

Patni Computer Systems LTD  
Form 20-F  
February 25, 2011  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, D.C. 20549**

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**FORM 20-F**

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(Mark One)

- REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**
- OR**
- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
**For the fiscal year ended December 31, 2010**
- OR**
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
- OR**
- SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of event requiring this shell company report . . . . .

For the transition period from                      to

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Commission file number 001-32692

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**Patni Computer Systems Limited**  
(Exact name of Registrant as specified in its charter)

**Not applicable**  
(Translation of Registrant's name into English)

**Republic of India**  
(Jurisdiction of incorporation or organization)

**Akruti Softech Park, MIDC Cross Road No.21 Andheri (E), Mumbai 400 093, India +91 22 6693 0500**  
(Address of principal executive offices)

**Surjeet Singh, Chief Financial Officer, +91 22 6693 0500, surjeet.singh@patni.com**  
**Akruti Softech Park, MIDC, Cross Road No. 21, Andheri (E), Mumbai 400 093, India**  
(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

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Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Name of each exchange on which registered
American Depositary Shares, each representing two equity shares, par value Rs. 2 per share. Equity shares, par value Rs. 2 per share*	New York Stock Exchange

\* Not for trading but only in connection with Registration of the ADSs

Securities registered or to be registered pursuant to Section 12(g) of the Act.

**None**  
(Title of Class)

(Title of Class)

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Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

**Not applicable**  
(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

Equity shares: 131,419,080

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes  No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes  No

Note: Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

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Large accelerated filer

Accelerated filer

Non-accelerated filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP

International Financial Reporting Standards as issued  
by the International Accounting Standards Board

Other

If  Other has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17  Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes  No

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**CURRENCY OF PRESENTATION AND CERTAIN DEFINED TERMS**

Unless otherwise stated in this Annual Report or unless the context otherwise requires, references in this Annual Report on Form 20-F, or Annual Report to:

- we, us, , our , our company and Patni are to Patni Computer Systems Limited and its consolidated subsidiaries;
- India are to the Republic of India;
- Japanese Yen or JPY are to the legal currency of Japan; and all references to
- Euro are to the legal currency of the European Union;
- AUD are to the legal currency of the Commonwealth of Australia;
- GBP are to the legal currency of the United Kingdom of Great Britain and Northern Ireland;
- Singapore Dollar and SGD are to the legal currency of Singapore;
- Indian rupees, rupees or Rs. are to the legal currency of India;
- Mexican Pesos or MXN are to the legal currency of Mexico;
- CNY are to the legal currency of China;

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- U.S. dollars, dollars or US \$ or \$ are to the legal currency of the United States; and
- a particular fiscal year are to our fiscal year ended December 31 of such year.

The financial statements have been prepared using U.S. dollars as the reporting currency. In addition, for your convenience, this Annual Report contains translations of certain Indian rupee amounts into U.S. dollar amounts which should not be construed as a representation that those Indian rupee or U.S. dollar amounts could have been, or could be, converted into U.S. dollars or Indian rupees, as the case may be, at any particular rate, the rate stated below, or at all.

Except as otherwise stated in this Annual Report, all translations from Indian rupees to U.S. dollars contained in this Annual Report have been based on the noon buying rate published by the Federal Reserve Board on December 31, 2010 in Indian rupees, which was Rs. 44.80 per \$ 1.00.

Information contained in our websites, including our corporate website, [www.patni.com](http://www.patni.com), is not part of this Annual Report.

### **SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This Annual Report contains forward-looking statements. The forward-looking statements are contained principally in the sections entitled Key Information Risk Factors, Information on the Company, and Operating and Financial Review and Prospects. These statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements include statements about:

- the potential acquisition of our shares and a controlling interest in us by a third party in the same business as us and the risks of integration;
- our ability to attract and retain clients;
- the anticipated benefits and risks associated with our business strategy, including those relating to our current and future service offerings;
- our future operating results;
- the anticipated benefits and risks of our strategic customer relationships and acquisitions;

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- the anticipated size or trends of the market segments in which we compete and the anticipated competition in those markets;
- government regulation and the outcome of any tax, legal or regulatory review, action or litigation; and
- our future capital requirements and our ability to satisfy our capital needs.

In some cases, you can identify forward-looking statements by terminology such as may, will, could, should, expect, plan, intend, and believe, estimate, predict, potential or continue, the negative of such terms or other comparable terminology. These statements are only predictions. Actual events or results may differ materially. In evaluating these statements, you should specifically consider various factors, including the risks outlined in Item 3.D. Key Information Risk Factors. These factors may cause our actual results to differ materially from any forward-looking statement. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievement.



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Forward-looking statements speak only as of the date they are made. Other than required by law, we do not undertake any obligation to update them in light of new information or future developments.

This Annual Report includes statistical data about the IT industry that comes from information published by sources including Gartner, Inc., or Gartner, a provider of market information and strategic information for the IT industry, and the National Association of Software and Service Companies, or NASSCOM, an industry trade group. This type of data represents only the estimates of Gartner, NASSCOM, and other sources of industry data. In addition, although we believe that data from these sources is generally reliable, this type of data is inherently imprecise. We caution you not to place undue reliance on this data.

**PART I**

**ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISORS**

Not applicable.

**ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE**

Not applicable.

**ITEM 3. KEY INFORMATION**

**3.A. Selected financial data**

*The selected consolidated historical financial data set forth below should be read in conjunction with our consolidated financial statements, the notes to those statements and Item 5. Operating and Financial Review and Prospects included elsewhere in this Annual Report. The selected data presented below under the captions Statement of Income Data , Balance Sheet Data and Cash Flow Data , as of and for each of the years in the five-year period ended December 31, 2010, are derived from our audited consolidated financial statements (except for cash dividend per equity share) and have been prepared and presented in accordance with U.S. GAAP. The consolidated financial statements as of December 31, 2009 and 2010, and for each of the years in the three-year period ended December 31, 2010, and the report of our independent registered public accounting firm thereon, are included elsewhere in this Annual Report. Historical results are not necessarily indicative of the results to be expected for any future period.*



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	Fiscal Year ended December 31,					2010
	2006	2007	2008	2009		
(in thousands, except share data and per share)						
<b>Statement of Income Data</b>						
Net Revenues	\$ 578,851	\$ 662,912	\$ 718,884	\$ 655,918	\$ 701,699	
Cost of revenues	373,966	450,085	491,266	421,309	455,947	
Gross Profit	\$ 204,885	\$ 212,827	\$ 227,618	\$ 234,609	\$ 245,752	
Selling, general and administrative	106,472	116,260	131,056	122,010	134,106	
Provision for doubtful debts and advances	1,191	1,182	1,626	2,267	619	
Foreign exchange (gain) loss, net	2,748	(23,351)	18,359	9,693	(22,009)	
Operating Income	\$ 94,474	\$ 118,736	\$ 76,577			