

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.

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

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.

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

(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) | 1,292 | (1,761) |
| 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

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

recovered. The amounts shown in respect of accumulated reserves comprise of the amount of the relevant reserves as per the balance sheet of the Parent Company and its share in the post acquisition increase/decrease in the relevant reserves/accumulated deficit of its subsidiaries. The interest in Joint Venture is reported using proportionate consolidation method. Consolidated financial statements are prepared using uniform accounting policies across the Group.

2 The subsidiaries considered in the consolidated financial statements as at 31 March 2011 are wholly owned subsidiaries, namely Patni Americas, Inc., Patni Computer Systems (UK) Limited, Patni Computer Systems GmbH, Patni Telecom Solutions Inc., Patni Telecom Solutions Private Limited, Patni Telecom Solutions (UK) Limited, Patni Life Sciences Inc.(Merged with Patni Americas Inc effective 1 October 2010), Patni Computer Systems Brasil Ltda (till October 2010), Patni Computer Systems (Czech) s.r.o, PCS Computer Systems Mexico SA de CV, Patni (Singapore) Pte. Limited., Patni Computer Systems Japan Inc. (with effect from 3 June 2010), CHCS Services Inc. (with effect from 9 June 2010), Patni Computer Systems (Suzhou) Co., Limited (with effect from 18 August 2010) and Patni Computer Systems Software (Dalian) Limited (with effect from 9 November 2010).

3 Investor complaints for the three months ended 31 March 2011

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

4 Statement of Utilisation of ADS Funds as of 31 March 2011

| | No of shares | Price | Amount |
|--|--------------|-------|---------------|
| Amount raised through ADS (6,156,250 ADSs @ \$20.34 per ADS) | 12,312,500 | 466 | 57,393 |
| Share issue expenses | | | 3,694 |
| Net proceeds | | | 53,699 |

Deployment :

| | |
|--|---------------|
| 1 Held as short term investments | 8,046 |
| 2 Utilised for Capital expenditure for office facilities | 44,445 |
| 3 Exchange loss | 1,208 |
| Total | 53,699 |

5 Total Public Shareholding*

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

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

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

| Promoters and Promoter group Shareholding | As of 31 March 2011 | As of 31 March 2010 | As of 31 December 2010 |
|---|------------------------|------------------------|---------------------------|
| a) Pledged/Encumbered | | | |
| - Number of shares | Nil | Nil | Nil |
| - Percentage of shares (as a % of the total shareholding of promoters and promoter group) | Nil | Nil | Nil |
| - Percentage of shares (as a % of the total share capital of the Company) | Nil | Nil | Nil |
| B) Non-encumbered | | | |
| - Number of shares | 60,091,202 | 60,091,202 | 60,091,202 |
| - Percentage of shares (as a % of the total shareholding of promoters and promoter group) | 100% | 100% | 100% |
| - Percentage of shares (as a % of the total share capital of the Company) | 45.04% | 46.46% | 45.72% |

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

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.

- 7 In December 2008, the Company received a demand of approximately 4,587 for the Assessment Year 2003-04 including an interest demand of 2,586 and another demand in January 2009 of approximately 11,330 for the Assessment Year 2005-06 including an interest demand of approximately 4,225. These new demands concern the same issue of disallowance of tax benefits under Section 10A of the Indian Income Tax Act, 1961 (ACT) as per earlier assessments. Subsequently, in June 2010, the Company has filed an extension for stay of demand. As per stay of demand order, till March 2011, the Company has paid sum of 660 for the Assessment Year 2003-04 and 2,391 for the Assessment Year 2005-06 as regards the matter under appeal. Management considers these demands as not tenable against the Company, and therefore no provision for this tax contingency has been established.

The Tax department had earlier rejected the Company's claim under section 10A and raised a demand of 6,302 for Assessment Year 2004-05 and 2,617 for Assessment Year 2002-03 in December 2006 and December 2007 respectively. However on appeal in 2008, the CIT (Appeals) had allowed the claim under section 10A of the Income Tax Act, 1961. The Indian Income tax department has appealed against the CIT (Appeals) orders in respect of Assessment Year 2002-03 and 2004-05 in the tribunal. Management considers these demands as not tenable against the Company and, therefore, no provision for this tax contingency has been established.

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

In December 2010, the Income tax department has issued draft assessment order for Assessment Year 2007-08 disallowing tax benefits under Section 10A of the Act as per the earlier assessments, as well as making a Transfer Pricing Adjustment for delayed recoveries from Associates Enterprises. The Company has filed the objections against the draft order before the Dispute Resolution Panel (DRP) 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.

- 8 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.

9 Segment Information:

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

| Particulars | Financial services | Insurance | Manufacturing, Retail & Distribution | Communications, Media & Utilities | Product Engineering | Total |
|---|--------------------|-----------|--------------------------------------|-----------------------------------|---------------------|--------|
| For the three months ended 31 March 2010 | | | | | | |
| Sales and service income | 9,185 | 22,795 | 24,012 | 9,457 | 12,714 | 78,163 |
| Balances at 31 December 2010 | | | | | | |
| Sundry debtors | 5,470 | 15,270 | 17,026 | 7,195 | 9,424 | 54,385 |
| Unbilled revenue | 1,292 | 2,559 | 4,474 | 2,596 | 2,968 | 13,889 |
| Billings in excess of cost and estimated earnings | -318 | -419 | -1,259 | -436 | -5,587 | -8,019 |
| Advance from customers | -158 | -98 | -246 | -95 | -62 | -659 |

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

Industry segments of the Company comprise financial services, insurance services, manufacturing, retail and distribution companies, communications, media and utilities, and technology services (comprising independent software vendors and product engineering). The Company evaluates segment performance and allocates resources based on revenue growth. Revenue in relation to segments is categorized based on items that are individually identifiable to that segment. Costs are not specifically allocable to individual segment as the underlying resources and services are used interchangeably. Property, plant and equipment used in the Company's business or liabilities contracted have not been identified to any of the reportable segments, as the property, plant and equipment and services are used interchangeably between segments.

- 10 Previous period's figures have been appropriately reclassified/regrouped to conform to the current period's presentation.
- 11 The above statement of financial results was reviewed by the Audit Committee and approved by the Board of Directors at its adjourned meeting held on 27 April 2011.

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

Mumbai

Jeya Kumar

27 April 2011

Chief Executive Officer

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

in lakhs

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

Note:

The consolidated net income as per USGAAP shown in the table above differs from the consolidated net income shown under Summary of financial statements prepared as per USGAAP - Convenience Translation for reasons explained below the same table.

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

in Lakhs except share data

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

Notes :

1 Investor complaints for the quarter ended 31 March 2011

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

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

2 Statement of Utilisation of ADS Funds as of 31 March 2011

| | No of shares | Price | Amount |
|--|--------------|-------|---------------|
| Amount raised through ADS (6,156,250 ADSs @ \$ 20.34 per ADS) | 12,312,500 | 466 | 57,393 |
| Share issue expenses | | | 3,694 |
| Net proceeds | | | 53,699 |
| Deployment : | | | |
| 1 Held as short term investments | | | 8,046 |
| 2 Utilised for Capital expenditure for office facilities | | | 44,445 |
| 3 Exchange loss | | | 1,208 |
| Total | | | 53,699 |

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

3 Total Public Shareholding *

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

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

4 Promoters and Promoter group Shareholding

| | As of 31 March 2011 | As of 31 March 2010 | Year ended 31 December 2010 |
|---|------------------------|------------------------|--------------------------------|
| a) Pledge/Encumbered | | | |
| - Number of shares | Nil | Nil | Nil |
| - Percentage of shares (as a % of the total shareholding of promoter group) | Nil | Nil | Nil |
| - Percentage of shares (as a % of the total share capital of the Company) | Nil | Nil | Nil |
| B) Non-encumbered | | | |
| - Number of shares | 60,091,202 | 60,091,202 | 60,091,202 |
| - Percentage of shares (as a % of the total shareholding of promoters and promoter group) | 100% | 100% | 100% |
| - Percentage of shares (as a % of the total share capital of the Company) | 45.04% | 46.46% | 45.72% |

- 5 In December 2008, the Company received a demand of approximately ₹ 4,587 for the Assessment Year 2003-04 including an interest demand of ₹ 2,586 and another demand in January 2009 of approximately ₹ 11,330 for the Assessment Year 2005-06 including an interest demand of approximately ₹ 4,225. These new demands concern the same issue of disallowance of tax benefits under Section 10A of the Indian Income Tax Act, 1961 (ACT) as per earlier assessments. Subsequently, in June 2010, the Company has filed an extension for stay of demand. As per stay of demand order, till December 2010, the Company has paid sum of ₹ 660 for the Assessment Year 2003-04 and ₹ 2,391 for the Assessment Year 2005-06 as regards the matter under appeal. Management considers these demands as not tenable against the Company, and therefore no provision for this tax contingency has been established.

The Tax department had earlier rejected the Company's claim under section 10A and raised a demand of ₹ 6,302 for Assessment Year 2004-05 and ₹ 2,617 for Assessment Year 2002-03 in December 2006 and December 2007 respectively. However on appeal in 2008, the CIT (Appeal) had allowed the claim under section 10A of the Income Tax Act, 1961. The Indian Income tax department has appealed against the CIT (Appeals) orders in respect of Assessment Year 2002-03 and 2004-05 in the tribunal. Management considers these demands as not tenable against the Company and, therefore, no provision for this tax contingency has been established.

In November 2010, the Company has received demand order for Assessment Year 2006-07 for a sum of ₹ 12,618 including an interest demand of ₹ 4,417 disallowing tax benefits under Section 10A of the Act as per the earlier assessments, as well as making a Transfer Pricing Adjustment for the Company's BPO operations. The Company has filed the appeal before the Indian Income Tax Appellate Tribunal and also filed an appeal for the stay of demand with the tax department. Management considers these disallowances as not tenable

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

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.

- 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 Pan-Asia iGATE Solutions and iGATE Global Solutions Limited entered into share and securities purchase agreement, on 10 January 2011, with the promoter group of Patni and General Atlantic Mauritius Limited to acquire 63% equity interest of the Company at a price of 503.50 per share, subject to fulfillment of certain conditions.
- 8 Pursuant to and in compliance with, among others, SEBI Take Over Regulations, Pan-ASIA iGATE Solutions and iGATE Global Solutions Limited along with iGATE Corporation have made an Open Offer to acquire 2,70,85,565 shares representing 20% (diluted equity capital) of Patni Computer Systems Limited at a price of 503.50 per share. The Offer opens on 8 April 2011 and closes on 27 April 2011.
- 9 Previous period figures have been appropriately reclassified / regrouped to conform to the current period s presentation.
- 10 The above statement of financial results was reviewed by the Audit Committee and approved by the Board of Directors at its adjourned meeting held on 27 April 2011.

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

**Mumbai
27 April 2011**

**Mr. Jeya Kumar
Chief Executive Officer**

Press Release

Patni's Q1 2011 Revenue at \$190.3M, up 4% QoQ

Mumbai, India, April 27, 2011: Patni Computer Systems Limited (**Patni**) today announced its financial results for the first quarter ended 31st March 2011

****Important Note:** During Q4 10, based on reviews of certain tax positions for previous years, an amount of US\$ 7.5 million was written back. Consequently, profit after tax increased by US\$ 7.4 million in 2010. This Variation is referred to as **Extra Ordinary Items** in this press release and have been separately shown as exclusion for non-GAAP presentation in respective lines of other income, tax expense and net income, for comparative purposes and should be read together with the reported US GAAP results.*

Performance Highlights for the quarter ended March 31,2011

- **Revenues for the quarter at US\$190.3. million (8,476.6million)**
- Up 4.0% QoQ from US\$ 183.0 million (8,200.3 million)
- Up 10.4% YoY from US\$ 172.3 million (7,745.4 million)
- Revenue concentration of Top 10 Customers also reduced to 45.7% from 48.8% in previous quarter

- **Operating Income for the quarter at US\$32.1 million (1428.1 million)**
- Down 3.2% QoQ from US\$ 33.1 million (1,483.1 million)
- Down 11.4% YoY from US\$ 36.2 million (1,627.0 million)
- Effective Tax Rate for the quarter at 28% against 15% in previous quarter and 17% for full year 2010 excluding Extra Ordinary items.

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

- **Net Income for the quarter at US\$26.5 million (1179.8 million)**
- Down 32.8% QoQ from US\$ 39.4 million (1,764.6 million)
- Adjusted for Extra Ordinary items down by 16.8% from US\$ 31.8 million for the previous quarter
- Down 20.5% YoY from US\$ 33.3 million (1,497.1 million)
- **EPS for the quarter at US\$ 0.20 per share (US\$ 0.40 per ADS).**

Management Comments

Mr. Jeya Kumar, Chief Executive Officer, said, Our performance during the quarter was in line with our expectations. Continued focus on serving our customers and all stakeholders along with integration planning process with iGATE were the major highlights of the quarter. Our recent deal wins are reflective of our strategy to focus on differentiating in micro verticals. While the short term results may have volatility, long term prospects of the combined organization post the change of control are strong and compelling .

Speaking on the occasion, Mr. Surjeet Singh, Chief Financial Officer, said, All parameters of operating and financial metrics were in line with our estimates. We continue to manage cost structures and forex risks well

Client Wins

We won four new multiyear multiservice contracts of **\$ 25- 30M total contract value** each. In EMEA, the contracts were with a major international Healthcare provider and a major international service provider operating in the public sector in the UK. In the US, the contracts with leading Customer Care company and a company dealing in Forest Products.

Financial and Operating Information

for the quarter

(Figures in Million US\$ except EPS and Share Data)

UNAUDITED CONSOLIDATED STATEMENT OF INCOME US GAAP (US\$ '000) for the quarter/ period end

| Particulars | GAAP | | NON GAAP Dec 31 2010 | | GAAP | | NON GAAP 2010 | | | | |
|---|-------------|-------------|----------------------|-------------|---------------|-------------------------|---|-------------------|----------------|------------------------|---|
| | Mar 31 2011 | Mar 31 2010 | YoY change % | Dec 31 2010 | QoQ change % | Extra Ordinary items ** | Dec 31 2010 (Excl Extra Ordinary Items) | QoQ Change % 2010 | GAAP (Audited) | Extra Ordinary Items** | NON GAAP (Excluding Extra Ordinary items) |
| Revenue | 190.3 | 172.3 | 10.4% | 183.0 | 4.0% | | 183.0 | 4.0% | 701.7 | | 701.7 |
| Cost of revenues | 123.2 | 102.2 | 20.5% | 118.1 | 4.3% | | 118.1 | 4.3% | 439.0 | | 439.0 |
| Depreciation | 4.1 | 4.0 | 1.9% | 4.3 | -3.6% | | 4.3 | -3.6% | 17.0 | | 17.0 |
| Gross Profit | 63.0 | 66.0 | -4.7% | 60.6 | 3.9% | | 60.6 | 3.9% | 245.8 | | 245.8 |
| Sales and marketing expenses | 17.6 | 15.9 | 11.3% | 15.8 | 11.4% | | 15.8 | 11.4% | 61.7 | | 61.7 |
| General and administrative expenses | 18.9 | 18.2 | 3.9% | 19.6 | -3.8% | | 19.6 | -3.8% | 72.4 | | 72.4 |
| Provision for doubtful debts and advances | (0.2) | 0.6 | -127.7% | 0.2 | -190.7% | | 0.2 | -190.7% | 0.6 | | 0.6 |
| Foreign exchange (gain) / loss, net | (5.5) | (4.8) | 14.5% | (8.1) | -32.8% | | (8.1) | -32.8% | (22.0) | | (22.0) |
| Operating income | 32.1 | 36.2 | -11.4% | 33.1 | -3.2% | | 33.1 | -3.2% | 133.0 | | 133.0 |
| Other income / (expense), net | 4.8 | 4.4 | 8.2% | 5.6 | -15.1% | 1.4(1) | 4.3 | 12.0% | 19.5 | 1.1(1) | 18.4 |
| Income before income taxes | 36.8 | 40.6 | -9.3% | 38.7 | -4.9% | 1.4(2) | 37.4 | -1.4% | 152.5 | 1.1(2) | 151.5 |
| Income taxes | 10.3 | 7.3 | 41.8% | (0.7) | -1658.7% | (6.2)(3) | 5.5 | 87.1% | 19.3 | (6.3)(3) | 25.6 |
| Net income/(loss) | 26.5 | 33.3 | -20.5% | 39.4 | -32.8% | 7.5(4) | 31.8 | -16.8% | 133.2 | 7.4(4) | 125.8 |
| Earning per share | | | | | | | | | | | |
| - Basic | \$ 0.20 | \$ 0.26 | -22.1% | \$ 0.30 | -33.2% | | \$ 0.24 | -17.3% | \$ 1.02 | | \$ 0.97 |
| - Diluted | \$ 0.20 | \$ 0.25 | -21.5% | \$ 0.29 | -33.0% | | \$ 0.24 | -17.1% | \$ 0.99 | | \$ 0.94 |
| Weighted average number of common shares used in computing earnings per share | | | | | | | | | | | |
| - Basic | 131,991,869 | 130,251,485 | | 131,142,633 | | | 131,142,633 | | 130,101,442 | | 130,101,442 |

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

| | | | | | | |
|-----------|-------------|-------------|-------------|-------------|-------------|-------------|
| - Diluted | 134,910,508 | 133,200,892 | 134,506,173 | 134,506,173 | 133,848,374 | 133,848,374 |
|-----------|-------------|-------------|-------------|-------------|-------------|-------------|

** Reviews of certain tax positions for previous years has resulted in net reversal leading to an increase in 2010 Net Income.

(1) - Due to write back of provision for interest/ penalties of earlier years

(2) - Impact of 1

(3) - Due to write back of provision for income tax of earlier years

(4) - Impact of 2 and 3

Financial Statements Analysis:

Revenues

Revenues during the quarter were in line with expectation at US\$ 190.3 million (8,476.6 million) representing a sequential increase of 4.0% from US\$ 183.0 million (8,200.3 million). Constant currency revenues were up 3.6% on account of volume. Number of active clients was 299 at quarter end as compared to 297 in Q4 2010. New client acquisitions during the quarter were 14.

Gross Margin

Gross Margins were at 33.1% or US\$ 63.0 million (2,804.3 million) against 33.1% or US\$ 60.6 million (2,716.1 million) in the previous quarter. Gross Margin flat compared to last quarter. Marginal reduction in utilization is due to offshore bench and is set off by operating efficiencies.

Non cash expenses in CGS line were US\$ 5.6 million which include depreciation and amortization expenses of US\$ 5.1 million and stock option charge of US\$ 0.5 million. Corresponding expenses for Q4 10 were US\$ 5.2 million for depreciation and amortization and US\$ 0.8 million for stock option charge.

Selling General and Administrative Expenses (SGA Expenses)

Sales and marketing expenses during the quarter were at US\$ 17.6 million (785.7 million) at 9.3% as compared to US\$ 15.8 million (709.2 million) at 8.6% in the previous quarter due period costs

G&A expenses during the quarter were at US\$18.9 million (840.9 million) at 9.9% as compared to US\$ 19.6 million (879.6 million) at 10.7%.

Non cash expenses in SGA for the quarter were US\$ 4.0 million as compared to US\$ 4.1 million in previous quarter which includes depreciation and amortization expenses at US\$ 2.2 million for the quarter as compared to US\$ 2.0 million in previous quarter and stock option charge at US\$ 1.8 million for the quarter as compared to US\$ 2.1 million in previous quarter).

Foreign exchange gain/loss

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

The revaluation and mark to market foreign exchange gain for the quarter were at US\$5.5 million (243.2 million) as compared to foreign exchange gain of US\$ 8.1 million (363.8 million) during the previous quarter.

The quarter end rate for debtor s revaluation was 44.58. Outstanding contracts at the end of Q1 2011 were about US\$ 295 million which are contracted at an overall average rate of 47.6 against average rupee cost rate of 45.3

Operating Income

Operating Income including foreign exchange gain / loss was at US\$ 32.1 million (1428.1million) or at 16.8% during the quarter as compared to US\$ 33.1 million (1,483.1 million) or at 18.1% during previous quarter.

Other Income

For Q1 CY2011, other income (including interest and dividend income net of interest expenses, profit/loss on sale of investments and other miscellaneous income) stood at 2.5% or US\$ 4.8 million (212.6 million) during the quarter as compared to 3.1% or US\$ 5.6 million (251.7 million) during previous quarter.

Other Income adjusted for Extra ordinary items is at US\$ 4.3 million or at 2.3% during the previous quarter.

Profit before Tax

Profit before tax for the quarter at 19.4% was US\$ 36.8 million (1640.6 million), as compared to 21.2% or US\$ 38.7 million (1,734.8 million) during previous quarter. Profit before Tax adjusted for Extra Ordinary is at US\$ 37.4 million or at 20.4% during the previous quarter.

Income Taxes

Income tax for the quarter was at US\$ 10.3 million (460.9 million) at an effective rate of 28.1%. Income Tax adjusted for extra ordinary items was at US\$ 5.5 million at an effective tax rate of 14.8% during the previous quarter.

Net Income

Consequently, net income for the quarter is at 13.9% at US\$ 26.5 million (1,179.8 million), lower by 32.8% as compared to previous quarter net income of US\$ 39.4 million (1,764.6 million) at 21.5%. Net Income adjusted for Extra ordinary items for previous quarter was at US\$ 31.8 million at 17.4% lower by 16.8% as compared to previous quarter.

Balance Sheet and Cash Flow changes

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

During the quarter, against net income of US\$ 26.5 million (1,179.8 million), cash from operating activities was at US\$ 11.2 million (499.4 million), net of changes in current assets and liabilities of US\$ (-)20.6 million (918.4 million), non cash charges comprise of depreciation and amortization including compensation cost of US\$ 9.6 million and other adjustments of US\$ (-) 4.2 million (comprising of deferred taxes US\$2.3 million, deferred cancellation losses relating to roll over cash flow hedges US\$0.8 million).

Over all cash and cash equivalents (including short term investments) post translation loss of US\$ 2.7 million, cash received from issuances of stock against stock options US\$ 4.2 million, capex of US\$ 4.4 million

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

were therefore at US\$ 377.7 million (16,822.6 million),as compared to US\$ 362.4 million (16,234.2 million) at the close of previous quarter.

Receivables at the end of Q1 2011 were at US\$ 114.1 million (5,080,4 million) as compared to US\$ 121.6 million at the end of Q4 2010.
Number of days outstanding (Including Unbilled receivables) for current quarter was 77 days as compared to 71 days in Q4 2010

Figures in Million INR except EPS and Share Data

UNAUDITED CONSOLIDATED STATEMENT OF INCOME : BASED ON CONVENIENCE TRANSLATION

For the quarter / period ended

| Particulars | Mar 31 2011 | Mar 31 2010 | Dec 31 2010 | 2010 |
|--|----------------|----------------|----------------|-----------------|
| Exchange rate \$1 = INR | 44.54 | 44.95 | 44.80 | 44.80 |
| Revenue | 8,476.6 | 7,745.4 | 8,200.3 | 31,436.1 |
| Cost of revenues | 5,488.9 | 4,595.5 | 5,293.0 | 19,666.7 |
| Depreciation | 183.3 | 181.5 | 191.2 | 759.7 |
| Gross Profit | 2,804.3 | 2,968.4 | 2,716.1 | 11,009.7 |
| Sales and marketing expenses | 785.7 | 712.7 | 709.2 | 2,765.5 |
| General and administrative expenses | 840.9 | 816.9 | 879.6 | 3,242.5 |
| Provision for doubtful debts and advances | -7.2 | 26.1 | 7.9 | 27.7 |
| Foreign exchange (gain) / loss, net | (243.2) | (214.3) | (363.8) | (986.0) |
| Operating income | 1,428.1 | 1,627.0 | 1,483.1 | 5,960.0 |
| Other income / (expense), net | 212.6 | 198.2 | 251.7 | 872.7 |
| Income before income taxes | 1,640.6 | 1,825.2 | 1,734.8 | 6,832.7 |
| Income taxes | 460.9 | 328.1 | -29.7 | 866.3 |
| Net income/(loss) | 1,179.8 | 1,497.1 | 1,764.6 | 5,966.4 |
| Earning per share | | | | |
| - Basic | 8.94 | 11.58 | 13.46 | 45.86 |
| - Diluted | 8.74 | 11.24 | 13.12 | 44.58 |
| Weighted average number of common shares used in computing earnings per share | | | | |
| - Basic | 131,991,860 | 129,251,485 | 131,142,633 | 130,101,442 |
| - Diluted | 134,910,508 | 133,200,892 | 134,506,173 | 133,848,374 |

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 quarter ended March 31, 2011

- **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.

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

About Patni Computer Systems Ltd:

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

Patni Computer Systems Limited (Patni) (**BSE: 532517, NSE: PATNI, NYSE: PTI**) is a global provider of IT services and business solutions, servicing global 2000 clients. Patni services its clients through its micro-vertical focus in banking, financial services (BFS) and insurance (I); manufacturing, retail, and distribution (MRD); life sciences; communications, media, and utilities (CMU).

With an employee strength of over 17,500; multiple global delivery centers spread across 16 cities worldwide; 30 international offices across the Americas, Europe-Middle East-Africa (EMEA), and Asia-Pacific; Patni has registered revenues of US\$ 702 million for the year 2010.

Patni's service offerings include application development and management, enterprise software & systems integration services, 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: 2008 certified and SEI-CMMI-Dev Level 5 (V 1.2) organization. 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.

FOR MORE INFORMATION PLEASE CONTACT:

Investor Relations:

Gaurav Agarwal, Patni US; +1-617-914-8360; investors@patni.com

Gavin Desa, Citigate Dewe Rogerson India; +91-22-4007 5037; gavin@cdr-india.com

Media Relations:

Shweta Ratnaparkhi, Patni India; +91-22-6693 0500; shweta.ratnaparkhi@patni.com

Hiro Notaney, Patni Americas Inc; +1-408-934-4859, hiro.notaney@patni.com

IMPORTANT NOTE:

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

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-

Financial and Operating Information
for the quarter ended March 31, 2011

April 27, 2011

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 March 31, 2011.

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.

Fact Sheet Summary Index

| Ref Number | Description | Page No. |
|-------------------|---|-----------------|
| A | <u>US GAAP Financials</u> | |
| <u>A1</u> | <u>Consolidated Statement of Income</u> | 3 |
| <u>A2</u> | <u>Consolidated Balance Sheet</u> | 4 |
| <u>A3</u> | <u>Consolidated Cash Flow Statement</u> | 4 |
| B | <u>Indian GAAP Financials</u> | |
| <u>B1</u> | <u>Consolidated Statement of Income</u> | 4 |
| <u>B2</u> | <u>Consolidated Balance Sheet</u> | 5 |
| <u>B3</u> | <u>Consolidated Cash Flow Statement</u> | 5 |
| C | <u>Reconciliation between US GAAP and Indian GAAP Income Statement</u> | 5 |
| D | <u>US GAAP Financials Based on Convenience Translation</u> | |
| <u>D1</u> | <u>Consolidated Statement of Income</u> | 6 |
| <u>D2</u> | <u>Consolidated Balance Sheet</u> | 6 |
| <u>D3</u> | <u>Consolidated Cash Flow Statement</u> | 6 |
| E | <u>Operational and Analytical Information</u> | |
| <u>E1</u> | <u>Revenue Analysis</u> | 7 |
| <u>E2</u> | <u>Revenue-Client Metrics</u> | 7 |
| <u>E3</u> | <u>Revenue Mix and Utilization</u> | 7 |
| <u>E4</u> | <u>Employee Metrics</u> | 8 |
| <u>E5</u> | <u>Infrastructure</u> | 8 |
| <u>E6</u> | <u>Currency Rates</u> | 8 |

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

| Particulars | 31-Mar-11 (Unaudited) | 31-Dec-10 (Audited) | 31-Mar-10 (Unaudited) |
|--|--------------------------|------------------------|--------------------------|
| Assets | | | |
| Total current assets | 616,960 | 576,553 | 666,470 |
| Goodwill | 69,840 | 69,661 | 65,504 |
| Intangible assets, net | 31,059 | 32,229 | 21,840 |
| Property, plant, and equipment, net | 135,573 | 136,236 | 144,403 |
| Other assets | 57,761 | 58,104 | 73,211 |
| Total assets | 911,192 | 872,784 | 971,428 |
| Liabilities | | | |
| Total current liabilities | 121,797 | 122,826 | 109,641 |
| Capital lease obligations excluding current installments | 167 | 136 | 79 |
| Other liabilities | 52,642 | 49,987 | 49,041 |
| Total liabilities | 174,605 | 172,949 | 158,761 |
| Total shareholders equity | 736,587 | 699,835 | 812,667 |
| Total liabilities & shareholders equity | 911,192 | 872,784 | 971,428 |

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

| Particulars | Mar 31 2011 (Unaudited) | Dec 31 2010 (Unaudited) | Mar 31 2010 (Unaudited) | 2010 (Audited) |
|---|----------------------------|----------------------------|----------------------------|------------------|
| Net cash provided by operating activities | 11,213 | 42,705 | 13,275 | 136,574 |
| Net cash provided / (used in) investing activities | (42,048) | (47,930) | (21,317) | 86,590 |
| Capital expenditure, net | (4,433) | (2,927) | (2,469) | (11,091) |
| Investment in securities, net | (37,615) | (44,434) | (18,848) | 117,805 |
| Payment for acquisition/intangibles/Joint Venture | | (569) | | (20,124) |
| Net cash provided / (used) in financing activities | 4,571 | 2,258 | 1,410 | (205,603) |
| Others | 336 | 62 | (50) | (214) |
| Common shares issued / (Buy Back) | 4,217 | 2,225 | 1,459 | 11,027 |
| Dividend on common shares | 18 | (29) | 0 | (216,416) |
| Net increase / (decrease) in cash and equivalents | (26,264) | (2,966) | (6,633) | 17,562 |
| Effect of exchange rate changes on cash and equivalents | 461 | (3,796) | 1,892 | (2,286) |
| Cash and equivalents at the beginning of the period | 78,734 | 85,497 | 63,459 | 63,459 |
| Cash and equivalents at the end of the period | 52,931 | 78,734 | 58,718 | 78,734 |

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

For the quarter / period ended

| Particulars | Mar 31 2011 (Audited) | Mar 31 2010 (Audited) | YoY Change % | Dec 31 2010 (Unaudited) | QoQ Change % | 2010 (Audited) |
|--|--------------------------|--------------------------|--------------|----------------------------|--------------|-------------------|
| Sales and service income | 8,593,821 | 7,816,300 | 9.9% | 8,208,711 | 4.7% | 31,880,847 |
| Other income | 532,209 | 501,629 | 6.1% | 646,925 | -17.7% | 2,194,249 |
| Total income | 9,126,030 | 8,317,929 | 9.7% | 8,855,636 | 3.1% | 34,075,096 |
| Staff costs | 5,372,042 | 4,562,003 | 17.8% | 4,966,579 | 8.2% | 18,898,084 |
| Selling, general and administration expenses | 1,997,085 | 1,834,087 | 8.9% | 2,101,908 | -5.0% | 8,060,461 |
| Interest | 4,913 | 21,906 | -77.6% | 10,219 | -51.9% | 47,765 |

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

| | | | | | | |
|--|-------------------|-------------------|---------------|-------------------|--------------|-------------------|
| Total expenditure | 7,374,040 | 6,417,996 | 14.9% | 7,078,705 | 4.2% | 27,006,310 |
| Net profit before tax and adjustments | 1,751,990 | 1,899,933 | -7.8% | 1,776,931 | -1.4% | 7,068,786 |
| Provision for taxation | 129,145 | 329,575 | -60.8% | 27,543 | 368.9% | 837,071 |
| Profit/(loss) for the period after taxation | 1,622,845 | 1,570,358 | 3.3% | 1,749,388 | -7.2% | 6,231,715 |
| Profit and loss account, brought forward | 18,932,587 | 22,972,249 | -17.6% | 17,838,246 | 6.1% | 22,972,249 |
| Amount available for appropriation | 20,555,432 | 24,542,607 | -16.2% | 19,587,634 | 4.9% | 29,203,964 |
| Proposed dividend on equity shares | | | 0.0% | | 0.0% | 2,221 |
| Special Interim Dividend on equity shares | | | 0.0% | | 0.0% | 8,244,435 |
| Dividend tax | | | 0.0% | | 0.0% | 1,369,675 |
| Transfer to general reserve | | | 0.0% | 655,046 | -100.0% | 655,046 |
| Profit and loss account, carried forward | 20,555,432 | 24,542,607 | -16.2% | 18,932,588 | 8.6% | 18,932,587 |
| Earning per share (Rs. per equity share of Rs. 2 each) | | | | | | |
| - Basic | 12.30 | 12.15 | 1.2% | 13.34 | -7.8% | 47.90 |
| - Diluted | 12.02 | 11.75 | 2.3% | 12.99 | -7.5% | 46.44 |
| Weighted average number of common shares used in computing earnings per share | | | | | | |
| - Basic | 131,991,860 | 129,251,485 | | 131,142,633 | | 130,101,442 |
| - Diluted | 135,059,362 | 133,642,520 | | 134,650,351 | | 134,193,727 |

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

| Particulars | 31-Mar-11 | 31-Dec-10 | 31-Mar-10 |
|--|-------------------|-------------------|-------------------|
| Assets | | | |
| Current assets, loans and advances | 14,112,490 | 14,085,747 | 12,786,771 |
| Goodwill | 4,836,443 | 4,838,060 | 4,629,076 |
| Fixed assets(Net of Depreciation) | 8,146,286 | 8,217,406 | 8,103,057 |
| Investments | 14,363,442 | 12,614,890 | 18,644,419 |
| Deferred tax asset, net | 632,505 | 695,065 | 778,338 |
| Total assets | 42,091,166 | 40,451,168 | 44,941,661 |
| Liabilities | | | |
| Current liabilities and provisions | 7,499,330 | 7,786,917 | 7,593,076 |
| Secured loans | 11,349 | 10,649 | 7,599 |
| Deferred tax liability, net | 80,998 | 31,246 | 65,820 |
| Total liabilities | 7,591,677 | 7,828,812 | 7,666,495 |
| Total shareholders equity | 34,499,489 | 32,622,356 | 37,275,166 |
| Total liabilities & shareholders equity | 42,091,166 | 40,451,168 | 44,941,661 |

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

| Particulars | Mar 31 2011 (Audited) | Dec 31 2010 (Unaudited) | Mar 31 2010 (Audited) | 2010 (Audited) |
|---|--------------------------|----------------------------|--------------------------|-------------------|
| Cash flows from / (used in) operating activities (A) | 351,188 | 1,792,035 | 449,134 | 5,693,282 |
| Cash flows from / (used in) investing activities (B) | (1,727,339) | (2,207,702) | (802,967) | 4,560,215 |
| Cash flows from / (used in) from financing activities (C) | 191,984 | 103,021 | 64,892 | (9,626,685) |
| Effect of changes in exchange rates (D) | 17,638 | (14,066) | (26,650) | (45,754) |
| Net increase / (decrease) in cash and cash equivalents during the period (A+B+C+D) | (1,166,529) | (326,712) | (315,592) | 581,058 |
| Cash and cash equivalents at the beginning of the period | 3,533,680 | 3,860,392 | 2,952,622 | 2,952,622 |
| Cash and cash equivalents at the end of the period | 2,367,151 | 3,533,680 | 2,637,030 | 3,533,680 |

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

| Particulars | Mar 31 2011 | Mar 31 2010 | Dec 31 2010 | 2010 |
|---|------------------|------------------|------------------|------------------|
| Consolidated net income as per Indian GAAP | 1,622,845 | 1,570,358 | 1,749,388 | 6,231,715 |
| Income taxes | (334,700) | (200) | 54,800 | (42,200) |
| Foreign currency differences | (11,700) | (20,500) | (4,400) | (29,100) |
| Employee retirement benefits | (25,000) | 15,400 | (18,300) | 57,400 |
| ESOP related Compensation Cost | (21,500) | (16,100) | 100 | (48,000) |
| Amortisation of Intangibles , arising on Business acquisition | (32,600) | (23,600) | (34,500) | (119,100) |
| Others | (1,500) | 1,300 | 10,000 | 7,200 |
| Total | (427,000) | (43,700) | 7,700 | (173,800) |
| Consolidated net income as per US GAAP | 1,195,845 | 1,526,658 | 1,757,088 | 6,057,915 |

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

For the quarter / period ended

| Particulars | Mar 31 2011 | Mar 31 2010 | Dec 31 2010 | 2010 |
|--|------------------|------------------|------------------|-------------------|
| Exchange rate\$1 = INR | 44.54 | 44.95 | 44.80 | 44.80 |
| Revenues | 8,476,575 | 7,745,434 | 8,200,285 | 31,436,099 |
| Cost of revenues | 5,488,938 | 4,595,495 | 5,293,003 | 19,666,719 |
| Depreciation | 183,319 | 181,529 | 191,180 | 759,724 |
| Gross Profit | 2,804,318 | 2,968,411 | 2,716,102 | 11,009,657 |
| Sales and marketing expenses | 785,685 | 712,705 | 709,204 | 2,765,456 |
| General and administrative expenses | 840,899 | 816,881 | 879,572 | 3,242,501 |
| Provision for doubtful debts and advances | (7,161) | 26,095 | 7,941 | 27,710 |
| Foreign exchange (gain) / loss, net | (243,171) | (214,278) | (363,759) | (986,005) |
| Operating income | 1,428,066 | 1,627,008 | 1,483,144 | 5,959,995 |
| Other income / (expense), net | 212,558 | 198,191 | 251,696 | 872,685 |
| Income before income taxes | 1,640,623 | 1,825,199 | 1,734,840 | 6,832,681 |
| Income taxes | 460,862 | 328,094 | (29,740) | 866,267 |
| Net income/(loss) | 1,179,761 | 1,497,105 | 1,764,580 | 5,966,414 |
| Earning per share | | | | |
| - Basic | 8.94 | 11.58 | 13.46 | 45.86 |
| - Diluted | 8.74 | 11.24 | 13.12 | 44.58 |
| Weighted average number of common shares used in computing earnings per share | | | | |
| - Basic | 131,991,860 | 129,251,485 | 131,142,633 | 130,101,442 |
| - Diluted | 134,910,508 | 133,200,892 | 134,506,173 | 133,848,374 |

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

| Particulars | As on 31-Mar-11 | As on 31-Dec-10 | As on 31-Mar-10 |
|--|--------------------|--------------------|--------------------|
| Exchange rate\$1 = INR | 44.54 | 44.80 | 44.95 |
| Assets | | | |
| Total current assets | 27,479,386 | 25,829,573 | 29,957,845 |
| Goodwill | 3,110,693 | 3,120,833 | 2,944,383 |
| Intangible assets, net | 1,383,351 | 1,443,838 | 981,689 |
| Property, plant, and equipment, net | 6,038,411 | 6,103,393 | 6,490,917 |
| Other assets | 2,572,668 | 2,603,074 | 3,290,839 |
| Total assets | 40,584,508 | 39,100,712 | 43,665,673 |
| Liabilities | | | |
| Total current liabilities | 5,424,834 | 5,502,604 | 4,928,376 |
| Capital lease obligations excl. installments | 7,423 | 6,081 | 3,555 |
| Other liabilities | 2,344,659 | 2,239,415 | 2,204,371 |
| Total liabilities | 7,776,916 | 7,748,100 | 7,136,302 |
| Total shareholders equity | 32,807,591 | 31,352,612 | 36,529,370 |
| Total liabilities & shareholders equity | 40,584,508 | 39,100,712 | 43,665,673 |

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

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

| Particulars | Mar 31 2011 | Dec 31 2010 | Mar 31 2010 | 2010 |
|---|--------------------|--------------------|------------------|--------------------|
| Exchange rate \$1 = INR | 44.54 | 44.80 | 44.95 | 44.80 |
| Net cash provided by operating activities | 499,437 | 1,913,204 | 596,725 | 6,118,524 |
| Net cash provided /(used in) investing activities | (1,872,813) | (2,147,253) | (958,219) | 3,879,246 |
| Capital expenditure, net | (197,434) | (131,129) | (110,999) | (496,875) |
| Investment in securities, net | (1,675,379) | (1,990,634) | (847,220) | 5,277,683 |
| Payment for acquisition/intangibles/Joint Venture | | (25,491) | | (901,562) |
| Net cash provided / (used) in financing activities | 203,587 | 101,176 | 63,360 | (9,211,009) |
| Others | 14,960 | 2,788 | (2,246) | (9,567) |
| Common shares issued / (Buy Back) | 187,813 | 99,698 | 65,604 | 494,013 |
| Dividend on common shares | 814 | (1,310) | 2 | (9,695,455) |
| Net increase / (decrease) in cash and equivalents | (1,169,789) | (132,873) | (298,134) | 786,761 |
| Effect of exchange rate changes on cash and equivalents | 20,529 | (170,075) | 85,026 | (102,432) |
| Cash and equivalents at the beginning of the period | 3,506,827 | 3,830,246 | 2,852,487 | 2,842,968 |
| Cash and equivalents at the end of the period | 2,357,567 | 3,527,298 | 2,639,379 | 3,527,298 |

E1) REVENUE ANALYSIS

| Revenue By Geographical Segments | Mar 31 2011 | Dec 31 2010 | Mar 31 2010 | 2010 |
|---|--------------------|--------------------|--------------------|---------------|
| Americas | 78.0% | 81.8% | 79.7% | 80.7% |
| EMEA | 14.6% | 11.3% | 13.4% | 12.1% |
| APAC | 7.5% | 6.9% | 6.8% | 7.2% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% |

| Revenue by Industry Verticals | Mar 31 2011 | Dec 31 2010 | Mar 31 2010 | 2010 |
|--|--------------------|--------------------|--------------------|---------------|
| Insurance | 29.0% | 31.3% | 29.0% | 30.3% |
| Manufacturing, Retail and Distribution | 30.6% | 30.6% | 30.8% | 30.3% |
| Financial Services | 11.1% | 11.4% | 11.7% | 11.6% |
| Communications,Media & Utilities | 12.1% | 9.7% | 12.2% | 11.2% |
| Product Engineering Services | 17.3% | 16.9% | 16.3% | 16.7% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% |

| Revenue by Service Offerings | Mar 31 2011 | Dec 31 2010 | Mar 31 2010 | 2010 |
|---------------------------------------|--------------------|--------------------|--------------------|---------------|
| Application Development & Maintenance | 58.5% | 61.3% | 64.6% | 62.4% |
| Package software implementation | 13.4% | 11.5% | 13.4% | 12.5% |
| Product Engineering Services | 12.7% | 12.5% | 12.1% | 12.4% |
| Infrastructure Management Services | 5.2% | 4.9% | 5.0% | 5.1% |
| Business Process Outsourcing | 10.2% | 9.9% | 4.9% | 7.5% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% |

| Revenue by Project Type | Mar 31 2011 | Dec 31 2010 | Mar 31 2010 | 2010 |
|---|--------------------|--------------------|--------------------|---------------|
| Time and Material | 54.8% | 53.2% | 56.4% | 55.4% |
| Fixed Price (including Fixed Price SLA) | 45.2% | 46.8% | 43.6% | 44.6% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% |

E2) CLIENT- REVENUE METRICS

| Particulars | Mar 31 2011 | Dec 31 2010 | Mar 31 2010 | 2010 |
|----------------------------|--------------------|--------------------|--------------------|-------------|
| Top client | 10.5% | 11.5% | 11.7% | 10.9% |
| Top 5 Clients | 33.7% | 35.9% | 36.4% | 35.9% |
| Top 10 Clients | 45.7% | 48.8% | 48.7% | 48.8% |
| Client data | | | | |
| No of \$1 million clients | 96 | 99 | 92 | 99 |
| No of \$5 million clients | 29 | 28 | 27 | 28 |
| No of \$10 million clients | 15 | 16 | 16 | 16 |
| No of \$50 million clients | 3 | 3 | 3 | 3 |
| No of new clients | 14 | 19 | 9 | 52 |
| No. of active Clients | 299 | 297 | 260 | 297 |
| % of Repeat Business | 95.8% | 95.6% | 92.5% | 94.6% |

E3) REVENUE MIX AND UTILIZATION

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

| | Mar 31 2010 | Dec 31 2010 | Mar 31 2010 | 2010 |
|------------------------------------|-------------|-------------|-------------|-------|
| Efforts | | | | |
| Onsite | 26.5% | 26.7% | 25.2% | 26.7% |
| Offshore | 73.5% | 73.3% | 74.8% | 73.3% |
| Revenue | | | | |
| Onsite | 52.6% | 52.7% | 53.2% | 53.7% |
| Offshore | 47.4% | 47.3% | 46.8% | 46.3% |
| Utilization | 70.0% | 72.4% | 79.9% | 75.3% |
| Utilization (Excl Trainees) | 74.5% | 76.0% | 84.8% | 78.7% |

E4) EMPLOYEE METRICS

| | Mar 31 2011 | Dec 31 2010 | Mar 31 2010 | 2010 |
|-------------------------------|---------------|---------------|---------------|---------------|
| Total Employees | 17,739 | 17,642 | 13,959 | 17,642 |
| Offshore | 14,399 | 14,326 | 11,118 | 14,326 |
| Onsite | 3,340 | 3,316 | 2,841 | 3,316 |
| Total | 17,739 | 17,642 | 13,959 | 17,642 |
| Sales & Support Staff | 1,485 | 1,491 | 1,415 | 1,491 |
| Net Additions | 97 | 1,086 | (36) | 3,647 |
| Attrition (LTM) excluding BPO | 24.6% | 25.2% | 17.7% | 25.2% |

E5) FACILITIES - INDIA INFRASTRUCTURE (as on Mar 31, 2011)

| Location | Operational** | | Under Construction/ Furnishing | |
|-------------|--------------------------|---------------|-----------------------------------|--------------|
| | Built Up Area (Sq ft) | No. of Seats | Built Up Area (Sq ft) | No. of Seats |
| Mumbai | 183,648 | 1,825 | | |
| Navi Mumbai | 136,669 | 1,818 | | |
| Airoli | 462,845 | 4,473 | | |
| Pune | 254,383 | 2,743 | | |
| Gandhinagar | 52,277 | 584 | | |
| Noida | 460,000 | 3,247 | | |
| Hyderabad | 97,497 | 757 | | |
| Bangalore | 78,343 | 784 | | |
| Chennai | 148,000 | 1,189 | | |
| | 1,873,662 | 17,420 | | |

** Owned plus leased

E6) RUPEE - CURRENCY RATES AGAINST US DOLLAR

| | Mar 31 2011 | Dec 31 2010 | Mar 31 2010 |
|--|-------------|-------------|-------------|
| Rupee | | | |
| Period end rate | 44.58 | 44.70 | 44.91 |
| Period average rate | 45.23 | 44.83 | 45.89 |
| Other Currencies (Average Rate) | | | |
| AUD | 1.00 | 0.99 | 0.90 |
| EURO | 1.37 | 1.36 | 1.38 |
| GBP | 1.60 | 1.58 | 1.56 |
| YEN | 0.01 | 0.01 | 0.01 |

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: April 27, 2011

By: /s/ ARUN KANAKAL
Arun Kanakal
Company Secretary
