

Patni Computer Systems LTD  
Form 6-K  
November 02, 2009  
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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 6-K**

**REPORT OF FOREIGN ISSUER**

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

**For October 31, 2009**

**PATNI COMPUTER SYSTEMS LIMITED**

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

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

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

Form 20-F  Form 40-F

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

Yes  No

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

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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 and nine months ended 30 September 2009, prepared in accordance with US GAAP**

USD in lakhs except share data

	Three months ended September 30		Nine months ended September 30		Year ended
	2009	2008	2009	2008	December 31
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	2008
					(Audited)
Net Revenues	1,672	1,835	4,858	5,425	7,189
Cost of revenues	1,052	1,220	3,157	3,750	4,913
<b>Gross profit</b>	<b>620</b>	<b>615</b>	<b>1,701</b>	<b>1,675</b>	<b>2,276</b>
Selling, general and administrative expenses	327	351	899	1,000	1,327
Foreign exchange (gain)/loss, net	22	(12)	129	57	183
<b>Operating income</b>	<b>271</b>	<b>276</b>	<b>673</b>	<b>618</b>	<b>766</b>
Interest and dividend income	28	34	82	96	130
Interest expense	(3)	(6)	(12)	(13)	(18)
Interest expense reversed	18	74	16	65	65
Gain/(loss) on sale of investments, net	9	(1)	94	95	97
Other income, net	7	13	17	21	26
<b>Income before income taxes</b>	<b>330</b>	<b>390</b>	<b>870</b>	<b>882</b>	<b>1,066</b>
Income tax expense/ (benefit)	(27)	(41)	77	28	52
<b>Net Income</b>	<b>357</b>	<b>431</b>	<b>793</b>	<b>854</b>	<b>1,014</b>
<b>Earnings per share</b>					
- Basic	\$ 0.28	\$ 0.32	\$ 0.62	\$ 0.62	\$ 0.75
- Diluted	\$ 0.27	\$ 0.32	\$ 0.61	\$ 0.62	\$ 0.75
<b>Weighted average number of common shares used in computing earnings per share</b>					
- Basic	128,163,437	135,925,454	128,124,961	137,997,950	135,590,677
- Diluted	131,290,834	135,925,454	129,411,346	138,166,712	135,760,422
Total assets	8,351	7,663	8,351	7,663	7,653
Cash and cash equivalents	576	387	576	387	601
Investments	3,251	2,427	3,251	2,427	2,483

**Notes:**

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1 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 ( US GAAP ). All inter-company transactions have been eliminated on consolidation.

2 During the three months ended September 30, 2009, U. S. Internal Revenue Service ( IRS ) completed its 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 September 30, 2009:

	<b>Three months ended September 30, 2009</b>
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
<b>Total</b>	<b>(114)</b>

During the three months ended September 30, 2008, the IRS completed its assessment of tax returns for the years ended 2003 and 2004 of Patni Americas Inc. and for the years ended March 31, 2003, 2004 and 2005 of the US branch of the Company. 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 were included in the income statement for the three months ended September 30, 2008 as mentioned in the table below:

	<b>Three months ended September 30, 2008</b>
Reduction of accrual for payroll taxes (1)	(28)
Reduction in interest expense (2)	(75)
Increase in Interest expense	3
Reduction in other expense (3)	(11)
Reduction in income taxes - current	(123)
Increase in income taxes - deferred	47
<b>Total</b>	<b>(187)</b>

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(1) Included under cost of revenues

(2) Included under Interest expense reversed

(3) Included under other income, net

3 In December 2008, the Company received a Demand of approximately Rs. 4,587 for the Assessment Year 2003-04 including an interest demand of Rs. 2,586 (\$ 95 including an interest demand of approximately \$ 54) and another Demand in January 2009 of approximately Rs. 11,318 for the Assessment Year 2005-06 including an interest demand of approximately Rs. 4,220 (\$ 235 including an interest demand of approximately \$ 88). These new demands concern the same issue of disallowance of tax benefits under Section 10A as per earlier assessments. The Company has filed an appeal with the tax authorities and a stay of demand has been granted until June 30, 2009 or settlement of appeal whichever is earlier.

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As per stay of demand order, till September 2009, the Company has paid sum of Rs. 660 (\$ 14) for the Assessment Year 2003-04 and Rs. 1,710 (\$ 36) for the Assessment year 2005-06 as regards the matter under appeal. The Company has earlier filed an extension for stay of demand and the same has been granted till October 31, 2009 or settlement of appeal whichever is earlier. On October 30, 2009, the Company has filed for further extension of stay of demand. 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 approximately Rs. 6,302 (\$ 131 including an interest demand of approximately \$ 39) for AY 2004-05 and Rs. 2,617 (\$ 54 including an interest demand of approximately \$ 29) for AY 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.

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.

4 The above statement of financial results were reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on October 31, 2009.

Table of Contents**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 (Unaudited)****Rs. in lakhs except share data**

	Quarter ended 30 September		Nine months ended 30 September		Year ended 31
	2009	2008	2009	2008	December 2008
Exchange Rate (Rs.)	<b>48.09</b>	46.45	<b>48.09</b>	46.45	<b>48.58</b>
Net Revenues	<b>80,402</b>	85,225	<b>233,594</b>	251,980	<b>349,234</b>
Cost of revenues	<b>50,567</b>	56,655	<b>151,813</b>	174,185	<b>238,657</b>
<b>Gross profit</b>	<b>29,835</b>	28,570	<b>81,781</b>	77,795	<b>110,577</b>
Selling, general and administrative expenses	<b>15,718</b>	16,276	<b>43,203</b>	46,440	<b>64,457</b>
Foreign exchange (gain)/loss, net	<b>1,086</b>	(545)	<b>6,200</b>	2,670	<b>8,919</b>
<b>Operating income</b>	<b>13,031</b>	12,839	<b>32,378</b>	28,685	<b>37,201</b>
Interest and dividend income	<b>1,353</b>	1,573	<b>3,911</b>	4,457	<b>6,316</b>
Interest expense	<b>(154)</b>	(276)	<b>(580)</b>	(596)	<b>(847)</b>
Interest expense reversed	<b>881</b>	3,454	<b>777</b>	3,018	<b>3,156</b>
Gain/(loss) on sale of investments, net	<b>427</b>	(47)	<b>4,528</b>	4,390	<b>4,728</b>
Other income, net	<b>327</b>	575	<b>812</b>	991	<b>1,244</b>
<b>Income before income taxes</b>	<b>15,865</b>	18,118	<b>41,826</b>	40,945	<b>51,798</b>
Income taxes	<b>(1,292)</b>	(1,901)	<b>3,692</b>	1,295	<b>2,528</b>
<b>Net Income</b>	<b>17,157</b>	20,019	<b>38,134</b>	39,650	<b>49,270</b>
<b>Earnings per share</b>					
- Basic	<b>13.39</b>	14.73	<b>29.76</b>	28.73	<b>36.44</b>
- Diluted	<b>13.07</b>	14.73	<b>29.47</b>	28.70	<b>36.44</b>
Total assets	<b>401,600</b>	355,946	<b>401,600</b>	355,946	<b>371,803</b>
Cash and cash equivalents	<b>27,722</b>	17,993	<b>27,722</b>	17,993	<b>29,215</b>
Investments	<b>156,363</b>	112,730	<b>156,363</b>	112,730	<b>120,624</b>

## 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  
October 31, 2009**

**Jeya Kumar**  
*Chief Executive Officer*

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FAX TO SE

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

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

**Audited consolidated financial results of Patni Computer Systems Limited and its subsidiaries for the quarter and nine months ended 30 September 2009, as per Indian GAAP.**

Rs. in lakhs except share data

	Quarter ended 30 September		Nine months ended 30 September		Year ended 31
	2009	2008	2009	2008	December
	(Audited)	(Audited)	(Audited)	(Audited)	2008
					(Audited)
<b>Income</b>					
Sales and service income	80,173	79,961	235,781	226,027	311,727
Other operating income	576	176	1,626	821	1,028
	<b>80,749</b>	<b>80,137</b>	<b>237,407</b>	<b>226,848</b>	<b>312,755</b>
<b>Expenditure</b>					
Personnel costs	47,343	46,265	138,539	131,880	183,287
Selling, general and administration costs	16,818	17,966	54,227	56,982	81,275
Depreciation (net of transfer from revaluation reserves)	3,115	2,892	11,404	8,470	11,414
	<b>67,276</b>	<b>67,123</b>	<b>204,170</b>	<b>197,332</b>	<b>275,976</b>
<b>Profit from Operations before Other Income and Interest</b>	<b>13,473</b>	<b>13,014</b>	<b>33,237</b>	<b>29,516</b>	<b>36,779</b>
Other income	2,628	4,539	9,188	10,115	11,856
<b>Profit Before Interest</b>	<b>16,101</b>	<b>17,553</b>	<b>42,425</b>	<b>39,631</b>	<b>48,635</b>
Interest	155	268	637	549	790
<b>Profit After Interest for the period/year</b>	<b>15,946</b>	<b>17,285</b>	<b>41,788</b>	<b>39,082</b>	<b>47,845</b>
Provision for taxation	1,452	280	6,534	3,603	7,027
MAT credit entitlement	(2,270)	(1,160)	(2,999)	(2,819)	(3,477)
Provision for taxation - Fringe benefits	(94)	142	147	351	494
<b>Net profit for the period/year</b>	<b>16,858</b>	<b>18,023</b>	<b>38,106</b>	<b>37,947</b>	<b>43,801</b>
Paid up equity share capital (Face value per equity share of Rs. 2 each)	2,566	2,606	2,566	2,606	2,562
Reserves excluding revaluation reserves					<b>281,420</b>
<b>Earnings per equity share of Rs.2 each</b>					
- Basic	13.15	13.26	29.74	27.50	32.30
- Diluted	12.83	13.24	29.36	27.45	32.25
<b>Dividend per share (Face value per equity share of Rs. 2 each)</b>					<b>3.00</b>



**Notes:**

1 The condensed consolidated financial statements of Patni Computer Systems Limited and its subsidiaries have been prepared in accordance with the principles and procedures as prescribed by the Accounting Standard on Consolidated Financial Statements mandated by Rule 3 of the 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 comprises 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. Condensed consolidated financial statements are prepared using uniform accounting policies across the Group.

2 The subsidiaries considered in the consolidated financial statements as at 30 September 2009 are wholly owned subsidiaries, namely Patni Americas, Inc., Patni Computer Systems (UK) Limited, Patni Computer Systems GmbH, Patni Telecom Solutions Inc., Patni Telecom Solutions Private Limited, Patni Telecom Solutions (UK) Limited, Patni Life Sciences Inc., Patni Computer Systems (Czech) s.r.o, Patni Computer Systems Brasil Ltda, PCS Computer Systems Mexico SA de CV and Patni (Singapore) Pte. Ltd.

3 Paid up equity share capital does not include Rs. 188 (2008: Rs. Nil) which represents share application money received from employees, on exercise of stock options, pending allotment of shares.

4 Investor complaints for the quarter ended 30 September 2009:

Pending as on 1 July 2009	Pending as on 1 July 2009	Received during the quarter	Disposed of during the quarter	Unresolved at the end of the quarter
		44	44	

5 Statement of Utilisation of ADS Funds as of 30 September 2009

	No of shares	Price	Amount
Amount raised through ADS (6,156,250 ADSs @ \$20.34 per ADS)	12,312,500	466	57,393
Share issue expenses			3,694
<b>Net proceeds</b>			<b>53,699</b>
<b>Deployment :</b>			
1 Held as short term investments			10,818
			41,673

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2 Utilised for Capital expenditure for office facilities	
3 Exchange loss	1,208
<b>Total</b>	<b>53,699</b>

6 Total Public Shareholding\*

	As of 30 September		As of 31 December
	2009	2008	2008
- Number of Shares	<b>30,465,650</b>	33,819,321	31,086,629
- Percentage of Shareholding	<b>23.74%</b>	25.96%	24.27%

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

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### **Patni Computer Systems Limited**

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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.

	<b>As of 30 September 2009</b>
<b>Promoters and Promoter group Shareholding</b>	
<b>a) Pledge/Encumbered</b>	
- Number of shares	Nil
- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	Nil
- Percentage of shares (as a % of the total share capital of the Company)	Nil
<b>B) Non-encumbered</b>	
- Number of shares	61,974,202
- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	100%
- Percentage of shares (as a % of the total share capital of the Company)	48.30%

7 During the three months ended 30 September 2009, U. S. Internal Revenue Service ( IRS ) completed its 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:

	<b>Three months ended 30 September 2009</b>
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
<b>Total</b>	<b>(5,550)</b>

During the three months ended 30 September 2008, the 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. 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 were included in the income statement for the three months ended 30 September 2008 as mentioned in the table below:

	<b>Three months ended 30 September 2008</b>
Decrease of accrual for Payroll taxes (1)	(1,079)
Reversal of interest expenses (2)	(2,930)
Increase in interest expenses	124
Reduction of Other expense (3)	(428)
Reduction of income taxes -current	(4,448)
Increase in income taxes -deferred	1,869

<b>Total</b>	<b>(6,893)</b>
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(1) Included in personnel costs

(2) Included in Other Income - Interest from Others

(3) Included in Selling, general and administration costs

8 In December 2008, the Company received a Demand of approximately Rs. 4,587 for the Assessment Year 2003-04 including an interest demand of Rs. 2,586 and another Demand in January 2009 of approximately Rs. 11,318 for the Assessment Year 2005-06 including an interest demand of approximately Rs. 4,220. These new demands concern the same issue of disallowance of tax benefits under Section 10A of the Income Tax Act, 1961, as per earlier assessments. The Company has filed an appeal with the tax authorities and stay of demand has been granted till 30 June 2009 or settlement of appeal whichever is earlier. As per stay of demand order, till September 2009, the company has paid a sum of Rs. 660 for the Assessment Year 2003-04 and Rs.1,710 for the Assessment year 2005-06 as regards the matter under appeal. The Company has earlier filed an extension for stay of demand and the same has been granted till 31 October 2009 or settlement of appeal whichever is earlier. On 30 October, 2009, the Company has filed for further extension of stay of demand. 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 our claim under section 10A and raised a demand of Rs. 6,302 for AY 2004-05 and Rs. 2,617 for AY 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 years 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.

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.

9 Mr. Jeya Kumar has been appointed as Chief Executive Officer ( CEO ) of the company with effect from 20 February 2009. The appointment is subject to the approval of the statutory authorities including the Central Government under Section 269 of the Indian Companies Act, and other applicable provisions. The Shareholders approval has been received at the Annual General Meeting held on 25 June 2009.

10 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.

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**11 Segment Information:**

Particulars	Financial services	Insurance	Manufacturing, Retail & Distribution	Communications, Media & Utilities	Product Engineering	Total
<b>For the three months ended 30 September 2009</b>						
Sales and service income	9,835	25,159	22,702	10,726	11,751	80,173
<b>For the nine months ended 30 September 2009</b>						
Sales and service income	31,319	69,869	66,577	32,534	35,482	235,781
<b>Balances as at 30 September 2009</b>						
Sundry debtors	8,147	11,387	16,150	8,827	6,263	50,774
Unbilled revenue	1,504	2,355	4,996	4,038	2,556	15,449
Billings in excess of cost and estimated earnings	(88)	(307)	(603)	(272)	(709)	(1,979)
Advance from customers	(128)	(40)	(189)	(33)	(38)	(428)

Particulars	Financial services	Insurance	Manufacturing, Retail & Distribution	Communications, Media & Utilities	Product Engineering	Total
<b>For the three months ended 30 September 2008</b>						
Sales and service income	10,059	20,256	23,307	14,116	12,223	79,961
<b>For the nine months ended 30 September 2008</b>						
Sales and service income	29,006	54,512	64,295	42,447	35,767	226,027
<b>Balances as at 31 December 2008</b>						
Sundry debtors	7,190	12,389	16,129	11,046	7,755	54,509
Unbilled revenue	1,333	1,054	3,962	6,380	2,219	14,948
Billings in excess of cost and estimated earnings	(509)	(109)	(990)	(492)	(825)	(2,925)
Advance from customers	(42)	(24)	(222)	(29)	(334)	(651)

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 segments as the underlying resources and services are used interchangeably. Fixed assets used in Group's business or liabilities contracted have not been identified to any of the reportable segments, as the fixed assets and services are used interchangeably between segments.

From 1 January 2009, retail, logistics and transportation segment (previously included under 'Others' in the Company's segment information disclosures) has been merged with the manufacturing industry practice (now renamed as Manufacturing, Retail and Distribution). This integration of industry practices is mainly due to similar service offerings, as both require large Enterprise Resource Planning (ERP)

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implementation with significant work towards supply chain management. Further, Energy and utilities segment (previously included under Others in the Company's segment information disclosures) has been merged with the Communications, Media and Entertainment industry practice (now renamed as Communications, Media and Utilities) as the Business Support Systems ( BSS ) platform is commonly used in case of these industry practices. With effect from 1 January 2009 Costs and estimated earnings in excess of billings on uncompleted contracts has been disclosed as Unbilled revenue.

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

13 The above statement of financial results were reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on 31 October 2009.

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

**Mumbai  
31 October 2009**

**Jeya Kumar**  
*Chief Executive Officer*

Table of Contents**Patni Computer Systems Limited**

FAX TO SE

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

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

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

Rs. in lakhs

	Quarter Ended 30 September		Nine months ended 30 September		Year ended 31
	2009	2008	2009	2008	December 2008
Consolidated net income as per Indian GAAP	<b>16,858</b>	18,023	<b>38,107</b>	37,947	43,801
Income taxes	<b>541</b>	455	<b>777</b>	(699)	603
Foreign currency differences	<b>181</b>	80	<b>669</b>	110	731
Employee retirement benefits	<b>427</b>	(89)	<b>(535)</b>	(501)	179
ESOP related Compensation Cost	<b>(336)</b>	(427)	<b>(394)</b>	(1,273)	(1,658)
Impairment of Intangibles			<b>1,396</b>		
Business acquisition	<b>(261)</b>	(176)	<b>(650)</b>	(503)	(711)
Others	<b>(55)</b>	(35)	<b>8</b>	7	(27)
<b>Total</b>	<b>497</b>	(192)	<b>1,271</b>	(2,859)	(883)
Consolidated net income as per US GAAP	<b>17,355</b>	17,831	<b>39,378</b>	35,088	42,918

**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.

Table of Contents**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 2009, as per Indian GAAP (Standalone)**

Rs. in Lakhs except share data

	Quarter ended 30 September		Nine months ended 30 September		Year ended 31 December
	2009 (Audited)	2008 (Audited)	2009 (Audited)	2008 (Audited)	2008 (Audited)
<b>Income</b>					
Sales and service income	43,492	41,464	127,193	110,681	154,102
Other operating income	551	1,450	1,445	680	943
	<b>44,043</b>	<b>42,914</b>	<b>128,638</b>	<b>111,361</b>	<b>155,045</b>
<b>Expenditure</b>					
Personnel costs	21,642	19,385	60,251	53,962	74,254
Selling, general and administration costs	9,315	7,532	29,261	25,971	39,972
Depreciation (net of transfer from revaluation reserves)	2,462	2,218	6,992	6,530	8,783
	<b>33,419</b>	<b>29,135</b>	<b>96,504</b>	<b>86,463</b>	<b>123,009</b>
<b>Profit from operations before Other Income and Interest</b>					
	<b>10,624</b>	<b>13,779</b>	<b>32,134</b>	<b>24,898</b>	<b>32,036</b>
Other income	1,686	1,294	8,233	8,317	9,942
<b>Profit before interest</b>	<b>12,310</b>	<b>15,073</b>	<b>40,367</b>	<b>33,215</b>	<b>41,978</b>
Interest costs	152	327	554	483	648
<b>Profit from Ordinary Activities before tax</b>	<b>12,158</b>	<b>14,746</b>	<b>39,813</b>	<b>32,732</b>	<b>41,330</b>
Provision for taxation	4,161	341	9,080	2,837	5,145
MAT credit entitlement	(2,270)	(1,025)	(2,949)	(2,486)	(3,204)
Provision for taxation - Fringe benefits	(85)	135	129	333	474
<b>Profit after taxation</b>	<b>10,352</b>	<b>15,295</b>	<b>33,553</b>	<b>32,048</b>	<b>38,915</b>
Paid up equity share capital (Face value per equity share of Rs. 2 each)	2,566	2,606	2,566	2,606	2,562
Reserves excluding revaluation reserves					249,542
<b>Earnings per equity share of Rs. 2 each</b>					
- Basic	8.08	11.25	26.19	23.22	28.70
- Diluted	7.85	11.24	25.78	23.19	28.65
<b>Dividend per share (Face value per equity share of Rs. 2 each)</b>					3.00

Notes :



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1 Investor complaints for the quarter ended 30 September 2009:

Pending as on 1 July 2009	Received during the quarter	Disposed of during the quarter	Unresolved at the end of the quarter
	44	44	

2 Statement of Utilisation of ADS Funds as of 30 September 2009

	No of shares	Price	Amount
Amount raised through ADS (6,156,250 ADSs @ \$ 20.34 per ADS)	12,312,500	466	57,393
Share issue expenses			3,694
<b>Net proceeds</b>			<b>53,699</b>
<b>Deployment :</b>			
1 Held as short term investments			10,818
2 Utilised for Capital expenditure for office facilities			41,673
3 Exchange loss			1,208
<b>Total</b>			<b>53,699</b>

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**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 2009, as per Indian GAAP (Standalone) (Contd.)**

3 Total Public Shareholding \*

	As of 30 September		As of
	2009	2008	31 December 2008
- Number of Shares	30,465,650	33,819,321	31,086,629
- Percentage of Shareholding	23.74%	25.96%	24.27%

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

4 Promoters and Promoter group Shareholding

	As of 30 September 2009
<b>a) Pledge/Encumbered</b>	
- Number of shares	Nil
- Percentage of shares (as a % of the total shareholding of promoter group)	Nil
- Percentage of shares (as a % of the total share capital of the Company)	Nil
<b>B) Non-encumbered</b>	
- Number of shares	61,974,202
- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	100%
- Percentage of shares (as a % of the total share capital of the Company)	48.30%

5 Paid up equity share capital does not include Rs. 188 (2008 : Rs. Nil) which represents share application money received from employees, on exercise of stock options, pending allotment of shares.

6 In December 2008, the Company received a Demand of approximately Rs. 4,587 for the Assessment Year 2003-04 including an interest demand of Rs. 2,586 and another Demand in January 2009 of approximately Rs. 11,318 for the Assessment Year 2005-06 including an interest demand of approximately Rs. 4,220. These new demands concern the same issue of disallowance of tax benefits under Section 10A of the Income Tax Act, 1961, as per earlier assessments. The Company has filed an appeal with the tax authorities and stay of demand has been

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granted till 30 June 2009 or settlement of appeal whichever is earlier. As per stay of demand order, till September 2009, the company has paid a sum of Rs. 660 for the Assessment Year 2003-04 and Rs.1,710 for the Assessment year 2005-06 as regards the matter under appeal. The Company has filed an extension for stay of demand and the same has been granted till 31 October 2009 or settlement of appeal whichever is earlier. On 30 October, 2009, the Company has filed for further extension of stay of demand. 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 our claim under section 10A and raised a demand of Rs. 6,302 for AY 2004-05 and Rs. 2,617 for AY 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 years 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.

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

7 During the three months ended 30 September 2008, the US Internal Revenue Service ( IRS ) completed its assessment of tax returns for the years ended 31 March 2003, 2004 and 2005 of the US branch of the Company. Based on the completion of assessment for these years, the Company reversed the excess tax exposure reserves and the related interest accruals 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 for the three months ended 30 September 2008:

	<b>Three months ended 30 September 2008</b>
Reversal of interest expense (i)	(1,314)
Increase in interest expense	182
Reduction of income taxes -current	(3,101)
Increase in income taxes -deferred	757
<b>Total</b>	<b>(3,476)</b>

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(i) Included in Other Income

8 Mr. Jeya Kumar has been appointed as Chief Executive Officer ( CEO ) of the company with effect from 20 February 2009. The appointment is subject to the approval of the statutory authorities including the Central Government under Section 269 of the Indian Companies Act, and other applicable provisions. The Shareholders approval has been received at the Annual General Meeting held on 25 June 2009.

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

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

11 The above statement of financial results were reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on 31 October 2009.

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

**Mumbai  
31 October 2009**

**Mr. Jeya Kumar**  
*Chief Executive Officer*

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**Press Release**

**Patni Q3 Revenues up 3.3% at \$167.2 million**

**Net Income\* up 24.5% QoQ**

**Mumbai, India, October 31, 2009:** Patni Computer Systems Limited (**Patni**) today announced its financial results for the third quarter ended 30th September 2009.

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***\*Important Note:** In Q3 2009, based on prior years tax reviews by IRS, which were concluded during the quarter, certain provisions have been reversed resulting in one time increase in gross profit of US\$ 1.2 million, other income of US\$ 2.1 million and decrease in tax expense of US\$ 8.1 million. Consequently, profit after tax has increased by US\$ 11.4 million for the quarter. Similarly in our Q3 2008 release, prior year's tax reviews by IRS, had resulted in reversal of certain provisions which led to a one time increase in gross profit of US\$ 2.8 million, other income of US\$ 8.3 million and decrease in tax expense of US\$ 7.7 million. Consequently, profit after tax had increased by US\$ 18.7 million for Q3 2008. Variations in Patni's Q3 2008 & Q3 2009 financial performance as a result of such write backs have been referred to as **Extra Ordinary Items** in this press release. Financial Performance excluding these Extra ordinary items has been considered for comparative performance review in this release.*

**Performance Highlights for the quarter ended September 30,2009**

- **Revenues for the quarter at US\$ 167.2 million (Rs.8,040.2 million)**
- Up 3.3% QoQ from US\$ 161.9 million (Rs.7,729.1 million)
- Down 8.9 % YoY from US\$ 183.5 million (Rs. 8,522.5 million)
- Revenue concentration from top client lower at 11.9% against 12.3%, Top 5 up at 38.3% from 37.2%, \$ 1m relationships up at 92 , 7 new clients added during the quarter.

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- **Operating Income for the quarter at US\$ 27.1 million (Rs.1,303.1 million)**
- Up 11.7% QoQ from US\$ 24.3 million (Rs.1,158.3 million)
- Down 2.0% YoY from US\$ 27.6 million (Rs.1,283.9 million)
- Operating Income adjusted for Extra Ordinary items is at US\$25.9 million for the quarter, + 6.9% QoQ and +4.3% YoY .
- **Net Income for the quarter at US\$ 35.7 million (Rs. 1,715.7 million)**
- Up 24.5% QoQ from US\$ 28.7 million (Rs. 1,368.5 million)
- Down 17.2% YoY from US\$ 43.1 million (Rs.2,001.9 million)
- Net income adjusted for Extra Ordinary items is at US\$ 24.3 million for the quarter, (-)15.2% QoQ and (-)0.4% YoY
- **EPS for the quarter at US\$ 0.28 per share (US\$ 0.56 per ADS).**
- EPS adjusted for Extra Ordinary items is at US\$ 0.19 per share (US\$ 0.38 per ADS)

[www.patni.com](http://www.patni.com)

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**Future Outlook:**

- Q4 CY2009 Revenues are expected to be at US\$ 168 million to US\$169 million and Net Income (Excluding the hedging Gain/Loss) is expected to be in the range of US\$ 24 million to US\$ 25 million
- *This guidance is based on constant Rupee -USD rate of Rs.46.5 and constant GBP USD rate of 1.65, EURO-USD rate of 1.40.*
- *Mark to Market foreign exchange gain during Q4 2009 is expected to be in the range of US\$ 1 to \$ 1.5 million based on current estimates. This may change depending on further currency movements during the quarter and will impact our Net Earnings accordingly.*

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**Management Comments**

*Mr. Jeya Kumar, Chief Executive Officer, said, Our Overall performance from the quarter has been ahead of our expectations on all counts. We are very pleased with these results and hard work of our employees in these difficult times. While the global macro economic environment is still thwart with risks and challenges, the fading of solvency risks is positive with stable market place. Deflationary pressure on overall global IT services market is likely to continue for foreseeable future, however the off shoring and global delivery services market share will increase over time. We find ourselves in a good position competitively with our micro vertical focused strategy even as sustained visibility to growth is at least 2-3 quarters away.*

*Speaking on the occasion, Mr. Surjeet Singh, Chief Financial Officer, said, Volumes were up during the quarter and pricing was stable. All customer categories grew on volumes and marginal forex change. Cost realignment gains continued during the quarter as our operating earnings remained ahead of our expectations. With continued investments in geographic expansion, we are confident of capturing faster incremental growth along with inorganic additions besides gains on resultant absorption benefits in our cost base over the next 12- 18 months*

**Corporate Developments**

**Appointments**

• **Key leadership Appointments.**

**Mr. Vijay Mehra** has been appointed as Executive Vice President and Head of Business Verticals. Vijay was until recently, Global CIO at Essar Group of Companies and comes with over 20 years of global management and consulting experience. Vijay will define and boost Patni's micro-verticals strategy, structure, systems and skills.

**Mr. Naresh K. Lakhnarpal**, has been appointed as President, Patni Americas Inc. Naresh has over 23 years of diverse business experience including operations, sales, engineering, product development and strategy.



**Mr. V Mathivanan** , has been appointed President, APAC and will lead this business from Singapore, where Patni has recently established its new regional headquarters. Mathi comes with over 30 years of experience specializing in IT with companies such as Singapore Network Services (SNS) and CrimsonLogic.

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**Innovation**

- **Patni Computer Systems Unveils Cloud Services Strategy**

Patni's first in a series of consulting and software services initiatives designed to help customers accelerate deployment to a cloud environment. The first offering, Patni's Cloud Acceleration Program (CAP), gives independent service providers and application developers a structured, business-driven approach based on Patni's proven process and methodologies that take the guesswork out of transitioning to cloud-based solutions.

**Awards & Recognition**

- **Patni Ranked #7 Preferred Employer in DQ-IDC's Best Employer Survey 2009**

Patni has been conferred the #7 Preferred Employer rank in DQ-IDC's Best Employer Survey 2009 based on an industry-wide employee satisfaction survey. The company was also ranked #16 Best IT Employer after a comprehensive analysis of HR policies across the industry. This rank is significant as it indicates a jump of 13 places from last year for Patni.

- **Patni Named Challenger in Magic Quadrant for Help Desk Outsourcing, North America**

Patni has been positioned by leading industry analyst firm Gartner, Inc., in the Challengers quadrant of its Magic Quadrant for Help Desk Outsourcing, North America 2009 report by Richard Matlus and William Maurer. The report is designed to help corporations identify and evaluate outsourcing external service providers (ESPs) for help desk services.

**Client Initiatives**

- **Patni helps Get Connected deliver innovative online directory of help and support services for young people in crisis**

Patni has collaborated with leading UK charity Get Connected to build a new online directory service, Webhelp 24/7, that will help young people find solutions to a wide range of issues, from coping with mental illness to learning disabilities. Get Connected has also been chosen as Patni's Charity of The Year for the EMEA region.

Table of Contents*(Figures in Million US\$ except EPS and Share Data)***A1) CONSOLIDATED STATEMENT OF INCOME****For the quarter / period ended**

Particulars	Sep 30 2009 (Unaudited)	Extra Ordinary Items**	NON GAAP Sept 2009 (Excluding Extra Ordinary Items)		NON GAAP Sept 2008 (Excluding Extra Ordinary Items)		YoY change %	Jun 30 2009 (Unaudited)	QoQ change %	Non GAAP YoY change %	Non GAAP YoY change %
			Sep 30 2009 (Unaudited)	Extra Ordinary Items	Sep 30 2008 (Unaudited)	Extra Ordinary Items**					
Revenue	167.2		167.2	183.5	183.5	-8.9%	161.9	3.3%	-8.9%		
Cost of revenues	101.1	(1.2)(1)	102.3	117.6	120.4	-14.0%	101.6	-0.5%	-15.0%		
Depreciation	4.0		4.0	4.3	4.3	-7.8%	4.1	-1.1%	-7.8%		
<b>Gross Profit</b>	<b>62.0</b>	<b>1.2</b>	<b>60.9</b>	<b>61.5</b>	<b>58.7</b>	<b>0.9%</b>	<b>56.2</b>	<b>10.3%</b>	<b>3.7%</b>		
Sales and marketing expenses	14.2		14.2	13.2	13.2	7.4%	12.0	18.0%	7.4%		
General and administrative expenses	18.0		18.0	21.2	21.2	-15.2%	15.9	13.5%	-15.2%		
Provision for doubtful debts and advances	0.5		0.5	0.6	0.6	-17.7%	(0.0)	-4630.7%	-17.7%		
Foreign exchange (gain) / loss, net	2.3		2.3	(1.2)	(1.2)	-292.5%	4.1	-45.3%	-292.5%		
<b>Operating income</b>	<b>27.1</b>	<b>1.2(2)</b>	<b>25.9</b>	<b>27.6</b>	<b>24.9</b>	<b>-2.0%</b>	<b>24.3</b>	<b>11.7%</b>	<b>4.3%</b>		
Other income / (expense), net	5.9	2.1(3)	3.8	11.4	8.3(3)	-48.1%	11.2	-47.5%	23.7%		
<b>Income before income taxes</b>	<b>33.0</b>	<b>3.2(4)</b>	<b>29.8</b>	<b>39.0</b>	<b>28.0</b>	<b>-15.4%</b>	<b>35.5</b>	<b>-7.0%</b>	<b>6.4%</b>		
Income taxes	(2.7)	(8.1)(5)	5.5	(4.1)	(7.7)(5)	-34.4%	6.8	-139.4%	53.2%		
<b>Net income/(loss)</b>	<b>35.7</b>	<b>11.4(6)</b>	<b>24.3</b>	<b>43.1</b>	<b>24.4</b>	<b>-17.2%</b>	<b>28.7</b>	<b>24.5%</b>	<b>-0.4%</b>		
<b>Earning per share</b>											
- Basic	\$ 0.28		\$ 0.19	\$ 0.32	\$ 0.18	-12.2%	\$ 0.22	24.4%	5.6%		
- Diluted	\$ 0.27		\$ 0.19	\$ 0.32	\$ 0.18	-14.3%	\$ 0.22	22.0%	3.1%		
<b>Weighted average number of common</b>											

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### shares used in computing earnings per share

- Basic	128,163,437	128,163,437	135,925,454	135,925,454	128,105,795
- Diluted	131,290,834	131,290,834	135,925,454	135,925,454	128,704,643

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\*\* Certain prior years tax review is concluded by IRS and has resulted in net reversal leading to an increase in 2008 & Q3 2009 Gross Profit, Operating Income and Net Income.

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

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**Financial Statements Analysis:**

**Revenues**

Revenues during the quarter were higher by 3.3% sequentially to US\$ 167.2 million (Rs.8,040.2 million), from US\$ 161.9 million (Rs.7,729.1 million) in the preceding quarter. Revenue growth was driven by volume growth of 3.0% (including higher number of days) and 0.3% due to currency impacts. Number of active clients were 283 at quarter end as compared to 294 in Q2 2009.

**Gross Margin**

Gross Margins were at 37.1% or US\$ 62.0 million (Rs.2,983.5 million) against 34.7% or US\$ 56.2 million (Rs.2,684.5 million) in the previous quarter. Gross Profit adjusted for Extra Ordinary Items is at US\$ 60.9 million at 36.4% during the quarter. Improvement in Gross margin is primarily on account of higher utilization and impact of cost rationalization measures.

Overall non cash expense is US\$ 5.4 million which includes depreciation and amortization expenses of US\$ 4.5 million and stock option charge of US\$ 0.9 million. Corresponding expense for Q2 was US\$ 4.6 million for depreciation and amortization and US\$ 0.2 million for stock option charge.

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

Sales and marketing expenses during the quarter were at US\$ 14.2 million (Rs.680.8 million) at 8.5% as compared to US\$ 12.0 million (Rs.572.7 million) at 7.4% in the previous quarter.

G&A expenses during the quarter were at US\$ 18.0 million (Rs.865.7 million) or 10.8% as compared to US\$ 15.9 million (Rs.756.9 million) at 9.8% during the previous quarter. The sequential change is due to period cost change which has got normalized during this quarter.

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Overall non cash expense is US\$ 3.9 million which includes depreciation and amortization expenses at US\$ 2.4 million for the quarter as against US\$ 2.1 million in Q2 2009 and stock option charge at US\$ 1.5 million for the quarter as against US\$ 0.6 million in Q2.

### **Foreign exchange gain/loss**

The revaluation and mark to market foreign exchange loss for the quarter were at US\$ 2.3 million (Rs.108.6 million) as compared to foreign exchange loss of US\$ 4.1 million (Rs.197.2 million) during the previous quarter.

The quarter end rate for debtors revaluation was Rs.48.10. Outstanding contracts at the end of Q3 2009 were about US\$ 287 million which were contracted in the range of Rs.41.1 to Rs 51.2.

### **Operating Income**

Operating Income including foreign exchange gain / loss was at US\$ 27.1 million (Rs.1,303.1 million) or at 16.2% during the quarter. Operating income adjusted a for Extra Ordinary items is at US\$ 25.9 million for the quarter or at 15.5% against US \$24.3 million (Rs.1,158.3 million) or 15.0% during the previous quarter, reflecting an increase of 6.9% on QoQ and 4.3% on YoY basis.

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**Other Income**

For Q3 CY2009, other income (including interest and dividend income net of interest expenses, profit/loss on sale of investments and other miscellaneous income) stood at 3.5% or US\$ 5.9 million (Rs.283.4 million). Other Income adjusted for Extra ordinary items at US\$ 3.8 million at 2.3% during the quarter lower than US\$ 11.2 million during previous quarter due to cyclical change on account of fixed maturity investments.

**Profit before Tax**

Profit before tax for the quarter was at US\$ 33.0 million (Rs.1,586.5 million) or at 19.7% during the quarter. Profit before Tax adjusted for Extra Ordinary items is at US\$ 29.8 million for the quarter or at 17.8% against US \$35.5 million (Rs.1,694.2 million) or 21.9% during the previous quarter, reflecting a sequential decrease of 16.1% and increase by 6.4% on YoY basis.

**Income Taxes**

Income tax for the quarter was at US\$ (-) 2.7 million (Rs.129.2 million). Income Tax after adjustment of Extra Ordinary items is at US\$ 5.5 million at an effective tax rate of 18.3%.

**Net Income**

Consequently, net income for the quarter at 21.3% was US\$ 35.7 million (Rs.1,715.7 million) against US\$ 28.7 million (Rs.1,368.5 million) at 17.7% in the previous quarter. Net income adjusted for Extra Ordinary items at US\$ 24.3 million at 14.5% for the quarter.

**Balance Sheet and Cash Flow changes**

During the quarter, against net income of US\$ 35.7 million (Rs.1,715.7 million), cash from operating activities was at US\$ 34.4 million (Rs. 1,654.2 million) net of changes in current assets and liabilities of US \$ (-) 7.9 million and non cash charges of US\$ 6.6 million. These non cash



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charges comprise of depreciation and amortization including compensation cost of US\$ 9.3 million and other charge of US\$ (-) 2.7 million.

Net cash from investing activities was US\$ 32.7 million (Rs.1,574.1 million) including capital expenditure of US\$ 2.4 million (Rs.113.2 million), investment in investments of US\$ 30.4 million (Rs.1,460.8 million).

Net cash outflow on financing activities was US\$ 0.6 million (Rs.27.5 million) comprising payment of dividend on common shares of US\$ 1.4 million (Rs.66.7 million) and US\$ (-) 0.8 million (Rs.39.2 million) on other financing activities. Over all cash and cash equivalents (including short term investments) post revaluation, were at US\$ 379.9 million (Rs.18,270.6 million), as compared to US\$ 347.6 million (Rs.16,595.5 million) at the close of Q2 2009.

Receivables at the end of Q3 2009 were at US\$105.6 million as compared to US\$ 100.7 million at the end of Q2 2009. Number of days outstanding (Including Unbilled) for the current quarter were 75 days similar to the previous quarter.

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Figures in Million INR except EPS and Share Data

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

For the quarter / period ended

Particulars	Sep 30 2009	Sep 30 2008	Jun 30 2009	2008
<b>Exchange rate\$1 = INR</b>	48.09	46.45	47.74	48.58
Revenue	8,040.2	8,522.5	7,729.1	34,923.4
Cost of revenues	4,863.8	5,463.5	4,851.1	23,007.5
Depreciation	192.8	202.0	193.5	858.2
<b>Gross Profit</b>	<b>2,983.5</b>	<b>2,857.0</b>	<b>2,684.5</b>	<b>11,057.7</b>
Sales and marketing expenses	680.8	612.0	572.7	2,553.2
General and administrative expenses	865.7	985.9	756.9	3,813.5
Provision for doubtful debts and advances	25.3	29.7	(0.6)	79.0
Foreign exchange (gain) / loss, net	108.6	(54.5)	197.2	891.9
<b>Operating income</b>	<b>1,303.1</b>	<b>1,283.9</b>	<b>1,158.3</b>	<b>3,720.1</b>
Other income / (expense), net	283.4	527.9	536.0	1,459.7
<b>Income before income taxes</b>	<b>1,586.5</b>	<b>1,811.8</b>	<b>1,694.2</b>	<b>5,179.8</b>
Income taxes	(129.2)	(190.1)	325.8	252.8
<b>Net income/(loss)</b>	<b>1,715.7</b>	<b>2,001.9</b>	<b>1,368.5</b>	<b>4,927.0</b>
<b>Earning per share</b>				
- Basic	13.39	14.73	10.68	36.44
- Diluted	13.07	14.73	10.63	36.44
<b>Weighted average number of common shares used in computing earnings per share</b>				
- Basic	128,163,437	135,925,454	128,105,795	135,590,677
- Diluted	131,290,834	135,925,454	128,704,643	135,760,422

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**Important Notes to this release:**

- **Fiscal Year**

Patni follows a January - December fiscal year. The current review covers the financial and operating performance of the Company for the third quarter ended September 30, 2009

- **U.S. GAAP**

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

- **Percentage analysis**

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

- **Convenience translation**

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

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

### **About Patni Computer Systems Ltd:**

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

With an employee strength of 13,800; multiple global delivery centers spread across 12 cities worldwide; 27 international offices across the Americas, Europe and Asia-Pacific; Patni has registered revenues of US\$ 719 million for the year 2008.

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

Committed to quality, Patni adds value to its clients' businesses through well-established and structured methodologies, tools and techniques. Patni is an ISO 9001: 2000 certified and SEI-CMMI Level 5 (V 1.2) organization, assessed enterprise wide at P-CMM Level 3. In keeping with its focus on continuous process improvements, Patni adopts Six Sigma practices as an integral part of its quality and process frameworks.

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

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

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

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### *IMPORTANT NOTE:*

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

*-Ends-*

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**Financial and Operating Information**  
*for the quarter ended September 30, 2009*

*October 31, 2009*

**NOTES:**

**Fiscal Year**

Patni follows a January - December fiscal year. The current review covers the financial and operating performance of the Company for the quarter ended September 30, 2009.

**U.S. GAAP**

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

**Percentage analysis**

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

**Convenience translation**

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

**Reclassification**

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



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for the quarter ended September 30, 2009

October 31, 2009

**A1) CONSOLIDATED STATEMENT OF INCOME - US GAAP (US\$ '000)**

For the quarter / period ended

Particulars	Sep 30 2009 (Unaudited)	Extra Ordinary Items**	NON GAAP Sept 2009		Extra Ordinary Items**	NON GAAP Sept 2008 (Excluding Extra Ordinary Items)		YoY change %	Jun 30 2009 (Unaudited)	QoQ change %	Non GAAP YoY	
			(Excluding Extra Ordinary Items)	Sep 30 2008 (Unaudited)		YoY change %	YoY change %					
Revenue	167,190		167,190	183,477		183,477	-8.9%	161,899	3.3%	-8.9%		
Cost of revenues	101,140	(1,158)(1)	102,298	117,621	(2,770)(1)	120,391	-14.0%	101,615	-0.5%	-15.0%		
Depreciation	4,010		4,010	4,349		4,349	-7.8%	4,053	-1.1%	-7.8%		
<b>Gross Profit</b>	<b>62,040</b>	<b>1,158</b>	<b>60,882</b>	<b>61,507</b>	<b>2,770</b>	<b>58,737</b>	<b>0.9%</b>	<b>56,231</b>	<b>10.3%</b>	<b>3.7%</b>		
Sales and marketing expenses	14,157		14,157	13,176		13,176	7.4%	11,995	18.0%	7.4%		
General and administrative expenses	18,002		18,002	21,225		21,225	-15.2%	15,855	13.5%	-15.2%		
Provision for doubtful debts and advances	526		526	639		639	-17.7%	(12)	-4630.7%	-17.7%		
Foreign exchange (gain) / loss, net	2,259		2,259	(1,173)		(1,173)	-292.5%	4,130	-45.3%	-292.5%		
<b>Operating income</b>	<b>27,097</b>	<b>1,158(2)</b>	<b>25,939</b>	<b>27,640</b>	<b>2,770(2)</b>	<b>24,870</b>	<b>-2.0%</b>	<b>24,262</b>	<b>11.7%</b>	<b>4.3%</b>		
Other income / (expense), net	5,894	2,063(3)	3,831	11,362	8,264(3)	3,098	-48.1%	11,227	-47.5%	23.7%		
<b>Income before income taxes</b>	<b>32,990</b>	<b>3,221(4)</b>	<b>29,770</b>	<b>39,002</b>	<b>11,034(4)</b>	<b>27,968</b>	<b>-15.4%</b>	<b>35,489</b>	<b>-7.0%</b>	<b>6.4%</b>		
Income taxes	(2,687)	(8,144)(5)	5,456	(4,093)	(7,654)(5)	3,561	-34.4%	6,824	-139.4%	53.2%		
<b>Net income/(loss)</b>	<b>35,678</b>	<b>11,364(6)</b>	<b>24,313</b>	<b>43,095</b>	<b>18,688(6)</b>	<b>24,407</b>	<b>-17.2%</b>	<b>28,665</b>	<b>24.5%</b>	<b>-0.4%</b>		
<b>Earning per share</b>												
- Basic	\$ 0.28	\$ 0.19	\$ 0.32	\$ 0.18	-12.2%	\$ 0.22	24.4%	5.6%	-15.2%	\$ 0.75	\$ 0.61	
- Diluted	\$ 0.27	\$ 0.19	\$ 0.32	\$ 0.18	-14.3%	\$ 0.22	22.0%	3.1%	-16.9%	\$ 0.75	\$ 0.61	
<b>Weighted average number of common shares used in</b>												

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### computing earnings per share

- Basic	128,163,437	128,163,437	135,925,454	135,925,454	128,105,795	135,590,677	135,590,677
- Diluted	131,290,834	131,290,834	135,925,454	135,925,454	128,704,643	135,760,422	135,760,422

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\*\* Certain prior years tax review is concluded by IRS and has resulted in net reversal leading to an increase in 2008 & Q3 2009 Gross Profit, Operating Income and Net Income.

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

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for the quarter ended September 30, 2009

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

Particulars	As on 30-Sep-09	As on 30-Jun-09	As on 30-Sep-08
<b>Assets</b>			
Total current assets	546,229	516,292	475,252
Goodwill	65,784	65,966	67,125
Intangible assets, net	23,957	25,043	28,383
Property, plant, and equipment, net	146,324	151,006	157,483
Other assets	52,807	50,081	38,055
<b>Total assets</b>	<b>835,101</b>	<b>808,389</b>	<b>766,298</b>
<b>Liabilities</b>			
Total current liabilities	133,234	134,731	150,773
Capital lease obligations excluding current installments	113	133	237
Other liabilities	27,865	39,586	29,054
<b>Total liabilities</b>	<b>161,211</b>	<b>174,450</b>	<b>180,064</b>
Total shareholders' equity	673,889	633,939	586,234
<b>Total liabilities &amp; shareholders' equity</b>	<b>835,101</b>	<b>808,389</b>	<b>766,298</b>

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

Particulars	Sep 30 2009 (Unaudited)	Jun 30 2009 (Unaudited)	Sep 30 2008 (Unaudited)	2008 (Audited)
<b>Net cash provided by operating activities</b>	<b>34,398</b>	<b>43,799</b>	<b>27,147</b>	<b>149,343</b>
<b>Net cash used in investing activities</b>	<b>(32,732)</b>	<b>(29,857)</b>	<b>22,437</b>	<b>(35,532)</b>
Capital expenditure, net	(2,355)	(6,686)	(6,026)	(39,521)
Investment in securities, net	(30,377)	(23,171)	28,463	3,989
<b>Net cash provided / (used) in financing activities</b>	<b>(571)</b>	<b>(7,927)</b>	<b>(54,837)</b>	<b>(64,590)</b>
Others	(43)	(63)	(69)	(293)
Common shares issued / (Buy Back)	860	5	(43,327)	(52,855)
Dividend on common shares	(1,387)	(7,869)	(11,441)	(11,441)
<b>Net increase / (decrease) in cash and equivalents</b>	<b>1,095</b>	<b>6,015</b>	<b>(5,253)</b>	<b>49,222</b>
Effect of exchange rate changes on cash and equivalents	(535)	4,446	(11,122)	(21,709)
Cash and equivalents at the beginning of the period	57,087	46,625	55,111	32,626
<b>Cash and equivalents at the end of the period</b>	<b>57,647</b>	<b>57,087</b>	<b>38,736</b>	<b>60,138</b>

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

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For the quarter / period ended

Particulars			YoY Change			2008
	Sep 30 2009	Sep 30 2008	%	Jun 30 2009	QoQ Change %	
Sales and service income	8,017,247	7,996,102	0.3%	7,796,456	2.8%	31,172,682
Other income	320,406	471,517	-32.0%	577,811	-44.5%	1,288,421
<b>Total income</b>	<b>8,337,653</b>	<b>8,467,619</b>	<b>-1.5%</b>	<b>8,374,267</b>	<b>-0.4%</b>	<b>32,461,103</b>
Staff costs	4,734,238	4,626,485	2.3%	4,440,280	6.6%	18,328,658
Selling, general and administration expenses	1,993,299	2,085,785	-4.4%	2,277,380	-12.5%	9,268,979
Interest	15,531	26,806	-42.1%	19,697	-21.2%	78,959
<b>Total expenditure</b>	<b>6,743,068</b>	<b>6,739,076</b>	<b>0.1%</b>	<b>6,737,357</b>	<b>0.1%</b>	<b>27,676,596</b>
<b>Net profit before tax and adjustments</b>	<b>1,594,585</b>	<b>1,728,543</b>	<b>-7.7%</b>	<b>1,636,910</b>	<b>-2.6%</b>	<b>4,784,506</b>
Provision for taxation	(91,181)	(73,738)	23.7%	277,232	-132.9%	404,366
<b>Profit/(loss) for the period after taxation</b>	<b>1,685,766</b>	<b>1,802,281</b>	<b>-6.5%</b>	<b>1,359,678</b>	<b>24.0%</b>	<b>4,380,140</b>
Profit and loss account, brought forward	20,226,909	16,553,144	22.2%	18,867,237	7.2%	14,560,885
<b>Amount available for appropriation</b>	<b>21,912,675</b>	<b>18,355,425</b>	<b>19.4%</b>	<b>20,226,915</b>	<b>8.3%</b>	<b>18,941,025</b>
Proposed dividend on equity shares			0.0%		0.0%	384,473
Dividend on equity shares			0.0%	5	0.0%	
Dividend tax			0.0%	1	0.0%	65,341
Transfer to general reserve			0.0%		0.0%	389,154
<b>Profit and loss account, carried forward</b>	<b>21,912,675</b>	<b>18,355,425</b>	<b>19.4%</b>	<b>20,226,909</b>	<b>8.3%</b>	<b>18,102,057</b>
<b>Earning per share (Rs. per equity share of Rs. 2 each)</b>						
- Basic	13.15	13.26	-0.8%	10.61	23.9%	32.30
- Diluted	12.83	13.24	-3.1%	10.49	22.3%	32.25
<b>Weighted average number of common shares used in computing earnings per share</b>						
- Basic	128,163,437	135,925,454		128,105,795		135,590,677
- Diluted	131,413,935	136,108,038		129,577,769		135,815,016

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for the quarter ended September 30, 2009

October 31, 2009

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

Particulars	As on 30-Sep-09	As on 30-Jun-09	As on 30-Sep-08
<b>Assets</b>			
Current assets, loans and advances	11,626,250	11,439,194	11,556,213
Goodwill	4,881,590	4,875,305	4,825,306
Fixed assets(Net of Depreciation)	8,448,428	8,666,260	9,028,214
Investments	15,544,306	13,926,908	11,113,595
Deferred tax asset, net	917,102	1,008,307	634,982
<b>Total assets</b>	<b>41,417,676</b>	<b>39,915,974</b>	<b>37,158,310</b>
<b>Liabilities</b>			
Current liabilities and provisions	7,674,864	8,207,205	8,197,901
Secured loans	11,878	13,122	20,771
Deferred tax liability, net	167,441	154,303	129,265
<b>Total liabilities</b>	<b>7,854,183</b>	<b>8,374,630</b>	<b>8,347,937</b>
Total shareholders equity	33,563,493	31,541,344	28,810,373
<b>Total liabilities &amp; shareholders equity</b>	<b>41,417,676</b>	<b>39,915,974</b>	<b>37,158,310</b>

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

Particulars	Sep 30 2009	Jun 30 2009	Sep 30 2008	2008
Cash flows from / (used in) operating activities (A)	1,491,271	2,048,669	903,983	5,814,039
Cash flows used in investing activities (B)	(1,448,150)	(1,332,200)	1,125,514	(1,002,523)
Cash flows from / (used in) from financing activities (C)	(10,186)	(383,269)	(2,466,025)	(2,859,934)
Effect of changes in exchange rates (D)	(330)	43,095	(115,258)	(305,689)
<b>Net decrease in cash and cash equivalents during the period (A+B+C+D)</b>	<b>32,605</b>	<b>376,295</b>	<b>(551,786)</b>	<b>1,645,892</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>2,740,207</b>	<b>2,363,912</b>	<b>2,370,894</b>	<b>1,285,857</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>2,772,812</b>	<b>2,740,207</b>	<b>1,819,108</b>	<b>2,931,750</b>

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

Particulars	Sep 30 2009	Sep 30 2008	Jun 30 2009	2008
<b>Consolidated net income as per Indian GAAP</b>	<b>1,685,800</b>	<b>1,802,281</b>	<b>1,359,678</b>	<b>4,380,116</b>
Income taxes	54,100	45,517	33,244	60,298
Foreign currency differences	18,100	8,040	5,876	73,078
Employee retirement benefits	42,700	(8,896)	(34,239)	17,937
ESOP related Compensation Cost	(33,600)	(42,729)	(31,040)	(165,832)
Impairment of Intangible			139,568	
Amortisation of Intangibles , arising on Business acquisition	(26,100)	(17,614)	(19,667)	(71,055)
Others	(5,500)	(3,463)	5,436	(2,720)
<b>Total</b>	<b>49,700</b>	<b>(19,145)</b>	<b>99,178</b>	<b>(88,293)</b>
<b>Consolidated net income as per US GAAP</b>	<b>1,735,500</b>	<b>1,783,136</b>	<b>1,458,856</b>	<b>4,291,822</b>

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October 31, 2009

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

For the quarter / period ended

Particulars	Sep 30 2009	Sep 30 2008	Jun 30 2009	2008
<b>Exchange rate\$1 = INR</b>	<b>48.09</b>	<b>46.45</b>	<b>47.74</b>	<b>48.58</b>
Revenues	8,040,167	8,522,500	7,729,054	34,923,390
Cost of revenues	4,863,834	5,463,483	4,851,101	23,007,511
Depreciation	192,834	202,032	193,494	858,206
<b>Gross Profit</b>	<b>2,983,500</b>	<b>2,856,985</b>	<b>2,684,459</b>	<b>11,057,673</b>
Sales and marketing expenses	680,788	612,007	572,660	2,553,245
General and administrative expenses	865,707	985,903	756,928	3,813,465
Provision for doubtful debts and advances	25,296	29,682	(554)	78,979
Foreign exchange (gain) / loss, net	108,630	(54,500)	197,170	891,859
<b>Operating income</b>	<b>1,303,078</b>	<b>1,283,892</b>	<b>1,158,256</b>	<b>3,720,124</b>
Other income / (expense), net	283,431	527,894	535,991	1,459,693
<b>Income before income taxes</b>	<b>1,586,508</b>	<b>1,811,787</b>	<b>1,694,246</b>	<b>5,179,816</b>
Income taxes	(129,226)	(190,136)	325,765	252,781
<b>Net income/(loss)</b>	<b>1,715,734</b>	<b>2,001,923</b>	<b>1,368,481</b>	<b>4,927,035</b>
<b>Earning per share</b>				
- Basic	13.39	14.73	10.68	36.44
- Diluted	13.07	14.73	10.63	36.44
<b>Weighted average number of common shares used in computing earnings per share</b>				
- Basic	128,163,437	135,925,454	128,105,795	135,590,677
- Diluted	131,290,834	135,925,454	128,704,643	135,760,422

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

Particulars	As on 30-Sep-09	As on 30-Jun-09	As on 30-Sep-08
<b>Exchange rate\$1 = INR</b>	<b>48.09</b>	<b>47.74</b>	<b>46.45</b>
<b>Assets</b>			
Total current assets	26,268,162	24,647,786	22,075,459
Goodwill	3,163,534	3,149,239	3,117,957
Intangible assets, net	1,152,091	1,195,538	1,318,393
Property, plant, and equipment, net	7,036,709	7,209,016	7,315,093
Other assets	2,539,488	2,390,889	1,767,662



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<b>Total assets</b>	<b>40,159,985</b>	<b>38,592,467</b>	<b>35,594,564</b>
<b>Liabilities</b>			
Total current liabilities	6,407,200	6,432,046	7,003,402
Capital lease obligations excl. installments	5,452	6,366	11,020
Other liabilities	1,340,004	1,889,824	1,349,563
<b>Total liabilities</b>	<b>7,752,656</b>	<b>8,328,236</b>	<b>8,363,985</b>
Total shareholders' equity	32,407,329	30,264,231	27,230,579
<b>Total liabilities &amp; shareholders' equity</b>	<b>40,159,985</b>	<b>38,592,467</b>	<b>35,594,564</b>

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

Particulars	Sep 30 2009	Jun 30 2009	Sep 30 2008	2008
<b>Exchange rate \$1 = INR</b>	<b>48.09</b>	<b>47.74</b>	<b>46.45</b>	<b>48.58</b>
<b>Net cash provided by operating activities</b>	<b>1,654,179</b>	<b>2,090,951</b>	<b>1,260,973</b>	<b>7,255,086</b>
<b>Net cash used in investing activities</b>	<b>(1,574,069)</b>	<b>(1,425,354)</b>	<b>1,042,203</b>	<b>(1,726,132)</b>
Capital expenditure, net	(113,245)	(319,179)	(279,897)	(1,919,918)
Investment in securities, net	(1,460,824)	(1,106,174)	1,322,100	193,786
Investment in subsidiary, net of cash acquired				
<b>Net cash provided / (used) in financing activities</b>	<b>(27,466)</b>	<b>(378,424)</b>	<b>(2,547,184)</b>	<b>(3,137,759)</b>
Others	(2,091)	(3,020)	(3,225)	(14,254)
Common shares issued, net of expenses	41,338	256	(2,012,541)	(2,567,709)
Dividend on common shares	(66,713)	(375,660)	(531,418)	(555,796)
<b>Net increase / (decrease) in cash and equivalents</b>	<b>52,645</b>	<b>287,173</b>	<b>(244,008)</b>	<b>2,391,195</b>
Effect of exchange rate changes on cash and equivalents	(25,713)	212,249	(516,610)	(1,054,639)
Cash and equivalents at the beginning of the period	2,745,303	2,225,901	2,559,912	1,584,970
<b>Cash and equivalents at the end of the period</b>	<b>2,772,235</b>	<b>2,725,323</b>	<b>1,799,294</b>	<b>2,921,526</b>

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**E1 ) REVENUE ANALYSIS**

Revenue By Geographical Segments	Sep 30 2009	Jun 30 2009	Sep 30 2008	2008
Americas	80.8%	80.0%	76.7%	77.0%
EMEA	13.5%	14.2%	17.5%	17.4%
APAC	5.7%	5.8%	5.8%	5.6%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Revenue by Industry Verticals	Sep 30 2009	Jun 30 2009	Sep 30 2008	2008
Insurance	31.2%	29.7%	25.1%	24.7%
Manufacturing, Retail and Distribution	28.4%	27.7%	29.5%	28.9%
Financial Services	12.3%	13.8%	12.5%	12.8%
Communications,Media & Utilities	13.5%	13.7%	17.7%	17.9%
Product Engineering Services	14.6%	15.1%	15.2%	15.8%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Revenue by Service Offerings	Sep 30 2009	Jun 30 2009	Sep 30 2008	2008
Application Development & Maintenance	65.0%	64.9%	64.2%	63.8%
Package software implementation	12.9%	13.8%	15.0%	14.5%
Product Engineering Services	11.1%	11.3%	10.8%	11.2%
Infrastructure Management Services	6.0%	4.7%	4.7%	4.9%
Business Process Outsourcing	5.0%	5.3%	5.2%	5.6%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Revenue by Project Type	Sep 30 2009	Jun 30 2009	Sep 30 2008	2008
Time and Material	57.6%	60.2%	63.2%	64.0%
Fixed Price (including Fixed Price SLA)	42.4%	39.8%	36.8%	36.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

**E2) CLIENT- REVENUE METRICS**

Particulars	Sep 30 2009	Jun 30 2009	Sep 30 2008	2008
Top client	11.9%	12.3%	10.5%	10.7%
Top 5 Clients	38.3%	37.2%	32.9%	32.7%
Top 10 Clients	51.4%	50.1%	45.3%	45.6%

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**Client data**

No of \$1 million clients	92	90	91	92
No of \$5 million clients	27	26	30	30
No of \$10 million clients	16	17	20	19
No of \$50 million clients	2	2	2	2
No of new clients	7	7	27	100
No. of active Clients	283	294	332	331
% of Repeat Business	93.6%	94.5%	94.3%	93.0%

**E3) REVENUE MIX AND UTILIZATION**

	Sep 30 2009	Jun 30 2009	Sep 30 2008	2008
<b>Efforts</b>				
Onsite	26.8%	27.6%	28.2%	28.7%
Offshore	73.2%	72.4%	71.8%	71.3%
<b>Revenue</b>				
Onsite	55.1%	55.5%	58.0%	59.3%
Offshore	44.9%	44.5%	42.0%	40.7%
<b>Utilization</b>	77.0%	74.4%	75.0%	72.1%

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**E4) EMPLOYEE METRICS**

	Sep 30 2009	Jun 30 2009	Sep 30 2008	2008
<b>Total Employees</b>	<b>13,607</b>	<b>13,780</b>	<b>14,701</b>	<b>14,894</b>
Offshore	10,843	11,022	11,662	11,928
Onsite	2,764	2,758	3,039	2,966
<b>Total</b>	<b>13,607</b>	<b>13,780</b>	<b>14,701</b>	<b>14,894</b>
Sales & Support Staff	1,520	1,495	1,511	1,563
Net Additions	(173)	(760)	(343)	(51)
Attrition (LTM) excluding BPO	11.3%	13.2%	20.2%	18.6%

**E5) FACILITIES - INDIA INFRASTRUCTURE (as on Sep 30, 2009)**

Location	Operational**		Under Construction/ Furnishing	
	Built Up Area (Sq ft)	No. of Seats	Built Up Area (Sq ft)	No. of Seats
Mumbai	183,648	1,751		
Navi Mumbai	267,411	3,209		
Airoli	462,845	4,380		
Pune	306,020	3,275		
Gandhinagar	37,014	351		
Noida	501,100	3,756		
Hyderabad	97,497	757		
Bangalore	114,330	1,249		
Chennai	148,000	1,189		
	<b>2,117,865</b>	<b>19,917</b>		

\*\* Owned plus leased

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

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	Sep 30 2009	Sep 30 2008	Jun 30 2009
<b>Rupee</b>			
Period end rate	48.10	46.95	47.90
Period average rate	48.38	44.37	48.74
<b>Other Currencies (Average Rate)</b>			
AUD	0.83	0.89	0.76
EURO	1.43	1.51	1.36
GBP	1.64	1.90	1.55
YEN	0.01	0.06	0.01

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**SIGNATURES**

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

PATNI COMPUTER SYSTEMS LIMITED

Dated: October 31, 2009

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

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