

Patni Computer Systems Limited

FAX to SE

Registered Office : Level II, Tower 3, Cybercity, Magarpatta City, Hadapsar, Pune - 411 013, 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 three and nine months ended 30 September 2011, as per Indian GAAP (Standalone)

in Lakhs except share data

	Three months ended 30 September		Nine months ended 30 September		Year ended 31 December
	2011	2010	2011	2010	2010
Income					
Sales and service income	53,331	48,210	154,333	139,650	189,127
Other operating income	62	1,235	4,290	9,175	13,934
	53,393	49,445	158,623	148,825	203,061
Expenditure					
Personnel costs (Refer Note 5)	29,379	24,343	87,285	67,744	94,622
Selling, general and administration costs	10,883	6,373	24,613	26,395	34,878
Depreciation (net of transfer from revaluation reserves)	2,933	2,360	8,058	7,007	9,190
	43,195	33,076	119,956	101,146	138,690
Profit from operations before Other Income and Interest	10,198	16,369	38,667	47,679	64,371
Other income	2,142	1,247	5,694	5,790	7,616
Profit before interest	12,340	17,616	44,361	53,469	71,987
Interest costs	154	126	362	368	434
Profit before prior period items and taxation	12,186	17,490	43,999	53,101	71,553
Tax Expenses	3,082	2,668	8,637	7,142	6,048
Profit after tax and before prior period items	9,104	14,822	35,362	45,959	65,505
Prior period item (Refer Note 8)	-	-	381	-	-
Net Profit for the period	9,104	14,822	34,981	45,959	65,505
Paid up equity share capital (Face value per equity share of ` 2 each)	2,681	2,620	2,681	2,620	2,628
Reserves excluding revaluation reserves					291,668
Earnings per equity share of ` 2 each					
- Basic	6.79	11.36	26.25	35.42	50.35
- Diluted	6.65	11.04	25.71	34.27	48.77
Dividend per share (Face value per equity share of ` 2 each)	-	63.00	-	63.00	63.00
Public Shareholding					
- Number of Shares	23,972,257	70,884,415	23,972,257	70,884,415	71,327,878
- Percentage of Shareholding	17.88	54.12	17.88	54.12	54.28
Promoters and Promoter group Shareholding					
a) Pledge/Encumbered					
- Number of shares	-	-	-	-	-
- Percentage of shares (as a % of the total shareholding of promoter group)	-	-	-	-	-
- Percentage of shares (as a % of the total share capital of the Company)	-	-	-	-	-
b) Non-encumbered					
- Number of shares	110,090,715	60,091,202	110,090,715	60,091,202	60,091,202
- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	100.00	100.00	100.00	100.00	100.00
- Percentage of shares (as a % of the total share capital of the Company)	82.12	45.88	82.12	45.88	45.72

Notes :

- The above statement of audited financial results was reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 18 October 2011.
- Pan-Asia iGATE Solutions and iGATE Global Solutions Limited (iGATE), along with iGATE Corporation as the person acting in concert ("PAC"), acquired 62.13% of the equity share capital of the Company from Narendra Patni, Gajendra Patni, Ashok Patni (the "Previous Promoter Group") and General Atlantic Mauritius Limited. Further 20.27% was acquired from public shareholders of the Company by way of mandatory tender offer in accordance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 at a price of ` 503.50 per share. As a result, the Acquirers have a majority stake of 82.40% of the equity share capital of the Company.

Patni Computer Systems Limited

FAX to SE

Registered Office : Level II, Tower 3, Cybercity, Magarpatta City, Hadapsar, Pune - 411 013, 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 three and nine months ended 30 September 2011, as per Indian GAAP (Standalone)(Contd.)

- 3 Investor complaints for the quarter ended 30 September 2011

Pending as on 1 July 2011	Received during the quarter	Disposed of during the quarter	Unresolved at the end of the quarter
-	26	26	-

- 4 Statement of Utilisation of ADS Funds as of 30 September 2011

	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			7,258
2 Utilised for Capital expenditure for office facilities			45,232
3 Exchange loss			1,209
Total			53,699

- 5 As a result of acquisition of the Company, the management in three months ended 30 June 2011 terminated the services of certain employees and incurred ` 1,690 of severance costs which has been included in Personnel costs in nine months ended 30 September 2011.
- 6 With effect from 1 April 2011, the Company has aligned the estimated useful lives of Furniture and Fixtures and Electrical Installations with those followed by iGATE Corporation, its ultimate parent Company.
The revisions have been accounted for prospectively as change in accounting estimates resulting in additional depreciation charge in nine months ended 30 September 2011 of ` 1,432.
- 7 As per Company's practice, it has finalised the amount of incentive payable to certain employees for the fiscal year 31 December 2010 based on completion of employee appraisals during the nine months ended 30 September 2011. Accordingly, the Company has reversed incentive accrual amounting to ` 95 and ` 1,529 (net of provisions for overachievements) which has been included under personnel cost in profit and loss account for the three and nine months period ended 30 September 2011 respectively.
- 8 Prior period item for the nine months ended 30 September 2011 includes deferred costs amounting to ` 381
- 9 Previous period figures have been appropriately reclassified / regrouped to conform to the current period's presentation.

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

**Place : Mumbai
Date : 18 October 2011**

Mr. Phaneesh Murthy
CEO & Managing Director

Patni Computer Systems Limited and Subsidiaries

FAX to SE

Registered Office : Level II, Tower 3, Cybercity, Magarpatta City, Hadapsar, Pune - 411 013, India.

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

Audited consolidated financial results of Patni Computer Systems Limited and subsidiaries for the three and nine months ended 30 September 2011, as per Indian GAAP.

in Lakhs except share data

	Three months ended 30 September		Nine months ended 30 September		Year ended 31 December
	2011	2010	2011	2010	2010
Income					
Sales and service income	88,934	82,270	257,064	236,721	318,808
Other operating income	244	1,323	4,832	9,400	14,056
	89,178	83,593	261,896	246,121	332,864
Expenditure					
Personnel costs (refer note 5)	51,857	48,758	166,535	139,767	188,981
Selling, general and administration costs	23,369	15,696	56,001	50,112	68,758
Depreciation (net of transfer from revaluation reserves)	3,421	3,142	10,259	8,913	11,846
	78,647	67,596	232,795	198,792	269,585
Profit from operations before Other Income and Interest	10,531	15,997	29,101	47,329	63,279
Other income	2,261	1,315	6,058	5,965	7,887
Profit before interest	12,792	17,312	35,159	53,294	71,166
Interest costs	158	128	333	375	478
Impairment of intangibles (refer note 9)			8,918		-
Profit before prior period items and tax	12,634	17,184	25,908	52,919	70,688
Tax expenses	3,607	2,739	4,648	8,096	8,371
Profit after tax and before prior period items	9,027	14,445	21,260	44,823	62,317
Prior period items (refer note 8)	-	-	(1,156)	-	-
Net Profit for the period	9,027	14,445	20,104	44,823	62,317
Paid up equity share capital (Face value per equity share of ` 2 each)	2,681	2,620	2,681	2,620	2,628
Reserves excluding revaluation reserves					320,018
Earnings per equity share of ` 2 each					
- Basic	6.74	11.08	15.09	34.55	47.90
- Diluted	6.60	10.77	14.78	33.44	46.44
Dividend per share (Face value per equity share of ` 2 each)		63.00		63.00	63.00
Public Shareholding					
- Number of Shares	23,972,257	70,884,415	23,972,257	70,884,415	71,327,878
- Percentage of Shareholding	17.88	54.12	17.88	54.12	54.28
Promoters and Promoter group Shareholding					
a) Pledge/Encumbered					
- Number of shares	-	-	-	-	-
- Percentage of shares (as a % of the total shareholding of promoter group)	-	-	-	-	-
- Percentage of shares (as a % of the total share capital of the Company)	-	-	-	-	-
b) Non-encumbered					
- Number of shares	110,090,715	60,091,202	110,090,715	60,091,202	60,091,202
- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	100.00	100.00	100.00	100.00	100.00
- Percentage of shares (as a % of the total share capital of the Company)	82.12	45.88	82.12	45.88	45.72

Patni Computer Systems Limited and Subsidiaries

FAX to SE

Registered Office : Level II, Tower 3, Cybercity, Magarpatta City, Hadapsar, Pune - 411 013, India.

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

Notes :

1 The above statement of audited financial results was reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 18 October 2011.

2 Pan-Asia iGATE Solutions and iGATE Global Solutions Limited (iGATE), alongwith iGATE Corporation as the person acting in concert ("PAC"), acquired 62.13% of the equity share capital of the Company from Narendra Patni, Gajendra Patni, Ashok Patni and General Atlantic Mauritius Limited. Further 20.27% was acquired from public shareholders of the Company by way of mandatory tender offer in accordance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 at a price of ` 503.50 per share. As a result, iGATE has a majority stake of 82.40% of the equity share capital of the Company.

3 Investor complaints for the quarter ended 30 September 2011

Pending as on 1 July 2011	Received during the quarter	Disposed of during the quarter	Unresolved at the end of the quarter
-	26	26	-

4 Statement of Utilisation of ADS Funds as of 30 September 2011

	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			7,258
2 Utilised for Capital expenditure for office facilities			45,232
3 Exchange loss			1,209
Total			53,699

5 As a result of acquisition of the Company, the management in three months ended 30 June 2011 terminated the services of certain employees and incurred ` 5,942 of severance costs which has been included in Personnel cost in nine months ended 30 September 2011.

6 With effect from 1 April 2011, the Company has aligned the estimated useful lives of Furniture and Fixtures and Electrical Installations with those followed by iGATE Corporation, it's ultimate parent Company.

The revisions have been accounted for prospectively as change in accounting estimates resulting in additional depreciation charge in nine months ended 30 September 2011, 518 .

7 As per Company's practice, it has finalised the amount of incentive payable to certain employees for the fiscal year 31 December 2010 based on completion of employee appraisals during the nine months ended 30 September 2011. Accordingly, the Company has reversed incentive accrual amounting to ` 188 and ` 2,488 (net of provisions for overachievements) which has been included under personnel cost in profit and loss account for the three and nine months period ended 30 September 2011 respectively.

8 Prior period items:

Prior period item for the three months and nine months ended 30 September 2011 includes following items:

Particulars	Three months ended 30 September 2011	Nine months ended 30 September 2011
Provision for long term medical benefits	-	(673)
Compensated absences	-	535
Deferred cost for revenue contracts	-	(1,018)
Total	-	(1,156)

9 During the quarter ended 30 June 2011, the Company evaluated certain IPR with value of ` 8,918 and concluded that they were impaired as a result of substantial decline in expected cashflows and change in business strategy for usage of IPR. Accordingly, in the nine months period ended 30 September 2011, the Company recorded an impairment charge of ` 8,918.

10 Consequent to iGATE' acquiring majority ownership in the Company, there has been change in operational and management structure of the Company. With this change, the board of directors and CEO of the Company review the performance of the Company as one primary segment. Accordingly, no segment disclosure is made for primary business segment.

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

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

**Mumbai
18 October 2011**

**Phaneesh Murthy
CEO & Managing Director**

Patni Computer Systems Limited and Subsidiaries

Registered Office : Level II, Tower 3, Cybercity, Magarpatta City, Hadapsar, Pune - 411 013, India.

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

FAX to SE

Summary of Consolidated financial results of Patni Computer Systems Limited and subsidiaries for the quarter and nine months ended

30 September 2011, prepared as per US GAAP

	US \$ in lakhs except share data					
	Three months ended 30 September 2011	Three months ended 30 September 2010	16 May 2011 through 30 September 2011	1 January 2011 through 15 May 2011	Nine months ended 30 September 2010	Year ended 31 December 2010
	Successor Company	Predecessor Company	Successor Company	Predecessor Company	Predecessor Company	Predecessor Company
Net revenues	1,910	1,788	2,852	2,799	5,186	7,017
Cost of revenues (exclusive of depreciation and amortization)	1,219	1,113	1,854	1,797	3,114	4,280
Gross profit	691	675	998	1,002	2,072	2,737
Selling, general and administrative expenses	355	327	610	680	1,000	1,342
Depreciation and amortization	111	74	176	110	212	285
Foreign exchange loss (gain), net	68	(48)	36	(92)	(139)	(220)
Operating income	157	322	176	304	999	1,330
Interest and dividend income	36	28	57	48	112	134
Interest expense	(4)	(3)	(5)	(2)	(8)	(11)
Interest expense reversed	-	-	-	-	-	11
(Loss) gain on sale of investments, net	(2)	5	4	11	32	56
Other income (loss), net	3	(5)	5	5	3	5
Income before income taxes	190	347	237	366	1,138	1,525
Income taxes	20	61	40	104	200	193
Net Income	170	286	197	262	938	1,332
Earnings per share						
- Basic	\$0.13	\$0.22	\$0.15	\$0.20	\$0.72	\$1.02
- Diluted	\$0.13	\$0.21	\$0.15	\$0.19	\$0.70	\$0.99
Weighted average number of common shares used in computing earnings per share						
- Basic	134,020,900	130,424,874	134,175,008	131,464,575	129,750,565	130,101,442
- Diluted	135,457,278	133,862,898	135,611,385	135,165,637	133,633,044	133,848,374
Total assets	15,773	8,327	15,773		8,327	8,728
Cash and cash equivalents	433	855	433		855	787
Investments	3,238	2,323	3,238		2,323	2,836

Notes:

- The above summary of consolidated unaudited financial results were taken on record by the Board of Directors at its meeting held on 18 October 2011.
- Pan-Asia iGATE Solutions and iGATE Global Solutions Limited (iGATE), alongwith iGATE Corporation as the person acting in concert, acquired 62.13% of the equity share capital of the Company from Narendra Patni, Gajendra Patni, Ashok Patni and General Atlantic Mauritius Limited. Further 20.27% was acquired from public shareholders of the Company by way of mandatory tender offer in accordance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 at a price of `503.50 per share. As a result, iGATE has a majority stake of 82.40% of the equity share capital of the Company.
- For convenience, the Company has used a cut-off date of 15 May 2011 as the acquisition date since the transactions from 13 May 2011 and 14 May 2011 were insignificant. FASB ASC 805-50-S99 "Business Combinations-Related issues" governs the application of push down accounting in situations where ownership is increased to 80% or more. The Purchasers own 82.40% of the outstanding shares of the Company. As a result of the significant change in share ownership, the post-15 May 2011 Condensed Consolidated Financial Statements reflect the new basis of accounting as required by the authoritative guidance under ASC 805-50-S99, and have applied the SEC rules and guidance regarding "push down" accounting treatment. Accordingly, the Company's Condensed Consolidated Financial Statements prior to the acquisition by iGATE reflect the historical accounting basis in its assets and liabilities and are labeled Predecessor Company, while such Condensed Consolidated Financial Statements subsequent to the acquisition by iGATE are labeled Successor Company and reflect the push down basis of accounting for the fair values of assets and liabilities acquired by iGATE. This effect is presented in the Company's Condensed Consolidated Financial Statements by a vertical black line division between the columns entitled Predecessor Company and Successor Company on the statements. The black line signifies that the amounts shown for the periods prior to and subsequent to the iGATE acquisition are not comparable.

The acquisition has been accounted for under the acquisition method of accounting in accordance with ASC 805, "Business Combination". The total purchase price and noncontrolling interest in connection with the transaction has been allocated to Patni's net tangible and intangible assets based on their estimated fair values at the date of acquisition. The purchase price allocation is based upon preliminary estimates and assumptions that may be subject to change. The excess purchase price beyond amounts allocated to net tangible and intangible assets has been recorded as Goodwill. The Company does not expect the Goodwill recognized to be deductible for income tax purposes.

- The Company has finalized the amount of incentive payable to the employees for the fiscal year 31 December 2010 based on completion of employee appraisals including final determination of key operating parameters applicable to each employee and business unit during the nine months ended 30 September 2011. Accordingly, the Company has reversed incentive accrual amounting to \$4 and \$63 which has been included in personnel cost in the statement of income for the three months ended 30 September 2011 and for the period 1 January 2011 through 15 May 2011 respectively and overachievement of \$7 for the period 16 May 2011 through 30 September 2011.
- As a result of acquisition of the Company, the management terminated the service of some of the senior managers. The Company incurred \$71 and \$62 of severance costs included in Selling and Administrative expenses in the period 1 January 2011 through 15 May 2011 and 16 May 2011 through 30 September 2011, respectively.
- The Company has evaluated subsequent events through the date of posting the financial statements on its website and no events have occurred from the balance sheet date that would impact the Condensed Consolidated Financial Statements.
- Certain reclassifications of the prior period amounts and presentation have been made to conform to the presentation adopted for the current period in line with iGATE's presentation in financial statements.
 - Depreciation and amortization expense is reclassified from cost of revenues and selling, general and administrative expenses, respectively, and disclosed separately on the face of the Statement of Income.
 - Certain costs relating to office rent, electricity, water, diesel, repair and maintenance are reclassified from cost of revenues and included as part of selling, general and administrative expenses.

Patni Computer Systems Limited and Subsidiaries

Registered Office : Level II, Tower 3, Cybercity, Magarpatta City, Hadapsar, Pune - 411 013, India.
Corporate Office : Akurati, MIDC Cross Road No 21, Andheri (E), Mumbai - 400 093, India.

FAX to SE

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

in lakhs except share data

	Three months ended 30 September 2011	Three months ended 30 September 2010	16 May 2011 through 30 September 2011	1 January 2011 through 15 May 2011	Nine months ended 30 September 2010	Year ended 31 December 2010
	Successor Company	Predecessor Company	Successor Company	Predecessor Company	Predecessor Company	Predecessor Company
Exchange Rate (₹)	49.05	44.56	49.05	44.86	44.56	44.8
Net revenues	93,668	79,667	139,907	125,555	231,113	314,361
Cost of revenues (exclusive of depreciation and amortization)	59,771	49,573	90,973	80,586	138,724	191,745
Gross profit	33,897	30,094	48,934	44,969	92,389	122,616
Selling, general and administrative expenses	17,442	14,608	29,916	30,513	44,611	60,132
Depreciation and amortization	5,428	3,286	8,640	4,922	9,439	12,744
Foreign exchange loss (gain), net	3,339	(2,167)	1,738	(4,111)	(6,189)	(9,860)
Operating income	7,688	14,367	8,640	13,645	44,528	59,600
Interest and dividend income	1,753	1,232	2,819	2,133	4,983	6,000
Interest expense	(167)	(124)	(251)	(96)	(366)	(472)
Interest expense reversed	-	-	-	-	-	477
(Loss) gain on sale of investments, net	(111)	233	201	473	1,428	2,510
Other income (loss), net	163	(222)	229	236	131	212
Income before income taxes	9,326	15,486	11,638	16,391	50,704	68,327
Income taxes	979	2,679	1,951	4,646	8,912	8,663
Net Income	8,347	12,807	9,687	11,745	41,792	59,664
Earnings per share						
- Basic	6.23	9.82	7.22	8.93	32.21	45.86
- Diluted	6.16	9.51	7.14	8.69	31.21	44.58
Total assets	773,656	371,038	773,656		371,038	391,007
Cash and cash equivalents	21,225	38,097	21,225		38,097	35,273
Investments	158,846	103,514	158,846		103,514	127,069

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
18 October 2011

Phaneesh Murthy
CEO & Managing Director