

Patni Computer Systems LTD
Form 6-K
February 12, 2009

**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 February 12, 2009

PATNI COMPUTER SYSTEMS LIMITED

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

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

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

Form 20-F Form 40-F

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 and year ended 31 December 2008, prepared as per US GAAP**

US\$in lakhs except share data

| | Quarter ended 31 December | | Year ended 31 December | |
|---|---------------------------|---------------------|------------------------|-------------------|
| | 2008 (Unaudited) | 2007 (Unaudited) | 2008 (Unaudited) | 2007 (Audited) |
| Revenues | 1,764 | 1,741 | 7,189 | 6,629 |
| Cost of revenues | 1,163 | 1,210 | 4,913 | 4,501 |
| Gross profit | 601 | 531 | 2,276 | 2,128 |
| Selling, general and administrative expenses | 327 | 307 | 1,327 | 1,175 |
| Foreign exchange (gain) / loss, net | 126 | (47) | 183 | (234) |
| Operating income | 148 | 271 | 766 | 1,187 |
| Interest and dividend income | 34 | 31 | 130 | 126 |
| Interest expense | (5) | (10) | (18) | (36) |
| Interest expense reversed | | | 65 | |
| Gain on sale of investments, net | 3 | 4 | 97 | 64 |
| Other income, net | 5 | 2 | 26 | 17 |
| Income before income taxes | 185 | 298 | 1,066 | 1,358 |
| Income taxes | 24 | 45 | 52 | 218 |
| Net Income | 161 | 253 | 1,014 | 1,140 |
| Earnings per share | | | | |
| - Basic | \$ 0.13 | \$ 0.18 | \$ 0.75 | \$ 0.82 |
| - Diluted | \$ 0.12 | \$ 0.18 | \$ 0.75 | \$ 0.82 |
| Weighted average number of common shares used in computing earnings per share | | | | |
| - Basic | 128,421,190 | 138,942,718 | 135,590,677 | 138,660,785 |
| - Diluted | 128,541,554 | 140,699,403 | 135,760,422 | 139,569,933 |
| Total assets | 7,528 | 8,488 | 7,528 | 8,488 |
| Cash and cash equivalents | 601 | 326 | 601 | 326 |
| Investments | 2,483 | 3,012 | 2,483 | 3,012 |

Notes:

- 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.
- The Board has recommended a final dividend of 150% for the year 2008 (2007 : 150%), subject to approval of members.
- The subsidiaries considered in the consolidated financial statements as at 31 December 2008 are wholly owned subsidiaries, namely Patni Americas, Inc., Patni

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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. In January 2009, the Company has set up a subsidiary in Mexico named Patni Computer Systems Mexico, SA.

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During the year ended December 31, 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 of these years, the Company reviewed the adequacy of the previously established tax exposure reserves with respect to these years and re-measured the established tax positions for the 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 fiscal year ended December 31, 2008 as a change in estimate :

1

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| | |
|--|----------|
| Reduction in accrual for payroll taxes (1) | (28) |
| Reduction in interest expense (2) | (65) |
| Increase in Interest expense | 6 |
| Reduction in other expense (3) | (11) |
| Reduction in income taxes - current | (125) |
| Increase in income taxes - deferred | 41 |
| | \$ (182) |

-
- (1) Included under cost of revenues
(2) Included under Interest expense reversed
(3) Included under other income/expense

5 In February 2008, the Board of Directors of the Company approved a proposal to repurchase fully paid equity shares 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 (\$531). The buyback proposal had been approved in accordance with the provisions of Section 77A, 77AA, 77B and other applicable provisions of the Indian 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 the repurchase of shares on July 10, 2008. Subsequent to the share repurchase, such shares are required to be extinguished as per the requirements of Section 77A of the Companies Act, 1956.

During the year ended 31 December 2008, the Company repurchased a total of 10,957,082 equity shares through the Bombay Stock Exchange and the National Stock Exchange for an aggregate consideration of Rs. 23,700 (\$531) being 100% of the amount authorised for buy back. Subsequently, the Company extinguished such equity shares.

- 6 Retained earnings includes profits aggregating Rs. 219 (\$4) set aside as Capital Redemption Reserve as required by the Indian Companies Act, 1956 pursuant to the repurchase which can be utilised only for the purpose of issuing fully paid bonus shares of the Company.
- 7 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 the Company s 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 approved the appointment at the Annual General Meeting held on June 26, 2008. Subsequently, the Company has applied to the Central Government on 16 July 2008 for necessary approvals in this regard. Such approval is still awaited.
- 8 During 2008, an order had been received from the CIT (Appeals) in favor of the Company by allowing the deductions claimed under Section 10A of the the Income Tax Act, 1961 for the assessment years 2004-05 and 2002-03. The Company has received the full refund of the taxes paid. The Indian Income tax department has appealed against the CIT (Appeal s) order in respect of these years in the tribunal.

In December 2008 the Company received a Demand of approximately Rs. 4,587 for the Assessment Year 2003-04 including an interest demand of Rs. 2,586 (\$94 including an interest demand of approximately \$53) and another Demand in January 2009 of approximately Rs. 11,318 for the Assessment Year 2005-06 including an interest demand of approximately Rs. 4,220 (\$232 including an interest demand of approximately \$87). These new demands concern the issue of disallowance of tax benefits under Section 10A. The Company has filed an Appeal and stay of demand has been granted till 30 June 2009. The Company is required to pay 10% of the amount under appeal before March 2009. Management considers these demands as not tenable against the Company and, therefore, no provision for this tax contingency has been established.

- 9 Previous period figures have been appropriately reclassified to conform to the current period s presentation.
- 10 The above summary of consolidated financial results were taken on record by the Board of Directors at its adjourned meeting held on 12 February 2009.

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 financial statements prepared as per US GAAP - Convenience translation (Unaudited)****Rs. in lakhs except share data**

| | Quarter ended 31 December | | Year ended 31 December | |
|--|---------------------------|---------------|------------------------|---------------|
| | 2008 | 2007 | 2008 | 2007 |
| Exchange Rate (Rs.) | 48.58 | 39.41 | 48.58 | 39.41 |
| Revenues | 85,700 | 68,619 | 349,234 | 261,254 |
| Cost of revenues | 56,484 | 47,694 | 238,657 | 177,378 |
| Gross profit | 29,216 | 20,925 | 110,577 | 83,876 |
| Selling, general and administrative expenses | 15,888 | 12,112 | 64,457 | 46,284 |
| Foreign exchange (gain) / loss, net | 6,127 | (1,850) | 8,919 | (9,203) |
| Operating income | 7,201 | 10,663 | 37,201 | 46,795 |
| Interest and dividend income | 1,654 | 1,231 | 6,316 | 4,942 |
| Interest expense | (225) | (380) | (847) | (1,416) |
| Interest expense reversed | | | 3,156 | |
| Gain on sale of investments, net | 136 | 171 | 4,728 | 2,510 |
| Other income, net | 208 | 77 | 1,244 | 672 |
| Income before income taxes | 8,974 | 11,762 | 51,798 | 53,503 |
| Income taxes | 1,173 | 1,790 | 2,528 | 8,585 |
| Net Income | 7,801 | 9,972 | 49,270 | 44,918 |
| Earnings per share | | | | |
| - Basic | 6.08 | 7.18 | 36.44 | 32.39 |
| - Diluted | 6.07 | 7.09 | 36.44 | 32.18 |
| Total assets | 365,715 | 334,494 | 365,715 | 334,494 |
| Cash and cash equivalents | 29,215 | 12,858 | 29,215 | 12,858 |
| Investments | 120,624 | 118,684 | 120,624 | 118,684 |

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
12 February 2009**

**Narendra K. Patni
Chairman and Chief Executive Officer**

Patni Computer Systems Limited

FAX TO SE

Registered Office : S-1A Irani Market Compound, Yerawada , Pune - 411 006,
India.Corporate Office : Akruti , MIDC Cross Road No 21, Andheri (E) , Mumbai - 400
093, India.**Audited consolidated financial results of Patni Computer Systems Limited and its subsidiaries for the year ended 31 December 2008, as per Indian GAAP.****Rs. in lakhs except share data**

| | Year ended 31 December | |
|---|------------------------|-------------------|
| | 2008 (Audited) | 2007 (Audited) |
| Income | | |
| Sales and service income | 311,727 | 268,855 |
| Other operating income | 4,034 | 1,854 |
| | 315,761 | 270,709 |
| Expenditure | | |
| Personnel costs | 183,287 | 153,896 |
| Selling, general and administration costs | 81,425 | 53,841 |
| Depreciation (net of transfer from revaluation reserves) | 11,414 | 9,847 |
| | 276,126 | 217,584 |
| Profit from Operations before Other Income, Interest and Exceptional Items | 39,635 | 53,125 |
| Other income | 9,000 | 6,794 |
| Profit Before Interest and Exceptional Items | 48,635 | 59,919 |
| Interest | 790 | 1,472 |
| Profit After Interest for the year | 47,845 | 58,447 |
| Provision for taxation | 7,027 | 12,426 |
| MAT credit entitlement | (3,477) | (2,784) |
| Provision for taxation - Fringe benefits | 494 | 442 |
| Net profit for the year | 43,801 | 48,363 |
| Paid up equity share capital (Face value per equity share of Rs 2 each) | 2,562 | 2,780 |
| Reserves excluding revaluation reserves | 281,420 | 270,803 |
| Earnings per equity share of Rs.2 each | | |
| - Basic | 32.30 | 34.88 |
| - Diluted | 32.25 | 34.54 |
| Dividend per share (Face value per equity share of Rs 2 each) | 3 | 3 |

Notes:

- 1 The consolidated financial statements of Patni Computer Systems Limited and its subsidiaries are prepared in accordance with the principles and procedures as set out in the Accounting Standard on Consolidated Financial Statements mandated by Rule 3 of the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956, and guidelines issued by the Securities and Exchange Board of India. 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,

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income and expenses after eliminating intra-group balances/transactions and resulting unrealized profits in full. Unrealized losses resulting from intra-group transactions have also been eliminated unless cost cannot be recovered. The amounts shown in respect of accumulated reserves comprises the amount of the relevant reserves as per the balance sheet of the Parent Company and its share in the post acquisition increase/decrease in the relevant reserves/accumulated deficit of its subsidiaries. Consolidated financial statements are prepared using uniform accounting policies across the Group.

2 Investor complaints for the quarter ended 31 December 2008:

| Pending as on 1 October 2008 | Received during the Quarter | Disposed off during the Quarter | Unresolved at the end of the Quarter |
|------------------------------|--------------------------------|------------------------------------|---|
| | 14 | 14 | |

3 Statement of Utilisation of ADS Funds as of 31 December 2008

| | 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 | 14,073 |
| 2 Utilised for Capital expenditure for office facilities | 38,418 |
| 3 Exchange loss | 1,208 |
| Total | 53,699 |

4 Total Public Shareholding*

| | 2008 | 2007 |
|------------------------------|-------------------|------------|
| - Number of Shares | 31,086,629 | 44,797,263 |
| - Percentage of Shareholding | 24.27% | 32.23% |

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

Patni Computer Systems Limited

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

- 5 The subsidiaries considered in the consolidated financial statements as at 31 December 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, Patni Computer Systems (Czech) s.r.o. In January 2009, the Company has set up a subsidiary in Mexico named Patni Computer Systems Mexico, SA.
- 6 Paid up equity share capital does not include Rs NIL (2007 : Rs 18) which represents share application money received from employees on exercise of stock options, pending allotment of shares.
- 7 During the year ended 31 December 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 of these years, the Company reviewed the adequacy of the previously established tax exposure reserves with respect to these years and re-measured the established tax positions for the 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 fiscal year ended 31 December 2008 as a change in estimate :

| | Year ended 31 December 2008 |
|--|--|
| Reduction of accrual for Payroll taxes (1) | (1,080) |
| Reduction of interest expense (2) | (2,547) |
| Increase in interest expenses | 245 |
| Reduction of other expense (3) | (428) |
| Reduction of income taxes -current | (4,537) |
| Increase in income taxes -deferred | 1,646 |
| Total | (6,701) |

-
- (1) Included in Personnel costs
 - (2) Included in Other Income - Interest from Others
 - (3) Included in Selling, general and administration costs

- 8 Pursuant to the ICAI Announcement Accounting for Derivatives the Company has adopted Accounting Standard 30 Financial Instruments : Recognition and Measurement , from 1 January 2008. Consequent to the adoption of the Standard, the resulting gain of Rs 191 has been adjusted to the shareholders funds as on 1 January 2008.
- 9 In February 2008, the Board of Directors of the Company approved a proposal to repurchase fully paid equity shares 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. The buyback proposal had been approved 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 in April 2008. The Company commenced buy back of shares on 10 July 2008 ,such shares were to be extinguished as per the requirements of Section 77A of the Companies Act, 1956.

During the year ended 31 December 2008, the Company repurchased a total of 10,957,082 equity shares through the Bombay Stock Exchange and the National Stock Exchange for an aggregate consideration of Rs. 23,700 being 100% of the amount authorised for buy back. Subsequently, the Company extinguished such equity shares. In this regard an amount equivalent to the nominal value of the share capital bought back by the Company aggregating Rs. 219, has been transferred from general reserve to capital redemption reserve.

- 10 Mr. Louis Theodoor van den Boog was appointed as an Executive Director 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

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July 2008 for necessary approvals. As of 31 December 2008 the Company has not received approval from the Central Government.

- 11 During 2008, an order had been received from the CIT (Appeals) in favor of the Company by allowing the deductions claimed under Section 10A of the the Income Tax Act, 1961 for the assessment years 2004-05 and 2002-03. The Company has received the full refund of the taxes paid. The Indian Income tax department has appealed against the CIT (Appeal s) order in respect of these years in the tribunal.

In December 2008 the Company received a Demand of approximately Rs. 4,587 for the Assessment Year 2003-04 including an interest demand of Rs. 2,586 and another Demand in January 2009 of approximately Rs. 11,318 for the Assessment Year 2005-06 including an interest demand of approximately Rs. 4,220. These new demands concern the issue of disallowance of tax benefits under Section 10A. The Company has filed an Appeal and stay of demand has been granted till 30 June 2009. The Company is required to pay 10% of the amount under appeal before March 2009. Management considers these demands as not tenable against the Company and, therefore, no provision for this tax contingency has been established.

Patni Computer Systems Limited

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

12 Segment Information:**As at 31 December 2008 and for the year then ended**

| Particulars | Financial services | Insurance services | Manufacturing | Communications, Media & Entertainment | Product Engineering | Others | Total |
|---|---------------------------|---------------------------|----------------------|--|----------------------------|---------------|--------------|
| Sales and service income | 40,110 | 77,474 | 77,353 | 39,002 | 49,110 | 28,678 | 311,727 |
| Sundry debtors | 6,550 | 12,113 | 14,792 | 7,838 | 7,311 | 5,905 | 54,509 |
| Cost and estimated earnings in excess of billings | 1,333 | 1,054 | 3,000 | 4,817 | 2,207 | 2,537 | 14,948 |
| Billings in excess of cost and estimated earnings | (509) | (109) | (927) | (179) | (825) | (376) | (2,925) |
| Advance from customers | (42) | (24) | (171) | (20) | (312) | (82) | (651) |

As at 31 December 2007 and for the year then ended

| Particulars | Financial services | Insurance services | Manufacturing | Communications, Media & Entertainment | Product Engineering | Others | Total |
|---|---------------------------|---------------------------|----------------------|--|----------------------------|---------------|--------------|
| Sales and service income | 38,393 | 64,108 | 63,469 | 35,990 | 44,989 | 21,906 | 268,855 |
| Sundry debtors | 6,807 | 10,729 | 13,833 | 7,766 | 8,483 | 5,547 | 53,165 |
| Cost and estimated earnings in excess of billings | 1,436 | 752 | 3,643 | 3,131 | 2,451 | 1,363 | 12,776 |
| Billings in excess of cost and estimated earnings | -127 | -133 | -563 | -165 | -305 | -108 | (1,401) |
| Advance from customers | -75 | -158 | -53 | -33 | -114 | -55 | (488) |

- 13 The Group evaluates segment performance and allocates resources based on revenue growth. Revenue in relation to segments is categorized based on items that are individually identifiable to that segment. Costs are not specifically allocable to individual segments as the underlying resources and services are used interchangeably. Fixed assets used in Group's business or liabilities contracted have not been identified to any of the reportable segments, as the fixed assets and services are used interchangeably between segments.
- 14 The Board has recommended a final dividend of 150 for the year 2008 (2007 : 150%), subject to approval of members.
- 15 Previous period figures have been appropriately reclassified /regrouped to conform to the current period's presentation.
- 16 The above summary of consolidated financial results were taken on record by the Board of Directors at its adjourned meeting held on 12 February 2009.

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

Mumbai
12 February 2009

Narendra K. Patni
Chairman and Chief Executive Officer

1

Patni Computer Systems Limited

FAX TO SE

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

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

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

Rs. in lakhs

| | Quarter Ended 31 December | | Year ended 31 December | |
|--|---------------------------|---------|------------------------|---------|
| | 2008 | 2007 | 2008 | 2007 |
| Consolidated net income as per Indian GAAP | 5,853 | 10,239 | 43,801 | 48,363 |
| Income taxes | 1,302 | 440 | 603 | 656 |
| Foreign currency differences | 622 | 1,025 | 731 | 1,142 |
| Employee retirement benefits | 680 | (1,152) | 179 | (774) |
| ESOP related Compensation Cost | (385) | (503) | (1,658) | (1,924) |
| Business acquisition | (208) | (55) | (711) | (459) |
| Others | (34) | (60) | (27) | 104 |
| Total | 1,977 | (305) | (883) | (1,255) |
| Consolidated net income as per US GAAP | 7,830 | 9,934 | 42,918 | 47,108 |

Note:

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

Patni Computer Systems Limited

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

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Financial results of Patni Computer Systems Limited for the quarter and year ended 31 December 2008, as per Indian GAAP (Standalone)

Rs. in Lakhs except share data

| | Quarter ended 31 December | | Year ended 31 December | |
|--|---------------------------|---------------------|------------------------|-------------------|
| | 2008 (Unaudited) | 2007 (Unaudited) | 2008 (Audited) | 2007 (Audited) |
| Income | | | | |
| Sales and service income | 43,375 | 31,619 | 154,102 | 117,166 |
| Other operating income | 264 | 89 | 943 | 1,042 |
| | 43,639 | 31,708 | 155,045 | 118,208 |
| Expenditure | | | | |
| Personnel costs | 20,292 | 15,198 | 74,254 | 56,019 |
| Selling, general and administration costs | 14,013 | 5,711 | 39,972 | 17,071 |
| Depreciation (net of transfer from revaluation reserves) | 2,253 | 1,958 | 8,783 | 8,048 |
| | 36,558 | 22,867 | 123,009 | 81,138 |
| Profit from operations before Other Income, Interest and Prior period items | | | | |
| | 7,081 | 8,841 | 32,036 | 37,070 |
| Other income (See Note 7) | 1,681 | 1,139 | 9,942 | 6,755 |
| Profit before interest and prior period items | 8,762 | 9,980 | 41,978 | 43,825 |
| Interest | 165 | 189 | 648 | 689 |
| Profit After Interest but before prior period items | 8,597 | 9,791 | 41,330 | 43,136 |
| Prior period items | | (434) | | (434) |
| Profit from Ordinary Activities before tax | 8,597 | 10,225 | 41,330 | 43,570 |
| Provision for taxation | 2,308 | 2,315 | 5,145 | 7,070 |
| MAT credit entitlement | (718) | (801) | (3,204) | (2,653) |
| Provision for taxation-Fringe benefits | 141 | 121 | 474 | 401 |
| Profit after taxation | 6,866 | 8,590 | 38,915 | 38,752 |
| Paid up equity share capital (Face value per equity share of Rs. 2 each) | 2,562 | 2,780 | 2,562 | 2,780 |
| Reserves excluding revaluation reserves | 249,542 | 253,007 | 249,542 | 253,007 |
| Earnings per equity share of Rs. 2 each | | | | |
| - Basic | 5.35 | 6.20 | 28.70 | 27.95 |
| - Diluted | 5.34 | 6.14 | 28.65 | 27.67 |
| Dividend per share (Face value per equity share of Rs. 2 each) | | | 3 | 3 |

Notes :

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1 The above statement of financial results were reviewed by the Audit Committee and approved by the Board of Directors at its adjourned meeting held on 12 February 2009.

2 The Board of directors at the adjourned meeting held on 12 February 2009 recommended a final dividend of 150% for the year 2008, subject to approval of the members.

| | Year ended 31 December | |
|--|------------------------|------|
| | 2008 | 2007 |
| Dividend per share (Par value of Rs. 2 each) | 3 | 3 |
| Percentage | 150% | 150% |

3 Investor complaints for the quarter ended 31 December 2008:

| | Received during the quarter | Disposed of during the quarter | Unresolved at the end of the quarter |
|--|-----------------------------|--------------------------------|--------------------------------------|
| | 14 | 14 | |

4 Statement of Utilisation of ADS Funds as of 31 December 2008

| | 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 | | | 14,073 |
| 2 Utilised for Capital expenditure for office facilities | | | 38,418 |
| 3 Exchange loss | | | 1,208 |
| Total | | | 53,699 |

Patni Computer Systems Limited

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

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

Financial results of Patni Computer Systems Limited for the quarter and year ended 31 December 2008, as per Indian GAAP (Standalone)

5 Total Public Shareholding*

| | Year ended 31 December | |
|------------------------------|------------------------|------------|
| | 2008 | 2007 |
| - Number of Shares | 31,086,629 | 44,797,263 |
| - Percentage of Shareholding | 24.27 | % 32.23% |

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

6 Paid up equity share capital does not include NIL (2007 : Rs. 18) which represents share application money received from employees, on exercise of stock options, pending allotment of shares.

7 During the year ended 31 December 2008, the US Internal Revenue Service (IRS) completed its assessment of tax returns for the years ended 31 March 2003, 2004 and 2005 of the US branch of the Company. Based on the completion of assessment for these years, the Company reversed the excess tax exposure reserves and the related interest accruals with respect to these years and re-measured the established tax positions for later years based on the experience gained from the tax examination and accordingly, the following amounts have been included in the income statement for the year ended 31 December 2008:

| | 2008 |
|------------------------------------|----------------|
| Reversal of interest expense (i) | (1,134) |
| Increase in interest expense | 182 |
| Decrease in income taxes -current | (3,190) |
| Increase in income taxes -deferred | 664 |
| | (3,478) |

(i) Included in Other Income

8 Pursuant to the ICAI Announcement Accounting for Derivatives the Company has adopted Accounting Standard 30 Financial Instruments : Recognition and Measurement , from 1 January 2008. Consequent to the adoption of the Standard, the resulting gain of Rs. 191 has been adjusted to the shareholders funds as on 1 January 2008.

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9 In February 2008, the Board of Directors of the Company approved a proposal to repurchase fully paid equity shares 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. The buyback proposal had been approved 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 in April 2008. The Company commenced buy back of shares on 10 July 2008 ,such shares were to be extinguished as per the requirements of Section 77A of the Companies Act, 1956.

During the year ended 31 December 2008, the Company repurchased a total of 10,957,082 equity shares through the Bombay Stock Exchange and the National Stock Exchange for an aggregate consideration of Rs. 23,700 being 100% of the amount authorised for buy back. Subsequently, the Company extinguished such equity shares. In this regard an amount equivalent to the nominal value of the share capital bought back by the Company aggregating Rs. 219, has been transferred from general reserve to capital redemption reserve.

10 Mr. Louis Theodoor van den Boog was appointed as an Executive Director 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. As of 31 December 2008 the Company has not received approval from the Central Government.

11 During 2008, an order had been received from the CIT (Appeals) in favor of the Company by allowing the deductions claimed under Section 10A of the the Income Tax Act, 1961 for the assessment years 2004-05 and 2002-03. The Company has received the full refund of the taxes paid. The Indian Income tax department has appealed against the CIT (Appeal s) order in respect of these years in the tribunal.

In December 2008, the Company received a demand of approximately Rs 4,587 for the Assessment Year 2003-04 including an interest demand of Rs 2,587 and another demand in January 2009 of approximately Rs 11,318 for the Assessment Year 2005-06 including an interest demand of approximately Rs 4,220. These new demands concern the issue of disallowance of tax benefits under Section 10A. The Company has filed an Appeal with the tax authorities and stay of demand has been granted till 30 June 2009. The Company is required to pay 10% of the amount under appeal before March 2009. Management considers these demands as not tenable against the Company and, therefore, no provision for this tax contingency has been established.

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

13 Text of this advertisement was approved by the Board of Directors at the adjourned meeting held on 12 February 2009.

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

**Mumbai
12 February 2009**

**Narendra K. Patni
Chairman and Chief Executive Officer**

Press Release

Patni's 2008 Revenue up 8.4% at \$718.9 million (Rs.34,923 million)

Mumbai, India, February 12, 2009: Patni Computer Systems Limited (**Patni**) today announced its financial results for the fourth quarter and year ended 31st December 2008.

Important Note: As stated in our Q3 2008 earnings release for the quarter ended September 30th 2008, prior year's tax reviews by IRS, certain provisions have been reversed resulting in one time increase in gross profit of US\$ 2.8 million, other income of US\$ 8.3 million and decrease in tax expense of US\$ 7.7 million. Consequently, profit after tax has increased **by US\$ 18.7 million** for the said quarter. Variation in Patni's Q3 2008 financial performance as a result of such reversals had been referred to as **Extra Ordinary Items** in the said press release.

These extra ordinary items of US\$ 18.7 million for Q3 2008 and US\$ 18.2 million for the year 2008 (US\$ 18.7 million adjusted for current year provisions of US\$ 0.5 million) have been separately shown in this release as exclusion for non-GAAP presentation for comparative purposes and should be read together with the reported US GAAP results.

Performance Highlights for the quarter and year ended December 31, 2008

- **Revenues for the quarter at US\$ 176.4 million (Rs. 8,570.0 million)**
- Down 3.9% sequentially as compared to US\$ 183.5 million (Rs. 8,522.5 million) in Q3 2008, down 1.4% on constant currency basis.
- Revenues for the year at US\$ 718.9 million (Rs.34,923.4 million), up 8.4% compared to US\$ 662.9 million (Rs.26,125.3 million) for the previous year.
- On a calendar year basis top client contribution towards revenue declined to 10.7% during 2008 from 11.8% in 2007.
- Revenue concentration of Top 10 clients declined from 47.3% to 45.6% during 2008.

- **Operating Income for the quarter at US\$ 14.8 million (Rs. 720.1 million)**
- Down 46.4% sequentially from US\$ 27.6 million (Rs.1,283.9 million)
- For the year operating income lower by 35.5% at US\$ 76.6 million (Rs.3,720.1 million) against US\$ 118.7 million (Rs.4,679.4 million) for 2007.
- Operating Income excluding extra ordinary items was sequentially lower by 40.4% from US\$ 24.9 million and lower by 37.8% at US\$ 73.8 million over 2007.

- **Net Income for the quarter at US\$ 16.1 million (Rs. 780.2 million)**
- Down 62.7% sequentially from US\$ 43.1million (Rs. 2,001.9 million).
- For the year net Income lower by 11.0% at US\$ 101.4 million (Rs.4,927.0 million),as compared to US\$ 114.0 million (Rs.4,491.8 million) for 2007.
- Net income excluding extra ordinary items was sequentially lower by 34.2% from US\$ 24.4 million and lower by 27.0% at US\$ 83.2 million over 2007.

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- **EPS for the quarter at US\$ 0.13 per share (US\$ 0.25 per ADS).**
- **EPS for the year at US\$0.75 per share (US\$1.5 per ADS) as compared to US\$0.82 per share (US\$1.6 per ADS) of the previous year.**
- **Dividend of 150 % recommended for the year 2008**

Future Outlook:

- Q1 CY2009 Revenues are expected to be at US\$ 154 million to US\$ 155 million and Net Income (Excluding the Foreign Exchange Gain/Loss) is expected to be in the range of US\$ 13.5 million to US\$ 14.5 million
- *This guidance is based on Constant Rupee -USD rate of Rs 48.5 and constant GBP USD rate of 1.45, EURO-USD rate of 1.31.*
- *Mark to Market Forex loss during Q1 2009 is expected to be in the range of US\$ 7 million based on current estimates. This may change depending on further currency movements during the quarter and will impact our Net Earnings accordingly.*

Management Comments

Commenting on the quarter, **Mr. Narendra K Patni, Chairman and CEO, Patni Computer Systems Ltd.**, said, *The effect of the global meltdown has been more than expected for everyone and this is impacting our business in the short run. However, our global delivery model will only strengthen further in these tough times and we will remain bullish in our long term strategy and are making prudent investments in our business. In line with the continuous succession planning for our company, I am pleased that Jeya Kumar has joined us as Chief Executive Officer to lead the company into the future .*

Mr. Loek van den Boog, Executive Director, said, *The current financial crisis has an adverse impact on our revenue and we see this to continue in the near term. There is pressure both on prices and volumes. We however still believe that global outsourcing will rise as the current dust settles. We continue to work very closely with our customers in these tough times and remain positive of our mid to long term prospects .*

Speaking on the occasion, **Mr. Surjeet Singh, Chief Financial Officer** said, *The continuous currency benefit due to sharp depreciation of the Rupee was seen at operating level as the Dollar appreciated against all major currencies on safety flight. We are working towards realigning our cost structures to sustain the current pressure on margins as demand remains unpredictable .*

Corporate Developments

- **Appointment of Chief Executive Officer, Jeya Kumar**

Patni appointed Jeya Kumar as Chief Executive Officer during the quarter. Before joining Patni, Mr. Jeya Kumar was CEO of Mphasis and has more than 25 years of global experience spanning several geographies. Prior to Mphasis, he was Sr.Vice President of Sun Microsystems and was a member of Sun's Executive Management Group.

- **Patni wins Marketing Excellence Award**

ITSMA (Information Technology Services Marketing Association), the leading marketing association for technology, communication and professional services providers has honored Patni with a 2008 Marketing Excellence Award. The diamond award is the highest designation in strengthening partner relationship category.

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

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

For the quarter / period ended

| Particulars | 2008 | | 2007 | | YoY | | 2008 | | 2007 | | YoY | | 2008 | | 2007 | | QoQ | | 2008 | | 2007 | | QoQ | | 2008 | | 2007 | | | | |
|--|--------------|--------------|---------|---------------|-------------|-------------|--------|---------------|-------------|--------|---------------|-------------|--------|-------------|----------|---------------|-------------|----------|--------|---|----------|--------|-----|----------|--------|---|----------|--------|---|--|--|
| | 2008 | 2007 | Change | % | Dec 31 2008 | Dec 31 2007 | Change | % | Sep 30 2008 | Change | % | Sep 30** | Change | % | Sep 30** | Change | % | Sep 30** | Change | % | Sep 30** | Change | % | Sep 30** | Change | % | Sep 30** | Change | % | | |
| Revenue | 718.9 | 662.9 | | 8.4% | 176.4 | 174.1 | | 1.3% | 183.5 | | -3.9% | | | 183.5 | | -3.9% | | | | | | | | | | | | | | | |
| Cost of revenues | 473.6 | 432.3 | | 9.6% | 112.3 | 116.6 | | -3.7% | 117.6 | | -4.5% | (2.8) | (1) | 120.4 | | -6.7% | (2.8) | (1) | | | | | | | | | | | | | |
| Depreciation | 17.7 | 17.8 | | -0.9% | 4.0 | 4.5 | | -10.6% | 4.3 | | -8.3% | | | 4.3 | | -8.3% | | | | | | | | | | | | | | | |
| Gross Profit | 227.6 | 212.8 | | 6.9% | 60.1 | 53.1 | | 13.3% | 61.5 | | -2.2% | 2.8 | | 58.7 | | 2.4% | 2.8 | | | | | | | | | | | | | | |
| Sales and marketing expenses | 52.6 | 45.8 | | 14.7% | 13.2 | 11.8 | | 12.5% | 13.2 | | 0.3% | | | 13.2 | | 0.3% | | | | | | | | | | | | | | | |
| General and administrative expenses | 78.5 | 70.4 | | 11.4% | 18.7 | 18.8 | | -0.3% | 21.2 | | -11.8% | | | 21.2 | | -11.8% | | | | | | | | | | | | | | | |
| Provision for doubtful debts and advances | 1.6 | 1.2 | | 37.6% | 0.8 | 0.2 | | 268.1% | 0.6 | | 20.3% | | | 0.6 | | 20.3% | | | | | | | | | | | | | | | |
| Foreign exchange (gain) / loss, net | 18.4 | (23.4) | | -178.6% | 12.6 | (4.7) | | -368.7% | (1.2) | | -1174.9% | | | (1.2) | | -1174.9% | | | | | | | | | | | | | | | |
| Operating income | 76.6 | 118.7 | | -35.5% | 14.8 | 27.1 | | -45.2% | 27.6 | | -46.4% | 2.8 | (2) | 24.9 | | -40.4% | 2.8 | (2) | | | | | | | | | | | | | |
| Other income / (expense), net | 30.0 | 17.0 | | 76.5% | 3.7 | 2.8 | | 30.9% | 11.4 | | -67.9% | 8.3 | (3) | 3.1 | | 17.9% | 8.3 | (3) | | | | | | | | | | | | | |
| Income before income taxes | 106.6 | 135.8 | | -21.5% | 18.5 | 29.8 | | -38.1% | 39.0 | | -52.6% | 11.0 | (4) | 28.0 | | -33.9% | 11.0 | (4) | | | | | | | | | | | | | |
| Income taxes | 5.2 | 21.8 | | -76.1% | 2.4 | 4.5 | | -46.8% | (4.1) | | -159.0% | (7.7) | (5) | 3.6 | | -32.2% | (7.7) | (5) | | | | | | | | | | | | | |
| Net income/(loss) | 101.4 | 114.0 | | -11.0% | 16.1 | 25.3 | | -36.5% | 43.1 | | -62.7% | 18.7 | (6) | 24.4 | | -34.2% | 18.7 | (6) | | | | | | | | | | | | | |
| Earning per share | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| - Basic | | \$ 0.75 | \$ 0.82 | -8.8% | \$ 0.13 | \$ 0.18 | | -31.3% | \$ 0.32 | | -60.6% | \$ 0.18 | | \$ 0.61 | | -25.3% | \$ 0.18 | | | | | | | | | | | | | | |
| - Diluted | | \$ 0.75 | \$ 0.82 | -8.2% | \$ 0.12 | \$ 0.18 | | -30.4% | \$ 0.32 | | -60.6% | \$ 0.18 | | \$ 0.61 | | -24.9% | \$ 0.18 | | | | | | | | | | | | | | |
| Weighted average number of common shares used in computing earnings per share | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| - Basic | 135,590,677 | 138,660,785 | | | 128,421,191 | 138,942,718 | | | 135,925,454 | | | | | 135,925,454 | | | | | | | | | | | | | | | | | |
| - Diluted | 135,760,422 | 139,569,933 | | | 128,541,554 | 140,699,403 | | | 135,925,454 | | | | | 135,925,454 | | | | | | | | | | | | | | | | | |

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

(1) - Due to write back of provision for payroll taxes of earlier years

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

Financial Statements Analysis:

Revenues

Revenues during the quarter were in line with the guidance at US\$ 176.4 million (Rs.8,570.0 million), representing a sequential decrease of 3.9%.in US dollar terms. Revenue decline in constant currency was 1.4% due to lower capacity during the quarter. For the year ended 31st December, 2008 the overall revenues were at US\$ 718.9 million (Rs.34,923.4 million), up 8.4% from 2007 including 1% improvement in pricing on annualized basis. Top customer contribution towards revenue continued to decrease and stands at 10.7% for the year from 11.8% during the previous year. Number of active clients was 331 at year end as compared to 318 at the end of 2007. New client acquisitions during the quarter were 18. On a calendar basis we have acquired 100 new clients.

Gross Margin

Gross Margins for the quarter were at 34.1% or US\$ 60.1 million (Rs.2,921.5 million) against 33.5% or US\$ 61.5 million (Rs.2,857.0 million) in the previous quarter. Gross Margin (adjusted for Extra Ordinary Items) was at US\$ 58.7 million or 32.0% during the previous quarter. The improvement in Gross Margin by 2.1% sequentially is primarily due to currency change in Rupee depreciation adjusted for other currencies.

Gross Margins for 2008 were at US\$ 227.6 million (Rs.11,057.7 million) or 31.7% as compared to US\$ 212.8 million (Rs.8,387.5 million) or 32.1% in 2007 . Gross Margins (adjusted for Extra Ordinary items) were at US\$ 224.8 million or 31.3% during 2008. The change on annual basis is positive impact of 2.5% due currency neutralized by changes in compensation and other operating costs.

Depreciation and amortization expenses in CGS were US\$ 4.5 million during the quarter against US\$4.9 million in Q3 2008 and US\$ 19.7 million during 2008 as compared to US\$ 18.3 million in 2007.

Selling General and Administrative Expenses (SGA Expenses)

Sales and marketing expenses during the quarter were at US\$ 13.2 million (Rs. 642.1 million),unchanged as compared to previous quarter .On a full year basis sales and marketing expenses were at US\$ 52.6 million (Rs.2,553.2 million) or 7.3% as compared to US\$ 45.8 million (Rs.1,805.5 million) at 6.9% .

G&A expenses during the quarter were at US\$ 18.7 million (Rs.909.3 million) at 10.6% as compared to US\$21.2 million (Rs.985.9 million) at 11.6% during previous quarter adjusted for period costs.

For the year 2008 the total cost of US\$ 78.5 million (Rs.3,813.5 million) at 10.9% against the previous year cost of US\$ 70.4 million (Rs.2,776.3 million) or 10.6% during 2007.

Overall Depreciation and amortization expenses in SGA were at US\$1.9 million for the quarter and US\$ 8.0 million for the year 2008 as compared to US\$ 6.7 million for the year 2007.

Foreign exchange gain/loss

The revaluation and mark to market foreign exchange loss for the quarter were at US\$ 12.6 million (Rs.612.7 million) as compared to foreign exchange gain of US\$ 1.2 million (Rs.54.5 million) in the previous quarter, due to sharp Rupee depreciation during the quarter. For the full year 2008 the total foreign exchange loss stood at US\$ 18.4 million (Rs.891.9 million) against a gain of US\$ 23.4 million (Rs.920.3 million) in 2007.

The quarter end rate for debtors revaluation was Rs.48.75. Outstanding contracts at the end of Q4 2008 were about US\$ 394.68 million with contracted in the average range of Rs.39.95 to Rs 51.0.

Operating Income

Operating Income including foreign exchange gain / loss during quarter was at US \$14.8 million (Rs 720.1 million) or at 8.4% against US \$27.6 million (Rs 1283.9 million) or 15.1% during previous quarter , decline of 46.4% largely on account of foreign exchange loss of \$12.6 million compared to a gain of US \$1.2 million.

For the year 2008 Operating income was at \$76.6 million (Rs 3,720.1 million) at 10.7% (\$ 73.8 million or 10.3 % adjusted for extra ordinary items) against US \$ 118.7 million (Rs 4679.4 million) during 2007 17.9%. The major changes being due to Foreign exchange gain loss as stated above.

Other Income

For Q4 CY2008, other income (including interest and dividend income net of interest expenses, profit/loss on sale of investments and other miscellaneous income) stood at 2.1% or US\$ 3.7 million during the quarter as compared to 6.2% or US\$ 11.4 million (Rs.527.9 million) during previous quarter. Other Income adjusted for Extra ordinary items at US\$ 3.1 million at 1.7% during previous quarter.

For the year total other income was higher at US\$ 30.0 million (Rs 1,459.7 million) as compared to US\$ 17.0 million (Rs 670.9 million) in 2007. Other Income adjusted for Extra ordinary items at US\$ 23.0 million during 2008.

Profit before Tax

Profit before tax for the quarter at 10.5% was US\$ 18.5 million (Rs.897.5 million), lower by 52.6% as compared to US\$ 39.0 million (Rs. 1,811.8 million) during previous quarter. PBT adjusted for Extra Ordinary Items was at US \$ 28.0 million at 15.2%, lower by 33.9% as compared to previous quarter.

On a full year basis reported Profit before tax was at US\$ 106.6 million (Rs.5,179.8 million) at 14.8% as compared to US\$ 135.8 million (Rs.5,350.3 million) at 20.5%. PBT adjusted for Extra Ordinary items was at US\$ 96.8 million at 13.5% during 2008.

Income Taxes

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Income tax for the quarter was at US\$ 2.4 million (Rs. 117.3 million) at a 13.1% effective tax rate on profit before tax.

For the full year overall was at US \$ 5.2 million (Rs 252.8 million) which was adjusted for Extra Ordinary items was at US\$ 13.6 million at effective tax rate of 14.0%

Net Income

Consequently, net income for the quarter at 9.1% was US\$ 16.1 million (Rs 780.2 million), lower by 62.7% as compared to previous quarter net Income of US \$ 43.1 million (Rs 2,001.9 million).However previous quarter net income adjusted with Extra Ordinary items was at US\$ 24.4 million at 13.3% resulting to 34.2% decline.

For the year net Income is US\$ 101.4 million (Rs.4,927.0 million) at 14.1%, lower by 11.0% as compared to US\$ 114.0 million (Rs.4,491.8 million) for 2007 .Net income adjusted for Extra Ordinary items is at US\$ 83.2 million lower by 27.0% over 2007

Balance Sheet and Cash Flow changes

During the quarter, against net income of US\$ 16.1 million (Rs.780.2 million), cash from operating activities was at US\$ 51.2 million (Rs. 2,489.7 million) net of changes in current assets and liabilities of US \$ 33.6 million due to increased collections and non cash charges of US\$ 1.6 million. These non cash charges comprise of depreciation and amortization including compensation cost of US\$ 7.2 million, and other charges US\$ (-) 5.6 million.

Net cash from investing activities was US\$ 17.8 million (Rs.866.1 million) including capital expenditure of US\$4.0 million (Rs.191.9 million),net proceeds from sale of investments of US\$ 13.9 million (Rs.674.1 million).

Net cash outflow on financing activities was US\$ 9.8 million (Rs.475.8 million) comprising of payment of buy back of shares of US\$ 9.7 million (Rs. 472.9 million) and US\$ 0.1 (Rs.2.9 million)on other financing activities. Over all cash and cash equivalents (including short term investments) were at US\$ 305.7 million (Rs.14,849.4 million), compared to US\$ 278.6 million (Rs.12,938.7 million) at close of Q3 2008.

Receivables at the end of Q4 2008 were at US\$ 111.8 million as compared to US\$ 137.0 million at the end of Q3 2008. Number of days outstanding (Including Unbilled) for current quarter was 74 days as compared to 89 days in Q3 2008.

Cash ,Cash Equivalents and Investments

Total Cash and Cash equivalents at the end of the period stand at a total of US\$ 60.1 million while investments in mutual funds is \$243.5 million. The details of these cash, cash equivalents and investments are annexed with this release and also with our financial results.

Figures in US\$ million

Cash and cash equivalents held by the Company account wise are as follows:

| | As of December 31, | |
|--|--------------------|----------|
| | 2007 | 2008 |
| Money In Transit | \$ 0.33 | \$ 0.98 |
| Bank Accounts | | |
| Standard Chartered Bank -EEFC account in US dollars, India | \$ 4.61 | \$ 0.11 |
| Standard Chartered Bank, India | \$ 1.21 | \$ 0.59 |
| Bank of Tokyo, Japan | \$ 1.79 | \$ 1.27 |
| Bank of Boston, USA | \$ 0.20 | \$ 6.23 |
| ANZ Bank, Australia | \$ 0.78 | \$ 1.15 |
| ABN Amro Bank N.V, India | \$ 0.00 | \$ 1.78 |
| Citibank N.A., India | \$ 0.12 | \$ 1.32 |
| Handelsbanken, Finland. | | \$ 2.04 |
| Bank of America- Fleet Bank main account, USA | \$ 4.97 | \$ 13.04 |
| Bank of America - Fleet checking operating, USA | \$ 0.51 | \$ 3.85 |
| Bank of America - Cymbal Corpn New Checking, USA | \$ 1.11 | \$ 4.68 |
| Bank of Amrica - Demand deposit account, USA | \$ 1.61 | \$ 0.64 |
| Natwest Bank - Business premium account, UK | \$ 0.97 | \$ 1.28 |
| Citibank EEFC Bank account, India | \$ 3.82 | \$ 2.54 |
| ICICI EEFC Bank account, India | \$ 1.25 | \$ 0.26 |
| Standard Bank of S Africa, India | \$ 0.80 | \$ 1.84 |
| Commerce Bank, USA | \$ 1.35 | \$ 1.64 |
| Bank of America, USA | \$ 0.44 | \$ 3.37 |
| Others* | \$ 6.37 | \$ 10.42 |
| | \$ 31.93 | \$ 58.03 |
| Term Deposits | | |
| Merrill Lynch, USA | \$ 0.21 | \$ 0.00 |
| Yes Bank, India | | \$ 1.03 |
| | \$ 0.21 | \$ 1.03 |
| Cash In Hand | \$ 0.16 | \$ 0.10 |
| Cash and cash equivalents | \$ 32.63 | \$ 60.14 |

* Others includes bank balances in various accounts with banks spread across various locations in which the Company held balances of less than \$1 million individually.

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Investments in Mutual Fund schemes including Fixed Maturity Plans are set out below:

Figures in US\$ million

| | As of 31-Dec-07 | As of 31-Dec-08 |
|--------------------------------|--------------------|--------------------|
| ICICI Prudential Mutual Fund | \$ 20.77 | \$ 42.69 |
| Reliance Mutual Fund | \$ 22.47 | \$ 34.92 |
| Birla Sunlife Mutual Fund | \$ 43.64 | \$ 32.01 |
| Tata Mutual Fund | \$ 32.97 | \$ 30.46 |
| Kotak Mutual Fund | \$ 31.33 | \$ 25.13 |
| IDFC Mutual Fund | \$ 14.45 | \$ 18.44 |
| JM Financial Mutual Fund | \$ 19.37 | \$ 13.99 |
| DSP BlackRock Mutual Fund | \$ 6.86 | \$ 12.12 |
| Deutsche Mutual Fund | \$ 10.82 | \$ 7.95 |
| Lotus India Mutual Fund | \$ 0.36 | \$ 7.24 |
| Franklin Templeton Mutual Fund | \$ 15.67 | \$ 6.16 |
| Fortis Mutual Fund | \$ 18.29 | \$ 5.74 |
| HSBC Mutual Fund | \$ 11.80 | \$ 3.96 |
| NABARD Capital Gains Bonds | \$ 3.43 | \$ 2.77 |
| HDFC Mutual Fund | \$ 3.00 | \$ 2.65 |
| Canara Bank CD | \$ 0.00 | \$ 2.02 |
| Global Treasury Fund | \$ 10.49 | \$ 0.01 |
| ING Vysya Mutual Fund | \$ 7.63 | \$ 0.00 |
| Principal Mutual Fund | \$ 11.77 | \$ 0.00 |
| UTI Mutual Fund | \$ 10.21 | \$ 0.00 |
| Others* | \$ 5.83 | \$ 0.04 |
| Total | \$ 301.15 | \$ 248.30 |

*Others represent investments in Corporate Bonds.

Above includes Long term investment of US \$2.8m.

Figures in Million INR except EPS and Share Data

CONSOLIDATED STATEMENT OF INCOME : BASED ON CONVENIENCE TRANSLATION

For the quarter / period ended

| Particulars | 2008 | 2007 | Dec 31 2008 | Dec 31 2007 | Sep 30 2008 |
|--|-----------------|----------------|----------------|----------------|----------------|
| Exchange rate \$1 = INR | 48.58 | 39.41 | 48.58 | 39.41 | 46.45 |
| Revenues | 34,923.4 | 26,125.3 | 8,570.0 | 6,861.9 | 8,522.5 |
| Cost of revenues | 23,007.5 | 17,035.3 | 5,454.8 | 4,593.6 | 5,463.5 |
| Depreciation | 858.2 | 702.5 | 193.7 | 175.8 | 202.0 |
| Gross Profit | 11,057.7 | 8,387.5 | 2,921.5 | 2,092.5 | 2,857.0 |
| Sales and marketing expenses | 2,553.2 | 1,805.5 | 642.1 | 463.1 | 612.0 |
| General and administrative expenses | 3,813.5 | 2,776.3 | 909.3 | 739.8 | 985.9 |
| Provision for doubtful debts and advances | 79.0 | 46.6 | 37.3 | 8.2 | 29.7 |
| Foreign exchange (gain) / loss, net | 891.9 | (920.3) | 612.7 | (185.0) | (54.5) |
| Operating income | 3,720.1 | 4,679.4 | 720.1 | 1,066.3 | 1,283.9 |
| Other income / (expense), net | 1,459.7 | 670.9 | 177.4 | 109.9 | 527.9 |
| Income before income taxes | 5,179.8 | 5,350.3 | 897.5 | 1,176.2 | 1,811.8 |
| Income taxes | 252.8 | 858.5 | 117.3 | 179.0 | (190.1) |
| Net income/(loss) | 4,927.0 | 4,491.8 | 780.2 | 997.2 | 2,001.9 |
| Earning per share | | | | | |
| - Basic | 36.44 | 32.39 | 6.08 | 7.18 | 14.73 |
| - Diluted | 36.44 | 32.18 | 6.07 | 7.09 | 14.73 |
| Weighted average number of common shares used in computing earnings per share | | | | | |
| - Basic | 135,590,677 | 138,660,785 | 128,421,190 | 138,942,718 | 135,925,454 |
| - Diluted | 135,760,422 | 139,569,933 | 128,541,554 | 140,699,403 | 135,925,454 |

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 fourth quarter and the year ended December 31, 2008

- **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 10 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:

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

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With an employee strength of over 15,000; multiple global delivery centers spread across 11 cities worldwide; 23 international offices across the Americas, Europe and Asia-Pacific; Patni has registered revenues of US\$ 663 million for the year 2007.

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

Committed to quality, Patni adds value to its clients' businesses through well-established and structured methodologies, tools and techniques. Patni is an ISO 9001: 2000 certified and SEI-CMMI Level 5 (V 1.2) organization, assessed enterprise wide at P-CMM Level 3. In keeping with its focus on continuous process improvements, Patni adopts Six Sigma practices as an integral part of its quality and process frameworks. Patni leverages its vast experience spanning three decades; deep domain expertise; full-spectrum services; and suites of IP-led solutions, methodologies and frameworks; in being an effective business transformation partner to its clients.

For more information on Patni, visit www.patni.com

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IMPORTANT NOTE:

Certain statements in this release concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in IT services including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions

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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-

PATNI COMPUTER SYSTEMS LIMITED

FINANCIAL AND OPERATING INFORMATION FOR THE

FOURTH QUARTER ENDED DEC 31, 2008

February 12, 2009

NOTES:

• **Fiscal Year**

Patni follows a January - December fiscal year. The current review covers the financial and operating performance of the Company for the quarter ended, and the year ended Dec 31, 2008.

• **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

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

For the quarter / period ended

| Particulars | 2008 | | YoY Change % | 2007 | | YoY Change % | 2008 | | QoQ change % | Non GAAP September 30 2008 | | QoQ change % | Extra ordinary items ** |
|--|----------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|-------------------------------|--|---------------|-------------------------|
| | 2008 | 2007 | | 2008 | 2007 | | 2008 | 2007 | | Extra ordinary items Sep 30** | Sep 30 (Excluding Extra ordinary items) (NON GAAP) | | |
| Revenue | 718,884 | 662,912 | 8.4% | 76,409 | 74,116 | 1.3% | 83,477 | -3.9% | | 183,477 | -3.9% | | |
| Cost of revenues | 473,600 | 32,259 | 9.6% | 12,284 | 16,559 | -3.7% | 17,621 | -4.5% | | (2,770) | (1)20,391 | -6.7% | (2,770) |
| Depreciation | 17,666 | 17,826 | -0.9% | 3,986 | 4,461 | -10.6% | 4,349 | -8.3% | | 4,349 | | -8.3% | |
| Gross Profit | 227,618 | 12,827 | 6.9% | 60,138 | 53,096 | 13.3% | 61,507 | -2.2% | | 2,770 | 58,737 | 2.4% | 2,770 |
| Sales and marketing expenses | 52,557 | 45,813 | 14.7% | 13,217 | 11,752 | 12.5% | 13,176 | 0.3% | | 13,176 | | 0.3% | |
| General and administrative expenses | 78,499 | 70,447 | 11.4% | 18,718 | 18,772 | -0.3% | 21,225 | -11.8% | | 21,225 | | -11.8% | |
| Provision for doubtful debts and advances | 1,626 | 1,182 | 37.6% | 768 | 209 | 268.1% | 639 | 20.3% | | 639 | | 20.3% | |
| Foreign exchange (gain) / loss, net | 18,359 | (23,351) | -178.6% | 12,612 | (4,694) | -368.7% | (1,173) | -1174.9% | | (1,173) | | -1174.9% | |
| Operating income | 76,571 | 118,736 | -35.5% | 14,823 | 27,057 | -45.2% | 27,640 | -46.4% | | 2,770 | (2)24,870 | -40.4% | 2,770 |
| Other income / (expense), net | 30,047 | 17,024 | 76.5% | 3,652 | 2,789 | 30.9% | 11,362 | -67.9% | | 8,264 | (3) 3,098 | 17.9% | 7,066 |
| Income before income taxes | 106,623 | 135,760 | -21.5% | 18,475 | 29,846 | -38.1% | 39,002 | -52.6% | | 11,034 | (4)27,968 | -33.9% | 11,034 |
| Income taxes | 5,203 | 21,784 | -76.1% | 2,414 | 4,542 | -46.8% | (4,093) | -159.0% | | (7,654) | (5) 3,561 | -32.2% | (8,315) |
| Net income/(loss) | 101,421 | 113,976 | -11.0% | 16,061 | 25,304 | -36.5% | 43,095 | -62.7% | | 18,688 | (6)24,407 | -34.2% | 18,688 |
| Earning per share | | | | | | | | | | | | | |
| - Basic | \$ 0.75 | \$ 0.82 | -8.8% | \$ 0.13 | \$ 0.18 | -31.3% | \$ 0.32 | -60.6% | | \$ 0.18 | | -30.4% | |
| - Diluted | \$ 0.75 | \$ 0.82 | -8.2% | \$ 0.12 | \$ 0.18 | -30.4% | \$ 0.32 | -60.6% | | \$ 0.18 | | -30.4% | |
| Weighted average number of common shares used in computing earnings per share | | | | | | | | | | | | | |
| - Basic | 135,590,687 | 66,785 | | 128,421,389 | 42,718 | | 135,925,454 | | | 135,925,454 | | | |
| - Diluted | 135,760,323 | 69,933 | | 128,541,556 | 49,403 | | 135,925,454 | | | 135,925,454 | | | |

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

(1) - Due to write back of provision for payroll taxes of earlier years

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(2) - Impact of 1

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

(4) - Impact of 2 and 3

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

(6) - Impact of 4 and 5

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

| Particulars | As on 31-Dec-08 | As on 30-Sep-08 | As on 31-Dec-07 |
|--|----------------------------|----------------------------|----------------------------|
| Assets | | | |
| Total current assets | 467,463 | 475,252 | 538,754 |
| Goodwill | 65,309 | 67,125 | 66,713 |
| Intangible assets, net | 27,073 | 28,383 | 31,881 |
| Property, plant, and equipment, net | 150,930 | 157,482 | 171,027 |
| Other assets | 42,035 | 38,055 | 40,381 |
| Total assets | 752,810 | 766,298 | 848,755 |
| Liabilities | | | |
| Total current liabilities | 143,362 | 150,773 | 117,722 |
| Capital lease obligations excluding current installments | 184 | 237 | 326 |
| Other liabilities | 38,308 | 29,054 | 49,743 |
| Total liabilities | 181,854 | 180,064 | 167,791 |
| Total shareholders equity | 570,956 | 586,234 | 680,964 |
| Total liabilities & shareholders equity | 752,810 | 766,298 | 848,755 |

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

| Particulars | 2008 | 2007 | Dec 31 2008 | Sep 30 2008 | Dec 31 2007 |
|--|-----------------|------------------|--------------------|--------------------|--------------------|
| Net cash provided by operating activities | 149,343 | 111,272 | 51,250 | 27,147 | 21,119 |
| Net cash used in investing activities | (35,532) | (130,036) | (17,828) | 22,437 | (36,600) |
| Capital expenditure, net | (39,521) | (61,333) | (3,951) | (6,026) | (9,839) |
| Investment in securities, net | 3,989 | (14,774) | (13,877) | 28,463 | (14,454) |
| Investment in subsidiary incl tax benefit on incentive stock option of Patni Telecom | | (53,929) | | | (12,307) |
| Net cash provided / (used) in financing activities | (64,590) | (8,682) | (9,794) | (54,837) | 1,467 |
| Others | (293) | (430) | (58) | (69) | (88) |
| Common shares issued / (Buy Back) | (52,855) | 3,681 | (9,735) | (43,327) | 1,556 |
| Dividend on common shares | (11,441) | (11,933) | (1) | (11,441) | (1) |
| Net increase / (decrease) in cash and equivalents | 49,222 | (27,446) | 23,628 | (5,253) | (14,014) |
| Effect of exchange rate changes on cash and equivalents | (21,709) | 13,562 | (2,225) | (11,122) | 1,828 |
| Cash and equivalents at the beginning of the period | 32,626 | 46,510 | 38,736 | 55,111 | 44,812 |
| Cash and equivalents at the end of the period | 60,138 | 32,626 | 60,138 | 38,736 | 32,626 |

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

For the quarter /period ended

| Particulars | 2008 (Audited) | 2007 (Audited) | YoY Change % | Dec 31 2008 (Unaudited) | Dec 31 2007 (Unaudited) | YoY Change % | Sep 30 2008 (Audited) | QoQ Change % |
|---|-------------------|-------------------|---------------|----------------------------|----------------------------|---------------|--------------------------|---------------|
| Sales and service income | 31,172,682 | 26,885,495 | 15.9% | 8,548,282 | 6,772,796 | 26.2% | 8,014,897 | 6.7% |
| Other income | 1,303,448 | 864,841 | 50.7% | 195,985 | 147,306 | 33.0% | 472,183 | -58.5% |
| Total income | 32,476,130 | 27,750,336 | 17.0% | 8,744,267 | 6,920,102 | 26.4% | 8,487,080 | 3.0% |
| Staff costs | 18,328,658 | 15,389,630 | 19.1% | 5,140,707 | 3,794,067 | 35.5% | 4,626,485 | 11.1% |
| Selling, general and administration expenses | 9,284,006 | 6,368,818 | 45.8% | 2,703,171 | 1,831,027 | 47.6% | 2,105,247 | 28.4% |
| Interest | 78,959 | 147,225 | -46.4% | 24,051 | 38,122 | -36.9% | 26,806 | -10.3% |
| Total expenditure | 27,691,623 | 21,905,673 | 26.4% | 7,867,929 | 5,663,216 | 38.9% | 6,758,538 | 16.4% |
| Net profit before tax and adjustments | 4,784,506 | 5,844,663 | -18.1% | 876,338 | 1,256,886 | -30.3% | 1,728,542 | -49.3% |
| Provision for taxation | 404,366 | 1,008,401 | -59.9% | 290,922 | 233,029 | 24.8% | (73,739) | -494.5% |
| Profit/(loss) for the year after taxation | 4,380,140 | 4,836,262 | -9.4% | 585,416 | 1,023,857 | -42.8% | 1,802,281 | -67.5% |
| Profit and loss account, brought forward | 14,560,885 | 10,646,309 | 36.8% | 18,355,424 | 14,395,492 | 27.5% | 16,553,144 | 10.9% |
| Add: | | | | | | | | |
| Adjustment on account of Employee Benefits | | (32,606) | -100.0% | | 16,956 | -100.0% | | |
| Amount available for appropriation | 18,941,025 | 15,449,965 | 22.6% | 18,940,840 | 15,436,305 | 22.7% | 18,355,425 | 3.2% |
| Proposed dividend on equity shares | 384,473 | 418,173 | -8.1% | 384,315 | 417,028 | -7.8% | | |
| Dividend on equity shares of subsidiary | | | 0.0% | | | | | |
| Dividend tax | 65,341 | 83,389 | -21.6% | 65,314 | 70,874 | -7.8% | | |
| Transfer to general reserve | 389,154 | 387,518 | 0.4% | 389,154 | 387,518 | 0.4% | | |
| Profit and loss account, carried forward | 18,102,057 | 14,560,885 | 24.3% | 18,102,057 | 14,560,885 | 24.3% | 18,355,425 | -1.4% |
| Earning per share (Rs. per equity share of Rs. 2 each) | | | | | | | | |
| - Basic | 32.30 | 34.88 | -7.4% | 4.56 | 7.37 | -38.1% | 13.26 | -65.6% |
| - Diluted | 32.25 | 34.54 | -6.6% | 4.54 | 7.32 | -38.0% | 13.24 | -65.7% |

**Weighted
average
number of
common shares
used in
computing
earnings per
share**

| | | | | | |
|-----------|-------------|-------------|-------------|-------------|-------------|
| - Basic | 135,590,677 | 138,660,785 | 128,421,190 | 138,942,718 | 135,925,454 |
| - Diluted | 135,815,016 | 140,036,922 | 129,060,943 | 139,934,252 | 136,108,038 |

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

| Particulars | As on 31-Dec-08 | As on 30-Sep-08 | As on 31-Dec-07 |
|--|----------------------------|----------------------------|----------------------------|
| Assets | | | |
| Current assets, loans and advances | 11,298,248 | 11,556,213 | 9,797,981 |
| Goodwill | 4,907,344 | 4,825,306 | 4,278,413 |
| Fixed assets(Net of Depreciation) | 8,985,577 | 9,028,214 | 8,317,387 |
| Investments | 11,771,334 | 11,113,595 | 11,516,778 |
| Deferred tax asset, net | 945,241 | 634,982 | 591,871 |
| Total assets | 37,907,744 | 37,158,310 | 34,502,430 |
| Liabilities | | | |
| Current liabilities and provisions | 9,355,345 | 8,197,901 | 7,096,563 |
| Secured loans | 17,548 | 20,771 | 23,785 |
| Deferred tax liability, net | 133,746 | 129,265 | 20,589 |
| Total liabilities | 9,506,639 | 8,347,937 | 7,140,937 |
| Total shareholders equity | 28,401,105 | 28,810,373 | 27,361,493 |
| Total liabilities & shareholders equity | 37,907,744 | 37,158,310 | 34,502,430 |

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

| Particulars | 2008 (Audited) | 2007 (Audited) | Dec 31 2008 (Unaudited) | Dec 31 2007 (Unaudited) | Sep 30 2008 (Audited) |
|--|------------------|------------------|----------------------------|----------------------------|--------------------------|
| Cash flows from / (used in) operating activities (A) | 5,814,039 | 4,119,869 | 2,168,016 | 796,307 | 903,983 |
| Cash flows used in investing activities (B) | (1,002,523) | (4,821,651) | (722,166) | (1,330,514) | 1,125,514 |
| Cash flows from / (used in) from financing activities (C) | (2,859,934) | (363,378) | (398,021) | 34,969 | (2,466,025) |
| Effect of changes in exchange rates (D) | (305,689) | 290,419 | 64,814 | (1,113) | (115,258) |
| Net decrease in cash and cash equivalents during the period (A+B+C+D) | 1,645,892 | (774,741) | 1,112,643 | (500,351) | (551,786) |
| Cash and cash equivalents at the beginning of the period | 1,285,857 | 2,060,598 | 1,819,107 | 1,786,208 | 2,370,894 |
| Cash and cash equivalents at the end of the period | 2,931,750 | 1,285,857 | 2,931,750 | 1,285,857 | 1,819,107 |

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

| Particulars | 2008 | 2007 | Dec 31 2008 | Dec 31 2007 | Sep 30 2008 |
|---|------------------|------------------|----------------|------------------|------------------|
| Consolidated net income as per Indian GAAP | 4,380,116 | 4,836,262 | 585,316 | 1,023,857 | 1,802,300 |
| Income taxes | 60,298 | 65,622 | 130,198 | 43,978 | 45,500 |
| Foreign currency differences | 73,078 | 114,235 | 62,178 | 102,542 | 8,000 |
| Employee retirement benefits | 17,937 | (77,408) | 68,037 | (115,216) | (8,900) |
| ESOP related Compensation Cost | (165,832) | (192,446) | (38,532) | (50,308) | (42,700) |
| Amortisation of Intangibles , arising on Business acquisition | (71,055) | (45,926) | (20,755) | (5,456) | (17,600) |
| Others | (2,720) | 10,379 | (3,420) | (5,952) | (3,500) |
| Total | (88,293) | (125,544) | 197,707 | (30,413) | (19,200) |
| Consolidated net income as per US GAAP | 4,291,822 | 4,710,718 | 783,022 | 993,444 | 1,783,100 |

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

For the quarter / period ended

| Particulars | 2008 | 2007 | Dec 31 2008 | Dec 31 2007 | Sep 30 2008 |
|--|-------------------|------------------|------------------|------------------|------------------|
| Exchange rate\$1 = INR | 48.58 | 39.41 | 48.58 | 39.41 | 46.45 |
| Revenues | 34,923,390 | 26,125,349 | 8,569,951 | 6,861,916 | 8,522,500 |
| Cost of revenues | 23,007,511 | 17,035,344 | 5,454,773 | 4,593,579 | 5,463,483 |
| Depreciation | 858,206 | 702,511 | 193,664 | 175,813 | 202,032 |
| Gross Profit | 11,057,673 | 8,387,494 | 2,921,515 | 2,092,525 | 2,856,985 |
| Sales and marketing expenses | 2,553,245 | 1,805,475 | 642,069 | 463,145 | 612,007 |
| General and administrative expenses | 3,813,465 | 2,776,338 | 909,344 | 739,821 | 985,903 |
| Provision for doubtful debts and advances | 78,979 | 46,573 | 37,330 | 8,226 | 29,682 |
| Foreign exchange (gain) / loss, net | 891,859 | (920,258) | 612,667 | (184,973) | (54,500) |
| Operating income | 3,720,124 | 4,679,366 | 720,105 | 1,066,306 | 1,283,892 |
| Other income / (expense), net | 1,459,693 | 670,916 | 177,415 | 109,905 | 527,894 |
| Income before income taxes | 5,179,816 | 5,350,282 | 897,520 | 1,176,211 | 1,811,787 |
| Income taxes | 252,781 | 858,506 | 117,291 | 179,010 | (190,136) |
| Net income/(loss) | 4,927,035 | 4,491,776 | 780,228 | 997,201 | 2,001,923 |
| Earning per share | | | | | |
| - Basic | 36.44 | 32.39 | 6.08 | 7.18 | 14.73 |
| - Diluted | 36.44 | 32.18 | 6.07 | 7.09 | 14.73 |
| Weighted average number of common shares used in computing earnings per share | | | | | |
| - Basic | 135,590,677 | 138,660,785 | 128,421,190 | 138,942,718 | 135,925,454 |
| - Diluted | 135,760,422 | 139,569,933 | 128,541,554 | 140,699,403 | 135,925,454 |

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

| Particulars | As on 31-Dec-08 | As on 30-Sep-08 | As on 31-Dec-07 |
|--|--------------------|--------------------|--------------------|
| Exchange rate\$1 = INR | 48.58 | 46.45 | 39.41 |
| Assets | | | |
| Total current assets | 22,709,330 | 22,075,468 | 21,232,280 |
| Goodwill | 3,172,713 | 3,117,957 | 2,629,166 |
| Intangible assets, net | 1,315,215 | 1,318,402 | 1,256,436 |
| Property, plant, and equipment, net | 7,332,195 | 7,315,060 | 6,740,165 |
| Other assets | 2,042,071 | 1,767,662 | 1,591,399 |
| Total assets | 36,571,524 | 35,594,550 | 33,449,446 |
| Liabilities | | | |
| Total current liabilities | 6,964,514 | 7,003,388 | 4,639,429 |
| Capital lease obligations excl. installments | 8,949 | 11,020 | 12,842 |
| Other liabilities | 1,861,007 | 1,349,563 | 1,960,380 |
| Total liabilities | 8,834,469 | 8,363,985 | 6,612,651 |
| Total shareholders equity | 27,737,055 | 27,230,579 | 26,836,795 |
| Total liabilities & shareholders equity | 36,571,524 | 35,594,550 | 33,449,446 |

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

| Particulars | 2008 | 2007 | Dec 31 2008 | Sep 30 2008 | Dec 31 2007 |
|---|--------------------|--------------------|------------------|--------------------|--------------------|
| Exchange rate \$1 = INR | 48.58 | 39.41 | 48.58 | 46.45 | 39.41 |
| Net cash provided by operating activities | 7,255,086 | 4,385,238 | 2,489,703 | 1,260,973 | 832,301 |
| Net cash used in investing activities | (1,726,132) | (5,124,701) | (866,086) | 1,042,203 | (1,442,400) |
| Capital expenditure, net | (1,919,918) | (2,417,143) | (191,943) | (279,897) | (387,759) |
| Investment in securities, net | 193,786 | (582,226) | (674,143) | 1,322,100 | (569,639) |
| Investment in subsidiary, net of cash acquired | | (2,125,332) | | | (485,002) |
| Net cash provided / (used) in financing activities | (3,137,759) | (342,167) | (475,793) | (2,547,184) | 57,795 |
| Others | (14,254) | (16,946) | (2,803) | (3,225) | (3,469) |
| Common shares issued, net of expenses | (2,567,709) | 145,074 | (472,941) | (2,012,541) | 61,304 |
| Dividend on common shares | (555,796) | (470,295) | (49) | (531,418) | (40) |
| Net increase / (decrease) in cash and equivalents | 2,391,195 | (1,081,630) | 1,147,824 | (244,008) | (552,304) |
| Effect of exchange rate changes on cash and equivalents | (1,054,639) | 534,461 | (108,114) | (516,610) | 72,040 |
| Cash and equivalents at the beginning of the period | 1,584,970 | 1,832,959 | 1,881,816 | 2,559,912 | 1,766,054 |
| Cash and equivalents at the end of the period | 2,921,526 | 1,285,790 | 2,921,526 | 1,799,294 | 1,285,790 |

E1) REVENUE ANALYSIS

| Revenue By Geographical Segments | 2008 | 2007 | Dec 31 2008 | Sep 30 2008 | Dec 31 2007 |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|
| Americas | 77.0% | 79.0% | 78.6% | 76.7% | 78.6% |
| EMEA | 17.4% | 16.1% | 15.6% | 17.5% | 16.5% |
| APAC | 5.6% | 4.9% | 5.9% | 5.8% | 4.9% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

| Revenue by Industry Verticals | 2008 | 2007 | Dec 31 2008 | Sep 30 2008 | Dec 31 2007 |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Insurance | 24.7% | 23.6% | 27.1% | 25.1% | 23.6% |
| Manufacturing | 25.1% | 23.7% | 25.4% | 25.5% | 24.9% |
| Financial Services | 12.8% | 14.1% | 12.9% | 12.5% | 13.8% |
| Communications,Media & Entertainment | 12.6% | 13.5% | 10.1% | 12.5% | 12.9% |
| Growth Industries | 9.2% | 8.3% | 8.9% | 9.2% | 8.3% |
| Product Engineering Services | 15.7% | 16.8% | 15.6% | 15.2% | 16.4% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

| Revenue by Service Offerings | 2008 | 2007 | Dec 31 2008 | Sep 30 2008 | Dec 31 2007 |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Application Development & Maintenance | 63.8% | 64.9% | 64.6% | 64.2% | 64.8% |
| Package software implementation | 14.5% | 13.7% | 13.5% | 15.0% | 13.6% |
| Product Engineering Services | 11.2% | 11.5% | 11.3% | 10.8% | 11.7% |
| Infrastructure Management Services | 4.9% | 5.4% | 5.0% | 4.7% | 4.9% |
| Business Process Outsourcing | 5.6% | 4.5% | 5.6% | 5.2% | 5.0% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

| Revenue by Project Type | 2008 | 2007 | Dec 31 2008 | Sep 30 2008 | Dec 31 2007 |
|---|---------------|---------------|---------------|---------------|---------------|
| Time and Material | 64.0% | 67.6% | 62.2% | 63.2% | 66.0% |
| Fixed Price (including Fixed Price SLA) | 36.0% | 32.4% | 37.8% | 36.8% | 34.0% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

E2) CLIENT- REVENUE METRICS

| Particulates | 2008 | 2007 | Dec 31 2008 | Sep 30 2008 | Dec 31 2007 |
|----------------------------|-------------|-------------|--------------------|--------------------|--------------------|
| Top client | 10.7% | 11.8% | 11.0% | 10.5% | 12.5% |
| Top 5 Clients | 32.7% | 34.8% | 34.6% | 32.9% | 34.2% |
| Top 10 Clients | 45.6% | 47.3% | 48.7% | 45.3% | 46.5% |
| Client data | | | | | |
| No of \$1 million clients | 92 | 84 | 92 | 91 | 84 |
| No of \$5 million clients | 30 | 31 | 30 | 30 | 31 |
| No of \$10 million clients | 19 | 14 | 19 | 20 | 14 |
| No of \$50 million clients | 2 | 2 | 2 | 2 | 2 |
| No of new clients | 100 | 119 | 18 | 27 | 37 |
| No. of active Clients | 331 | 318 | 331 | 332 | 318 |
| % of Repeat Business | 93.0% | 92.4% | 93.1% | 94.3% | 90.7% |

E3) REVENUE MIX AND UTILIZATION

| | 2008 | 2007 | Dec 31 2008 | Sep 30 2008 | Dec 31 2007 |
|--------------------|--------------|--------------|--------------------|--------------------|--------------------|
| Efforts | | | | | |
| Onsite | 28.7% | 30.4% | 28.7% | 28.2% | 29.7% |
| Offshore | 71.3% | 69.6% | 71.3% | 71.8% | 70.3% |
| Revenue | | | | | |
| Onsite | 59.3% | 61.0% | 58.6% | 58.0% | 60.8% |
| Offshore | 40.7% | 39.0% | 41.4% | 42.0% | 39.2% |
| Utilization | 72.1% | 72.4% | 73.1% | 75.0% | 73.4% |

E4) EMPLOYEE METRICS

| | 2008 | 2007 | Dec 31 2008 | Sep 30 2008 | Dec 31 2007 |
|-------------------------------|---------------|---------------|--------------------|--------------------|--------------------|
| Total Employees | 14,894 | 14,945 | 14,894 | 14,701 | 14,945 |
| Offshore | 11,928 | 12,011 | 11,928 | 11,662 | 12,011 |
| Onsite | 2,966 | 2,934 | 2,966 | 3,039 | 2,934 |
| Total | 14,894 | 14,945 | 14,894 | 14,701 | 14,945 |
| Sales & Support Staff | 1,563 | 1,447 | 1,563 | 1,511 | 1,447 |
| Net Additions | (51) | 2,141 | 193 | (343) | 655 |
| Attrition (LTM) excluding BPO | 18.6% | 25.1% | 18.6% | 20.2% | 25.1% |

E5) FACILITIES - INDIA INFRASTRUCTURE (as on Dec 31, 2008)

| Location | Operational** | | Under Construction/Furnishing | |
|-------------|-----------------------|---------------|-------------------------------|--------------|
| | Built Up Area (Sq ft) | No. of Seats | Built Up Area (Sq ft) | No. of Seats |
| Mumbai | 183,648 | 1,742 | | |
| Navi Mumbai | 267,411 | 3,185 | | |
| Airoli | 462,845 | 4,186 | | |
| Pune | 307,950 | 3,313 | | |
| Gandhinagar | 37,000 | 350 | | |
| Noida | 573,000 | 4,890 | | |
| Hyderabad | 115,485 | 865 | | |
| Bangalore | 114,300 | 1,100 | | |
| Chennai | 148,000 | 1,218 | 133,000 | 1,230 |
| | 2,209,639 | 20,849 | 133,000 | 1,230 |

** Owned plus leased

E6) RUPEE - CURRENCY RATES AGAINST US DOLLAR

| | 2008 | 2007 | Dec 31 2008 | Sep 30 2008 | Dec 31 2007 |
|--|-------|-------|-------------|-------------|-------------|
| Rupee | | | | | |
| Period end rate | 48.75 | 39.41 | 48.75 | 46.95 | 39.41 |
| Period average rate | 43.75 | 40.97 | 49.74 | 44.37 | 39.53 |
| Other Currencies (Average Rate) | | | | | |
| AUD | 0.85 | 0.84 | 0.67 | 0.89 | 0.89 |
| EURO | 1.47 | 1.37 | 1.32 | 1.51 | 1.45 |
| GBP | 1.85 | 2.00 | 1.57 | 1.90 | 2.05 |
| YEN | 0.01 | 0.01 | 0.01 | 0.06 | 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: February 12, 2009

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