

Patni Computer Systems LTD
Form 6-K
April 27, 2011

**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 April 27, 2011

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

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.

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Yes No

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



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
	2011 (Unaudited)	2010 (Unaudited)	December 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:

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

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(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 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.

- 4 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.

Summary of consolidated financial statements prepared as per US GAAP - Convenience translation

in lakhs except share data

	Quarter ended 31 March		Year ended 31
	2011 (Unaudited)	2010 (Unaudited)	December 2010 (Audited)
Exchange Rate ()	44.54	44.95	44.80
Net Revenues	84,766	77,454	314,361
Cost of revenues	56,723	47,770	204,264
Gross profit	28,043	29,684	110,097
Selling, general and administrative expenses	16,194	15,557	60,357
Foreign exchange gain, net	-2,432	-2,143	-9,860
Operating income	14,281	16,270	59,600
Interest and dividend income	1,701	1,778	6,000
Interest expense	-47	-218	-472
Interest expense reversed			477
Gain on sale of investments, net	424	270	2,510
Equity in losses of affiliate	-34		-49
Other income, net	81	151	261
Income before income taxes	16,406	18,251	68,327
Income taxes	4,608	3,281	8,663
Net Income	11,798	14,970	59,664
Earning per share			
- Basic	8.94	11.58	45.86
- Diluted	8.74	11.24	44.58
Total assets	405,845	436,657	391,007
Cash and cash equivalents	23,576	26,394	35,273
Investments	144,651	187,557	127,069

Disclaimer:

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

By Order of the Board
for Patni Computer Systems Limited

Mumbai
27 April 2011

Jeya Kumar
Chief Executive Officer

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

	2011 (Audited)	Quarter ended 31 March 2010 (Audited)	Year ended 31 December 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:

- 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

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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