

Patni Computer Systems LTD
Form 6-K
October 23, 2008

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN ISSUER

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

For October 23, 2008

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

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

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

Summary of Consolidated financial results of Patni Computer Systems Limited and its subsidiaries for the quarter and nine months ended 30 September 2008, prepared as per US GAAP

USD in lakhs except share data

| | Quarter ended 30 September | | Nine months ended 30 September | | Year ended 31 |
|---|----------------------------|-------------|--------------------------------|-------------|---------------|
| | 2008 | 2007 | 2008 | 2007 | December |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | 2007 |
| | | | | | (Audited) |
| Revenues | 1,835 | 1,695 | 5,425 | 4,888 | 6,629 |
| Cost of revenues | 1,220 | 1,171 | 3,750 | 3,291 | 4,501 |
| Gross profit | 615 | 524 | 1,675 | 1,597 | 2,128 |
| Selling, general and administrative expenses | 351 | 309 | 1,000 | 867 | 1,175 |
| Foreign exchange (gain) / loss, net | (12) | (75) | 57 | (187) | (234) |
| Operating income | 276 | 290 | 618 | 917 | 1,187 |
| Interest and dividend income | 34 | 35 | 96 | 94 | 126 |
| Interest expense | (6) | (10) | (13) | (26) | (36) |
| Interest expense reversal | 74 | | 65 | | |
| Gain/(loss) on sale of investments, net | (1) | 9 | 95 | 59 | 64 |
| Other income, net | 13 | 2 | 21 | 15 | 17 |
| Income before income taxes | 390 | 326 | 882 | 1,059 | 1,358 |
| Income taxes | (41) | 50 | 28 | 172 | 218 |
| Net Income | 431 | 276 | 854 | 887 | 1,140 |
| Earning per share | | | | | |
| - Basic | \$ 0.32 | \$ 0.20 | \$ 0.62 | \$ 0.64 | \$ 0.82 |
| - Diluted | \$ 0.32 | \$ 0.20 | \$ 0.62 | \$ 0.63 | \$ 0.82 |
| Weighted average number of common shares used in computing earnings per share | | | | | |
| - Basic | 135,925,454 | 138,704,702 | 137,997,950 | 138,565,775 | 138,660,785 |
| - Diluted | 135,925,454 | 139,958,237 | 138,166,712 | 139,783,336 | 139,569,933 |
| Total assets | 7,663 | 8,327 | 7,663 | 8,327 | 8,488 |
| Cash and cash equivalents | 387 | 448 | 387 | 448 | 326 |
| Investments | 2,427 | 2,814 | 2,427 | 2,814 | 3,012 |

Notes:

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1 The consolidated financial statements of Patni Computer Systems Limited and its subsidiaries have been prepared on a consolidated basis in accordance with the accounting principles generally accepted in the United States (US GAAP). All inter-company transactions have been eliminated on consolidation.

2 The subsidiaries considered in the consolidated financial statements as at 30 September 2008 are wholly owned subsidiaries, namely Patni Americas, Inc., Patni Computer Systems (UK) Limited, Patni Computer Systems GmbH, Patni Telecom Solutions Inc., Patni Telecom Solutions Private Limited, Patni Telecom Solutions (UK) Limited, Patni Life Sciences Inc., Patni Computer Systems Brasil Ltda and Patni Computer Systems (Czech) s.r.o.

3 During the three months ended 30 September 2008, the US Internal Revenue Service (IRS) completed its assessment of tax returns for the years ended 2003 and 2004 of Patni Americas Inc. and for the years ended 31 March 2003, 2004 and 2005 of the US branch of the Company. Based on the completion of assessment for these years, the Company reversed the excess tax exposure reserves and the related interest and penalty accruals and re-measured the established tax positions for latter years based on the experience gained from the tax examination, and, accordingly, the following amounts have been included in the income statement for the three months ended 30 September 2008:

| | | |
|---|----|-------|
| Decrease of accrual for payroll taxes (1) | \$ | (28) |
| Decrease in interest expense (2) | | (75) |
| Increase in Interest expense | | 3 |
| Decrease in other expense (3) | | (11) |
| Decrease in income taxes - current | | (123) |
| Increase in income taxes - deferred | | 47 |
| | \$ | (187) |

(1) Included under cost of revenues

(2) Included under Interest expense reversed

(3) Included under other income/expense

4 In February 2008, the Board of Directors of the Company approved a proposal to buy back fully paid equity shares to the extent of upto 10% of the paid up capital and free reserves, at a maximum price of Rs. 325 per equity share, for an aggregate amount upto Rs. 23,700 in accordance with the provisions of Section 77A, 77AA, 77B and other applicable provisions of the Companies Act, 1956 and the provisions of Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 (Buy Back Regulations), for which necessary public announcements were made on 2 April 2008. The Company commenced buy back of shares on 10 July 2008. Such shares are extinguished as per the requirements of Section 77A of the Companies Act, 1956.

During the three months ended 30 September 2008, the Company bought back total 8,763,406 equity shares on Bombay Stock Exchange and National Stock Exchange for a total aggregate consideration of Rs. 19,750 (\$433) being 83.33% of the amount authorised for buy back. Consequently, the Company extinguished 8,763,406 equity shares so bought back by executing debit corporate action on National Securities Depository Limited (NSDL).

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Retained earnings include profits aggregating Rs. 175 (\$4) set aside as Capital Redemption Reserve under the Indian Companies Act, 1956 which can be utilised only for the purpose of issuing fully paid bonus shares of the Company to its shareholders.

5 Mr.Louis Theodoor van den Boog (Mr.van den Boog) was appointed as an Executive Director of the Company with effect from 29 April 2008. The appointment was subject to the approval of our shareholders at the Annual General Meeting and also subject to approvals of the statutory authorities including the Central Government under Section 269 of the Indian Companies Act, and other applicable provisions.The Shareholders approval has been received at the Annual General Meeting held on 26 June 2008. Subsequently, the Company has applied to the Central Government on 16 July 2008 for necessary approvals in this regard. Mr. van den Boog will be an Executive Director of the Company until 31 March 2013 unless extended by the Board with the consent of Mr. van den Boog. The Company has not yet received approval from the Central Government.

6 Previous period figures have been appropriately reclassified to conform to the current period s presentation.

7 The above summary of consolidated financial results were taken on record by the Board of Directors at its adjourned meeting held on 23 October 2008.

Summary of financial statements prepared as per US GAAP - Convenience translation (Unaudited)

Rs. in lakhs except share data

| | Quarter ended 30 September | | Nine months ended 30 September | | Year ended 31 |
|---------------------|----------------------------|--------|--------------------------------|---------|---------------|
| | 2008 | 2007 | 2008 | 2007 | December 2007 |
| Exchange Rate (Rs.) | 46.45 | 39.75 | 46.45 | 39.75 | 39.41 |
| Revenues | 85,225 | 67,357 | 251,980 | 194,296 | 261,254 |
| Cost of revenues | 56,655 | 46,537 | 174,185 | | |