their meeting held on 13 August 2010. The record date for the purpose of payment of special interim dividend was fixed as 31 August 2010. The total amount paid in September 2010 as dividend and dividend distribution tax was `82,444 and `13,693 respectively.

Patni Computer Systems Limited

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.

FAX to SE

13 Segment Information:

Particulars	Financial services	Insurance	Manufacturing, Retail & Distribution	Communications, Media & Utilities	Product Engineering	Total
For the three months ended 30 September 2010						
Sales and service income	9,410	25,290	24,445	9,011	14,114	82,270
For the nine months ended 30 September 2010						
Sales and service income	27,666	71,048	71,278	27,394	39,335	236,721
Balances as at 30 September 2010						
Sundry debtors	6,176	14,867	18,051	8,494	8,364	55,952
Unbilled revenue	1,261	3,317	4,828	3,135	3,137	15,678
Billings in excess of cost and estimated earnings	(109)	(51)	(693)	(167)	(5,111)	(6,131)
Advance from customers	(152)	(54)	(211)	(85)	(93)	(595)

Particulars	Financial services	Insurance	Manufacturing, Retail & Distribution	Communications, Media & Utilities	Product Engineering	Total
For the three months ended 30 September 2009						
Sales and service income	9,835	25,159	22,702	10,726	11,751	80,173
For the nine months ended 30 September 2009						
Sales and service income	31,319	69,869	66,577	32,534	35,482	235,781
Balances as at 31 December 2009						
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.

14 Previous period's figures have been appropriately reclassified/regrouped to conform to the current period's presentation.

15 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 27 October 2010.

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

Mumbai
27 October 2010

Jeya Kumar
Chief Executive Officer

Patni Computer Systems Limited

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.

FAX to SE

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)

	Quarter Ended 30 September		Nine months ended 30 September		Year ended 31 December
	2010	2009	2010	2009	2009
	-	-	-	1	-
Consolidated net income as per Indian GAAP	14,445	16,858	44,823	38,107	58,661
Income taxes	(18)	541	(970)	777	(318)
Foreign currency differences	(133)	181	(247)	669	509
Employee retirement benefits	(220)	427	757	(535)	(419)
ESOP related Compensation Cost	(233)	(336)	(481)	(394)	(471)
Impairment of Intangibles	-	-	-	1,396	1,396
Business acquisition	(289)	(261)	(846)	(650)	(903)
Others	(38)	(55)	(28)	8	(4)
Total	(931)	497	(1,815)	1,271	(210)
Consolidated net income as per US GAAP	13,514	17,355	43,008	39,378	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 financial 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 : Akruti , MIDC Cross Road No 21, Andheri (E) , Mumbai - 400 093, India.

Audited financial results of Patni Computer Systems Limited for the quarter and nine months ended 30 September 2010, as per Indian GAAP (Standalone)

in Lakhs except share data

	Quarter ended 30 September		Nine months ended 30 September		Year ended 31 December
	2010 (Audited)	2009 (Audited)	2010 (Audited)	2009 (Audited)	2009 (Audited)
Income					
Sales and service income	48,210	43,492	139,650	127,193	173,486
Other operating income	3,644	(704)	9,175	(5,064)	(3,161)
	51,854	42,788	148,825	122,129	170,325
Expenditure					
Personnel costs	24,343	21,642	67,744	60,251	81,247
Selling, general and administration costs	8,782	8,060	26,395	22,752	31,114
Depreciation (net of transfer from revaluation reserves)	2,360	2,462	7,007	6,992	9,198
	35,485	32,164	101,146	89,995	121,559
Profit from operations before Other Income and Interest	16,369	10,624	47,679	32,134	48,766
Other income	1,247	1,686	5,790	8,233	10,087
Profit before interest	17,616	12,310	53,469	40,367	58,853
Interest costs	126	152	368	554	674
Profit from Ordinary Activities before tax	17,490	12,158	53,101	39,813	58,179
Provision for taxation	4,524	4,161	12,657	9,080	8,108
MAT credit entitlement	(1,856)	(2,270)	(5,515)	(2,949)	(4,342)
Net provision for taxation	2,668	1,891	7,142	6,131	3,766
Provision for taxation - Fringe benefits	-	(85)	-	129	140
Profit after taxation	14,822	10,352	45,959	33,553	54,273
Paid up equity share capital (Face value per equity share of ` 2 each)	2,620	2,566	2,620	2,566	2,583
Reserves excluding revaluation reserves					316,592
Earnings per equity share of ` 2 each					
- Basic	11.36	8.08	35.42	26.19	42.32
- Diluted	11.04	7.85	34.27	25.78	41.47
Dividend per share (Face value per equity share of ` 2 each)	63.00	-	63.00	-	3.00

Notes :

- 1 Investor complaints for the quarter ended 30 September 2010:

Pending as on 1 July 2010	Received during the quarter	Disposed of during the quarter	Unresolved at the end of the quarter
-	86	86	-

- 2 Statement of Utilisation of ADS Funds as of 30 September 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
Net proceeds			53,699
Deployment :			
1 Held as short term investments			9,034
2 Utilised for Capital expenditure for office facilities			43,457
3 Exchange loss			1,208
Total			53,699

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 financial results of Patni Computer Systems Limited for the quarter and nine months ended 30 September 2010, as per Indian GAAP (Standalone) (Contd.)

3 Total Public Shareholding *

	As of 30 September		As of 31 December
	2010	2009	2009
- Number of Shares	70,884,415	66,344,830	69,034,830
- Percentage of Shareholding	54.12%	51.70%	53.46%

* Total Public Shareholding as defined under Clause 40A of the Listing Agreement (excludes shares held by founders).

4 Promoters and Promoter group Shareholding	As of 30 September		As of 31 December
	2010	2009	2009
a) Pledge/Encumbered			
- Number of shares	Nil	Nil	Nil
- Percentage of shares (as a % of the total shareholding of 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)	45.88%	48.30%	46.54%

5 Paid up equity share capital does not include ` 242 ( December 2009 : ` 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 ` 4,587 for the Assessment Year 2003-04 including an interest demand of ` 2,586 and another Demand in January 2009 of approximately ` 11,330 for the Assessment Year 2005-06 including an interest demand of approximately ` 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 for stay of demand. As per stay of demand order, till June 2010 the Company has paid sum of ` 660 for the Assessment Year 2003-04 and ` 2,391 for the Assessment year 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 ` 6,302 for Assessment Year 2004-05 and ` 2,617 for Assessment Year 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 Assessment Year 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 Assessment Year 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 the 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 in absence of any demand raised at this juncture, no provision is required.

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 the Company expects to be material in relation to its business.

7 The Company's Board of Directors approved special interim dividend of ` 63 per equity share of ` 2 each in their meeting held on 13 August 2010. The record date for the purpose of payment of special interim dividend was fixed as 31 August 2010. The total amount paid in September 2010 as dividend and dividend tax was ` 82,444 and ` 13,693 respectively.

8 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.

9 Previous period figures have been appropriately reclassified / regrouped to conform to the current period's presentations.

10 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 27 October 2010.

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

Mumbai

27 October 2010

**Mr. Jeya Kumar
Chief Executive Officer**