

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

Summary of Consolidated financial results of Patni Computer Systems Limited and its subsidiaries for the quarter and year ended 31 December 2010, prepared as per US GAAP

	USD in lakhs except share data			
	Quarter ended 31 December		Year ended December 31	
	2010 (Unaudited)	2009 (Unaudited)	2010 (Unaudited)	2009 (Audited)
Net Revenues	1,830	1,702	7,017	6,559
Cost of revenues	1,224	1,057	4,559	4,213
Gross profit	606	645	2,458	2,346
Selling, general and administrative expenses	356	344	1,348	1,243
Foreign exchange (gain)/loss, net	(81)	(32)	(220)	97
Operating income	331	333	1,330	1,006
Interest and dividend income	22	31	134	112
Interest expense	8	(6)	(11)	(15)
Interest expense reversed	-	15	11	28
Gain on sale of investments, net	24	1	56	95
Equity in losses of affiliate	-	-	(1)	-
Other (expense)/income, net	2	2	6	19
Income before income taxes	387	376	1,525	1,245
Income taxes	(7)	(29)	193	47
Net Income	394	405	1,332	1,198
Earnings per share				
- Basic	\$ 0.30	\$ 0.31	\$ 1.02	\$ 0.93
- Diluted	\$ 0.29	\$ 0.31	\$ 0.99	\$ 0.92
Weighted average number of common shares used in computing earnings per share				
- Basic	131,142,633	128,640,543	130,101,442	128,254,916
- Diluted	134,506,173	132,730,301	133,848,374	130,241,085
Total assets	8,728	9,012	8,728	9,012
Cash and cash equivalents	787	635	787	635
Investments	2,836	3,842	2,836	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.
- The Company's share holders approved final dividend of ₹ 3/- per equity share of ₹ 2/- each in Annual General Meeting held on June 23, 2010. The Company's Board of Directors approved special interim dividend of ₹ 63/- per equity share of ₹ 2/- each in their meeting held on August 13, 2010. The total amount paid was \$ 2,164 (including dividend tax of \$ 309) during fiscal year ended December 31, 2010.
- The subsidiaries considered in the consolidated financial statements as at 31 December 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.(Merged with Patni Americas Inc effective 1 October 2010), Patni Computer Systems Brasil Ltda (till October 2010), Patni Computer Systems (Czech) s.r.o, PCS Computer Systems Mexico SA de CV, Patni (Singapore) Pte. Ltd., Patni Computer Systems Japan Inc. (with effect from 3 June 2010), CHCS Services Inc. (with effect from 9 June 2010), Patni Computer Systems (Suzhou) Co., Ltd (with effect from 18 August 2010) and Patni Computer Systems Software (Dalian) Limited (with effect from 9 November 2010).
- The US Internal Revenue Service ("IRS") completed its assessment of tax returns for the years ended 2003 and 2004 of Patni USA and for the years ended March 31, 2003, 2004 and 2005 of the US branch of the Company in 2008, and completed its assessment of tax returns for the years ended 2005 and 2006 of Patni USA in 2009. 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 the latter years based on the experience gained from the tax examination. Accordingly, the following amounts have been included in the income statement for the fiscal year ended December 31, 2009 as a change in estimate:

	Year ended 31 December 2010	Year ended 31 December 2009
Reduction of accrual for payroll taxes ⁽¹⁾	-	-
Reduction in interest expense ⁽²⁾	-	(16)
Reduction in other expense ⁽³⁾	-	(2)
Reduction in income taxes - current	-	(94)
Increase in income taxes - deferred	-	11
Total	-	(101)

(1) Included under cost of revenues

(2) Included under Interest expense reversed

(3) Included under Other income, net

- 5 The statute of limitation period applicable to tax return of the US Branch of the Company, for the year ended March 2006, expired on 15 December 2009 i.e. on expiry of 3 years from the date of filing, which was 15 December 2006. The company has, therefore, reversed the tax exposure reserves for taxes and interest pertaining to the US branch of the Company for the year ended March 2006. Accordingly, the following amounts have been included in the income statement for the year ended 31 December 2009:

	Year ended 31 December 2010	Year ended 31 December 2009
Reversal of interest expense ⁽ⁱ⁾	-	(12)
Decrease in income taxes -current	-	(74)
Increase in income taxes -deferred	-	2
Total	-	(84)

(i) Included in 'Interest expense reversed'

- 6 In December 2008, the Company received a demand of approximately ₹ 4,590 for the Assessment Year 2003-04 including an interest demand of ₹ 2,590 (\$ 103 including an interest demand of approximately \$ 58) and another demand in January 2009 of approximately ₹ 11,330 for the Assessment Year 2005-06 including an interest demand of approximately ₹ 4,230 (\$ 253 including an interest demand of approximately \$ 95). These 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. Subsequently, in June 2010, the Company has filed an further extension for stay of demand.

As per stay of demand order, till December 2010, the Company has paid sum of ₹ 660 (\$ 15) for the Assessment Year 2003-04 and ₹ 2,390 (\$ 53) for the Assessment Year 2005-06 in respect of the matters 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 ₹ 6,300 (\$ 141 including an interest demand of approximately \$ 42) for Assessment Year 2004-05 and ₹ 2,620 (\$ 59 including an interest demand of approximately \$ 31) for Assessment Year 2002-03 in December 2006 and December 2007, respectively. However on appeal, in 2008 the CIT (Appeals) had allowed the claim in favour of the Company under section 10A of the Act. The Indian Income tax department has appealed against the CIT (Appeals) orders in respect of Assessment Year 2002-03 and 2004-05 in the Indian Income Tax Appellate Tribunal. Management considers these demands as not tenable against the Company, and therefore no provision for this tax contingency has been established.

In November 2010, the Company has received demand order for Assessment Year 2006-07 for a sum of ₹ 12,620 including an interest demand of ₹ 4,420 (\$ 282 including an interest demand approximately \$ 99) disallowing tax benefits under Section 10A of the Act as per the earlier assessments, as well as making a Transfer Pricing Adjustment for the Company's BPO operations. The Company has filed the appeal before the Indian Income Tax Appellate Tribunal and also filed an appeal for the stay of demand with the tax department. Management considers these disallowances as not tenable against the Company, and therefore no provision for this tax contingency has been established.

In December 2010, the Income tax department has issued draft assessment order for Assessment Year 2007-08 disallowing tax benefits under Section 10A of the Act as per the earlier assessments, as well as making a Transfer Pricing Adjustment for delayed recoveries from Associate's Enterprises. 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.

- 7 Pan-Asia iGATE Solutions and iGATE Global Solutions Limited entered into share and securities purchase agreement, on 10 January 2011, with the promoter group of Patni and General Atlantic Mauritius Limited to acquire 63% equity interest of the Company at a price of ₹ 503.5 per share, subject to fulfillment of certain condition.
- 8 Certain reclassifications have been made in the financial statements of prior years to conform to classifications used in the current year.
- 9 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 9 February 2011.

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 financial statements prepared as per US GAAP - Convenience translation

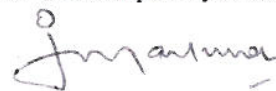
₹ in lakhs except share data

	Quarter ended 31 December		Year ended 31 December	
	2010 (Unaudited)	2009 (Unaudited)	2010 (Unaudited)	2009 (Audited)
Exchange Rate (Rs.)	44.80	46.40	44.80	46.40
Net Revenues	82,003	78,961	314,361	304,346
Cost of revenues	54,842	49,010	204,264	195,487
Gross profit	27,161	29,951	110,097	108,859
Selling, general and administrative expenses	15,967	15,979	60,357	57,665
Foreign exchange (gain)/loss, net	(3,638)	(1,485)	(9,860)	4,497
Operating income	14,832	15,457	59,600	46,697
Interest and dividend income	990	1,434	6,000	5,208
Interest expense	373	(298)	(472)	(693)
Interest expense reversed	-	716	477	1,303
Gain on sale of investments, net	1,075	25	2,510	4,393
Equity in losses of affiliate	2	-	(49)	-
Other (expense)/income, net	78	96	261	879
Income before income taxes	17,350	17,430	68,327	57,787
Income taxes	(297)	(1,355)	8,663	2,208
Net Income	17,647	18,785	59,664	55,579
Earnings per share				
- Basic	13.46	14.60	45.86	43.33
- Diluted	13.12	14.15	44.58	42.67
Total assets	391,007	418,148	391,007	418,148
Cash and cash equivalents	35,273	29,445	35,273	29,445
Investments	127,069	178,268	127,069	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



Jeya Kumar
Chief Executive Officer

Mumbai
9 February 2011

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 year ended 31 December 2010, as per Indian GAAP.

₹ in lakhs except share data

	Year ended 31 December	Year ended 31 December
	2010 (Audited)	2009 (Audited)
Income		
Sales and service income	318,808	314,615
Other operating income	14,056	(2,720)
	332,864	311,895
Expenditure		
Personnel costs	188,981	183,573
Selling, general and administration costs	68,758	64,550
Depreciation (net of transfer from revaluation reserves)	11,846	14,208
	269,585	262,331
Profit from Operations before Other Income and Interest	63,279	49,564
Other income	7,887	11,081
Profit Before Interest	71,166	60,645
Interest costs	478	772
Profit from Ordinary Activities before tax	70,688	59,873
Provision for taxation	15,464	5,445
MAT credit entitlement	(7,093)	(4,391)
Provision for taxation-Fringe benefits	8,371	158
Net profit for the year	62,317	58,661
Paid up equity share capital (Face value per equity share of ₹ 2 each)	2,628	2,583
Reserves excluding revaluation reserves	320,018	350,590
Earnings per equity share of ₹ 2 each		
- Basic	47.90	45.74
- Diluted	46.44	44.93
Dividend per share (Face value per equity share of ₹ 2 each)	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').

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. 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 at 31 December 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. (Merged with Patni Americas Inc effective 1 October 2010), Patni Computer Systems Brasil Ltda (till October 2010), Patni Computer Systems (Czech) s.r.o, PCS Computer Systems Mexico SA de CV, Patni (Singapore) Pte. Ltd., Patni Computer Systems Japan Inc. (with effect from 3 June 2010), CHCS Services Inc. (with effect from 9 June 2010), Patni Computer Systems (Suzhou) Co., Ltd (with effect from 18 August 2010) and Patni Computer Systems Software (Dalian) Limited (with effect from 9 November 2010).

- Statement of Assets and Liabilities as of 31 December 2010

Particulars	As of 31 December	
	2010	2009
Shareholders' funds		
a) Capital	6,195	4,492
b) Reserves and surplus	320,029	350,602
Loan funds		
Secured loans	107	94
Deferred tax liability, net	312	666
TOTAL	326,643	355,854
Goodwill	48,381	47,653
Fixed assets, net	82,174	82,691
Investments	126,149	177,520
Deferred tax asset, net	6,951	8,933
Current assets, loans and advances		
a) Sundry debtors	54,385	50,897
b) Cash and bank balances	35,337	29,526
c) Unbilled revenue	13,889	9,182
d) Loans and advances	37,246	25,614
Less: Current liabilities and provisions		
a) Liabilities	52,299	46,504
b) Provisions	25,570	29,658
TOTAL	326,643	355,854

* Share Capital includes Stock option outstanding ₹ 3,566 (2009: ₹ 1909)

- Investor complaints for the quarter ended 31 December 2010:

Pending as on 1 October 2010	Received during the quarter	Disposed of during the quarter	Unresolved at the end of the quarter
-	277	277	-

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5 Statement of Utilisation of ADS Funds as of 31 December 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			8,834
2 Utilised for Capital expenditure for office facilities			43,657
3 Exchange loss			1,208
Total			53,699

6 Total Public Shareholding*

	2010	2009
- Number of Shares	71,327,878	69,034,830
- Percentage of Shareholding	54.28%	53.46%

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

Promoters and Promoter group Shareholding	As of 31 December 2010	As of 31 December 2009
a) Pledge/Encumbered		
- Number of shares	Nil	Nil
- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	Nil	Nil
- Percentage of shares (as a % of the total share capital of the Company)	Nil	Nil
B) Non-encumbered		
- Number of shares	60,091,202	60,091,202
- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	100.00%	100.00%
- Percentage of shares (as a % of the total share capital of the Company)	45.72%	46.54%

7 The US Internal Revenue Service ("IRS") completed its assessment of tax returns for the years ended 2003 and 2004 of Patni Americas Inc. and for the years ended 31 March 2003, 2004 and 2005 of the US branch of the Company in 2008 and during the year ended 31 December 2009, 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 the latter years based on the experience gained from the tax examination and accordingly, the following amounts have been included in the income statement for the fiscal year ended 31 December 2009 and 2010 as a change in estimate:

	Year ended 31 December 2010	Year ended 31 December 2009
Reduction of accrual for payroll taxes ⁽¹⁾	-	(565)
Reduction in interest expense ⁽²⁾	-	(788)
Reduction in other expense ⁽³⁾	-	(113)
Reduction in income taxes - current	-	(4,605)
Increase in income taxes - deferred	-	541
	-	(5,530)

(1) Included in Personnel costs

(2) Included in Other Income - Interest from Others

(3) Included in Selling, general and administration costs

8 The Statute of limitation period for the March 2007 and March 2006 tax return of the US Branch of the Company expired in December, 2010 and December 2009 respectively i.e. on expiry of 3 years from the date of filing which was 15 December 2007 and 15 December 2006. Hence the company has reversed the provision for that year on account of taxes & interest. Accordingly the following amounts have been included in the Income Statement for the year ended 31 December 2010 and 2009.

	Year ended 31 December 2010	Year ended 31 December 2009
Reversal of interest expense ⁽¹⁾	(476)	(558)
Decrease in income taxes -current	(3,010)	(3,450)
Increase in income taxes -deferred	191	89
Total	(3,295)	(3,919)

(1) Included in 'Other Income'

9 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.

10 Pan-Asia iGATE Solutions and iGATE Global Solutions Limited entered into share and securities purchase agreement, on 10 January 2011, with the promoter group of Patni and General Atlantic Mauritius Limited to acquire 63% equity interest of the Company at a price of ₹ 503.5 per share, subject to fulfillment of certain conditions.

11 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 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 December 2010, the Company has paid sum of ₹ 660 for the Assessment Year 2003-04 and ₹ 2,391 for the Assessment Year 2005-06 in respect of the matters 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 in favour of the Company under section 10A of the Act. The Indian Income tax department has appealed against the CIT (Appeals) orders in respect of Assessment Year 2002-03 and 2004-05 in the Indian Income Tax Appellate Tribunal. Management considers these demands as not tenable against the Company, and therefore no provision for this tax contingency has been established.

In November 2010, the Company has received demand order for Assessment Year 2006-07 for a sum of ₹ 12,618 including an interest demand of ₹ 4,417 disallowing tax benefits under Section 10A of the Act as per the earlier assessments, as well as making a Transfer Pricing Adjustment for the Company's BPO operations. The Company has filed the appeal before the Indian Income Tax Appellate Tribunal and also filed an appeal for the stay of demand with the tax department. Management considers these disallowances as not tenable against the Company, and therefore no provision for this tax contingency has been established.

In December 2010, the Income tax department has issued draft assessment order for Assessment Year 2007-08 disallowing tax benefits under Section 10A of the Act as per the earlier assessments, as well as making a Transfer Pricing Adjustment for delayed recoveries from Associate's Enterprises. 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 Patni expects to be material in relation to its business.

12 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.

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13 Segment Information:

As at 31 December 2010 and for the year then ended

Particulars	Financial services	Insurance	Manufacturing, Retail & Distribution	Communications, Media & Utilities	Product Engineering	Total
Sales and service income	37,042	96,840	96,349	35,304	53,273	318,808
Sundry debtors	5,470	15,270	17,026	7,195	9,424	54,385
Unbilled revenue	1,292	2,559	4,474	2,596	2,968	13,889
Billings in excess of cost and estimated earnings	(318)	(419)	(1,259)	(436)	(5,587)	(8,019)
Advance from customers	(158)	(98)	(246)	(95)	(62)	(659)

As at 31 December 2009 and for the year then ended

Particulars	Financial services	Insurance	Manufacturing, Retail & Distribution	Communications, Media & Utilities	Product Engineering	Total
Sales and service income	40,437	94,138	90,707	42,175	47,158	314,615
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)

The Group's operations relate to providing IT services and solutions, delivered to customers operating in various industry segments. Accordingly, revenues represented along industry classes comprise the principal basis of segmental information set out in these consolidated financial statements. Secondary segmental reporting is performed on the basis of the geographical location of the customers. The accounting policies consistently used in the preparation of the consolidated financial statements are also consistently applied to individual segment information.

Industry segments of the Company comprise financial services, insurance services, manufacturing, retail and distribution companies, communications, media and utilities, and technology services (comprising independent software vendors and product engineering). The Company 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 Company'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 9 February 2011.

By Order of the Board
for Patni Computer Systems Limited



Jeya Kumar
Chief Executive Officer

Mumbai
9 February 2011

Patni Computer Systems Limited

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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)

	₹ in lakhs			
	Quarter Ended 31 December		Year ended 31 December	
	2010	2009	2010	2009
Consolidated net income as per Indian GAAP	17,494	20,555	62,317	58,661
Income taxes	548	(1,095)	(422)	(318)
Foreign currency differences	(44)	(160)	(291)	509
Employee retirement benefits	(183)	116	574	(419)
ESOP related Compensation Cost	1	(77)	(480)	(471)
Impairment of Intangibles	-	-	-	1,396
Business acquisition	(345)	(253)	(1,191)	(903)
Others	100	(13)	72	(4)
Total	77	(1,482)	(1,738)	(210)
Consolidated net income as per US GAAP	17,571	19,073	60,579	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.

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Financial results of Patni Computer Systems Limited for the quarter and year ended 31 December 2010, as per Indian GAAP (Standalone)

₹ in Lakhs except share data

	Quarter ended 31 December		Year ended 31 December	
	2010 (Unaudited)	2009 (Unaudited)	2010 (Audited)	2009 (Audited)
Income				
Sales and service income	49,477	46,293	189,127	173,486
Other operating income	4,794	1,901	13,934	(3,161)
	54,271	48,194	203,061	170,325
Expenditure				
Personnel costs	26,878	20,946	94,622	81,247
Selling, general and administration costs	8,518	8,410	34,878	31,114
Depreciation (net of transfer from revaluation reserves)	2,183	2,206	9,190	9,198
	37,579	31,562	138,690	121,559
Profit from operations before Other Income and Interest	16,692	16,632	64,371	48,766
Other income	1,826	1,854	7,616	10,087
Profit before interest	18,518	18,486	71,987	58,853
Interest costs	66	120	434	674
Profit from Ordinary Activities before tax	18,452	18,366	71,553	58,179
Provision for taxation	939	(972)	13,596	8,108
MAT credit entitlement	(2,033)	(1,393)	(7,548)	(4,342)
Net provision for taxation	(1,094)	(2,365)	6,048	3,766
Provision for taxation - Fringe benefits	-	11	-	140
Profit after taxation	19,546	20,720	65,505	54,273
Paid up equity share capital (Face value per equity share of ₹ 2 each)	2,628	2,583	2,628	2,583
Reserves excluding revaluation reserves	291,668	316,592	291,668	316,592
Earnings per equity share of ₹ 2 each				
- Basic	14.93	16.11	50.35	42.32
- Diluted	14.51	15.57	48.77	41.47
Dividend per share (Face value per equity share of ₹ 2 each)	-	-	63.00	3.00

Notes :

Particulars	As of 31 December	
	2010 (Audited)	2009 (Audited)
Shareholders' funds		
a) Share Capital	5,052	3,771
b) Reserves and Surplus	291,679	316,604
Loan funds	98	94
Deferred tax liability	618	514
Total	297,447	320,983
Fixed assets (Net)	68,721	74,085
Investments	183,503	226,740
Deferred tax asset, net	-	1,184
Current assets, loans and advances		
a) Sundry Debtors	37,278	33,958
b) Cash and Bank balances	16,698	10,404
c) Unbilled revenue	7,244	3,545
d) Loans and Advances	31,363	19,176
Less: Current liabilities and provisions		
a) Liabilities	31,029	27,631
b) Provisions	16,331	20,478
Total	297,447	320,983

* Share Capital includes Stock option outstanding ₹ 2,423 (December 2009 : ₹ 1,188)

1 Investor complaints for the quarter ended 31 December 2010:

Pending as on 1 October 2010	Received during the quarter	Disposed of during the quarter	Unresolved at the end of the quarter
-	277	277	-

2 Statement of Utilisation of ADS Funds as of 31 December 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			8,834
2 Utilised for Capital expenditure for office facilities			43,657
3 Exchange loss			1,208
Total			53,699

3 Total Public Shareholding *

- Number of Shares
- Percentage of Shareholding

Year ended 31 December	
2010	2009
71,327,878	69,034,830
54.28%	53.46%

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

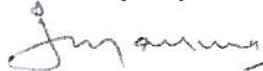
4 Promoters and Promoter group Shareholding	As of 31 December 2010	As of 31 December 2009
a) Pledge/Encumbered		
- Number of shares	Nil	Nil
- Percentage of shares (as a % of the total shareholding of promoter group)	Nil	Nil
- Percentage of shares (as a % of the total share capital of the Company)	Nil	Nil
B) Non-encumbered		
- Number of shares	60,091,202	60,091,202
- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	100%	100%
- Percentage of shares (as a % of the total share capital of the Company)	45.72%	46.54%

- 5 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 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 December 2010, the Company has paid sum of ₹ 660 for the Assessment Year 2003-04 and ₹ 2,391 for the Assessment Year 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 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 November 2010, the Company has received demand order for Assessment Year 2006-07 for a sum of ₹ 12,618 including an interest demand of ₹ 4,417 disallowing tax benefits under Section 10A of the Act as per the earlier assessments, as well as making a Transfer Pricing Adjustment for the Company's BPO operations. The Company has filed the appeal before the Indian Income Tax Appellate Tribunal and also filed an appeal for the stay of demand with the tax department. Management considers these disallowances as not tenable against the Company, and therefore no provision for this tax contingency has been established.
- In December 2010, the Income tax department has issued draft assessment order for Assessment Year 2007-08 disallowing tax benefits under Section 10A of the Act as per the earlier assessments, as well as making a Transfer Pricing Adjustment for delayed recoveries from Associate's Enterprises. 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.
- 6 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.

		Year ended 31 December	
		2010	2009
Dividend per share (Par value of ₹ 2 each)		63	3
Percentage		3150%	150%

- 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 Pan-Asia iGATE Solutions and iGATE Global Solutions Limited entered into share and securities purchase agreement, on 10 January 2011, with the promoter group of Patni and General Atlantic Mauritius Limited to acquire 63% equity interest of the Company at a price of ₹ 503.5 per share, subject to fulfillment of certain conditions.
- 9 Previous period figures have been appropriately reclassified / regrouped to conform to the current period's presentation.
- 10 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 9 February 2011.

By Order of the Board
for Patni Computer Systems Limited



Mr. Jeya Kumar
Chief Executive Officer

Mumbai
9 February 2011