

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 2011,
prepared as per US GAAP

USD in lakhs except share data

	Quarter ended 31 March		Year ended 31 December
	2011 (Unaudited)	2010 (Unaudited)	2010 (Audited)
Net Revenues	1,903	1,723	7,017
Cost of revenues	1,273	1,063	4,559
Gross profit	630	660	2,458
Selling, general and administrative expenses	364	346	1,348
Foreign exchange gain, net	(55)	(48)	(220)
Operating income	321	362	1,330
Interest and dividend income	38	40	134
Interest expense	(1)	(5)	(11)
Interest expense reversed	-	-	11
Gain on sale of investments, net	9	6	56
Equity in losses of affiliate	(1)	-	(1)
Other income, net	2	3	6
Income before income taxes	368	406	1,525
Income taxes	103	73	193
Net Income	265	333	1,332
Earning per share			
- Basic	0.20	0.26	1.02
- Diluted	0.20	0.25	0.99
Weighted average number of common shares used in computing earnings per share			
- Basic	131,991,860	129,251,485	130,101,442
- Diluted	134,910,508	133,200,892	133,848,374
Total assets	9,112	9,714	8,728
Cash and cash equivalents	529	587	787
Investments	3,248	4,173	2,836

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 subsidiaries considered in the consolidated financial statements as at 31 March 2011 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 Limited., 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., Limited (with effect from 18 August 2010) and Patni Computer Systems Software (Dalian) Limited (with effect from 9 November 2010).

- Pan-Asia iGATE Solutions and iGATE Global Solutions Limited entered into share and securities purchase agreements on 10 January 2011 with the promoter group of Patni and General Atlantic Mauritius Limited to acquire 63% equity capital of the Company at a price of ₹ 503.50 per share, subject to fulfillment of certain conditions.

Pursuant to and in compliance with, among others, of SEBI Take Over Regulations, Pan-ASIA iGATE Solutions and iGATE Global Solutions Limited along with iGATE Corporation have made an Open Offer to acquire 2,70,85,565 shares representing 20% (diluted equity capital) of Patni Computer Systems Limited at a price of ₹ 503.50 per share. The Offer opened on 8 April 2011 and will close on 27 April 2011.

- 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 (\$ 254 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 March 2011, 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.



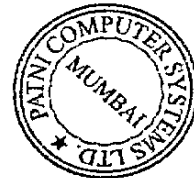
The tax department had earlier rejected the Company's claim under section 10A of the Act and raised a demand of approximately ₹ 6,300 (\$ 141 including an interest demand of approximately \$ 42) for Assessment Year 2004-05 and ₹ 2,620 (\$ 59 including an interest demand of approximately \$ 31) for Assessment 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 (\$ 283 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 Associates 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.

- 5 Previous period's figures have been appropriately reclassified/regrouped to conform to the current period's presentation.
- 6 The Tax holiday available to the Company which was extended by Finance Act 2009 for a period of one year has expired on 31 March 2011.
- 7 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 April 2011.



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Audited consolidated financial results of Patni Computer Systems Limited and its subsidiaries for the quarter ended 31 March 2011, as per Indian GAAP.

₹ in lakhs except share data

	Quarter ended 31 March		Year ended 31 December	
	2011 (Audited)	2010 (Audited)	2010 (Audited)	
Income				
Sales and service income	85,938	78,163	318,808	
Other operating income	3,231	3,047	14,056	
	89,169	81,210	332,864	
Expenditure				
Personnel costs	53,720	45,620	188,981	
Selling, general and administration costs	16,974	15,478	68,758	
Depreciation (net of transfer from revaluation reserves)	2,997	2,863	11,846	
	73,691	63,961	269,585	
Profit from Operations before Other Income and Interest	15,478	17,249	63,279	
Other income	2,091	1,969	7,887	
Profit Before Interest	17,569	19,218	71,166	
Interest costs	49	219	478	
Profit from Ordinary Activities before tax	17,520	18,999	70,688	
Provision for taxation	3,517	5,056	15,464	
MAT credit entitlement	(2,225)	(1,761)	(7,093)	
Net profit for the period/year	16,228	15,704	62,317	
Paid up equity share capital (Face value per equity share of ₹ 2 each)	2,668	2,587	2,628	
Reserves excluding revaluation reserves			320,018	
Earnings per equity share of ₹ 2 each				
- Basic	12.30	12.15	47.90	
- Diluted	12.02	11.75	46.44	
Dividend per share (Face value per equity share of ₹ 2 each)			63.00	

Notes:

- 1 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.

- 2 The subsidiaries considered in the consolidated financial statements as at 31 March 2011 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. Limited., 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., Limited (with effect from 18 August 2010) and Patni Computer Systems Software (Dalian) Limited (with effect from 9 November 2010).

- 3 Investor complaints for the three months ended 31 March 2011

Pending as on 1 January 2011	Received during the quarter	Disposed off during the quarter	Unresolved at the end of the quarter
-	131	131	-

- 4 Statement of Utilisation of ADS Funds as of 31 March 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			8,046
2 Utilised for Capital expenditure for office facilities			44,445
3 Exchange loss			1,208
Total			53,699

- 5 Total Public Shareholding*

	As of 31 March		As of 31 December
	2011	2010	2010
- Number of Shares	73,316,543	69,247,181	71,327,878
- Percentage of Shareholding	54.96%	53.54%	54.28%

* Total Public Shareholding as defined under Clause 40A of the Listing Agreement.



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9 Segment Information:

Particulars	Financial services	Insurance	Manufacturing, Retail & Distribution	Communications, Media & Utilities	Product Engineering	Total
For the three months ended 31 March 2011						
Sales and service income	9,518	24,888	26,238	10,333	14,961	85,938
Balances as at 31 March 2011						
Sundry debtors	5,687	12,647	16,521	7,110	9,012	50,977
Unbilled revenue	2,039	7,984	7,331	3,415	4,468	25,237
Billings in excess of cost and estimated earnings	(57)	(374)	(757)	(99)	(6,568)	(7,855)
Advance from customers	(162)	(189)	(357)	(97)	(75)	(880)

Particulars	Financial services	Insurance	Manufacturing, Retail & Distribution	Communications, Media & Utilities	Product Engineering	Total
For the three months ended 31 March 2010						
Sales and service income	9,185	22,795	24,012	9,457	12,714	78,163
Balances at 31 December 2010						
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)

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.

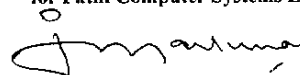
Industry segments of the Company comprise financial services, insurance services, manufacturing, retail and distribution companies, communications, media and utilities, and technology services (comprising independent software vendors and product engineering). The Company evaluates segment performance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

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

11 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 April 2011.

Mumbai
27 April 2011

By Order of the Board
for Patni Computer Systems Limited



Jeya Kumar
Chief Executive Officer



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)

	Quarter ended 31 March		Year ended 31 December
	2011	2010	2010
Consolidated net income as per Indian GAAP	16,228	15,704	62,317
Income taxes	(3,347)	(2)	(422)
Foreign currency differences	(117)	(205)	(291)
Employee retirement benefits	(250)	154	574
ESOP related Compensation Cost	(215)	(161)	(480)
Business acquisition	(326)	(236)	(1,191)
Others	(15)	13	72
Total	(4,270)	(437)	(1,738)
Consolidated net income as per US GAAP	11,958	15,267	60,579

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 ended 31 March 2011, as per Indian GAAP (Standalone)

₹ in Lakhs except share data

	Quarter ended 31 March		Year ended 31 December
	2011 (Audited)	2010 (Audited)	2010 (Audited)
Income			
Sales and service income	51,206	45,769	189,127
Other operating income	3,066	3,495	13,934
	54,272	49,264	203,061
Expenditure			
Personnel costs	27,344	21,600	94,622
Selling, general and administration costs	7,407	8,635	34,878
Depreciation (net of transfer from revaluation reserves)	2,153	2,297	9,190
	36,904	32,532	138,690
Profit from operations before Other Income and Interest	17,368	16,732	64,371
Other income	1,970	1,919	7,616
Profit before interest	19,338	18,651	71,987
Interest costs	89	219	434
Profit from Ordinary Activities before tax	19,249	18,432	71,553
Provision for taxation	3,799	4,356	13,596
MAT credit entitlement	(2,225)	(1,761)	(7,548)
Net provision for taxation	1,574	2,595	6,048
Provision for taxation - Fringe benefits	-	-	-
Profit after taxation	17,675	15,837	65,505
Paid up equity share capital (Face value per equity share of ₹ 2 each)	2,668	2,587	2,628
Reserves excluding revaluation reserves	-	-	291,668
Earnings per equity share of ₹ 2 each	13.39	12.25	50.35
- Basic	13.07	11.84	48.77
- Diluted	-	-	63.00
Dividend per share (Face value per equity share of ₹ 2 each)			

Notes :

- 1 Investor complaints for the quarter ended 31 March 2011

Pending as on 1 January 2011	Received during the quarter	Disposed of during the quarter	Unresolved at the end of the quarter
-	131	131	-

- 2 Statement of Utilisation of ADS Funds as of 31 March 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			8,046
2 Utilised for Capital expenditure for office facilities			44,445
3 Exchange loss			1,208
Total			53,699



Financial results of Patni Computer Systems Limited for the quarter ended 31 March 2011, as per Indian GAAP (Standalone)(Contd.)

3 Total Public Shareholding *

As of 31 March		As of 31 December
2011	2010	2010
73,316,543	69,247,181	71,327,878
54.96%	53.54%	54.28%

- Number of Shares
- Percentage of Shareholding

* Total Public Shareholding as defined under Clause 40A of the Listing Agreement.

Promoters and Promoter group Shareholding	As of 31 March 2011	As of 31 March 2010	Year ended 31 December 2010
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	60,091,202	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)	45.04%	46.46%	45.72%

- 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 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 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 ₹ 2,191 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 (Appeal) 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 Associates 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.

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- 8 Pursuant to and in compliance with, among others, SEBI Take Over Regulations, Pan-ASIA iGATE Solutions and iGATE Global Solutions Limited along with iGATE Corporation have made an Open Offer to acquire 2,70,85,565 shares representing 20% (diluted equity capital) of Patni Computer Systems Limited at a price of ₹ 503.50 per share. The Offer opens on 8 April 2011 and closes on 27 April 2011.
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Mumbai
27 April 2011

By Order of the Board
for Patni Computer Systems Limited

Mr. Jeya Kumar
Chief Executive Officer

