

Patni Computer Systems LTD  
Form 6-K  
April 30, 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 April 30, 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

FAX TO SE

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

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

**Summary of Consolidated financial results of Patni Computer Systems Limited and its subsidiaries for the quarter ended 31 March 2008, prepared as per US GAAP**

	USD in thousands except share data		
	Quarter ended 31 March		Year ended 31
	2008 (Unaudited)	2007 (Unaudited)	December 2007 (Unaudited)
Revenues	176,443	156,011	662,912
Cost of revenues	125,852	101,600	450,085
<b>Gross profit</b>	<b>50,591</b>	<b>54,411</b>	<b>212,827</b>
Selling, general and administrative expenses	31,054	26,097	116,260
Provision for doubtful debts and advances	(14)	600	1,182
Foreign exchange (gain) / loss, net	2,225	(2,630)	(23,351)
<b>Operating income</b>	<b>17,326</b>	<b>30,344</b>	<b>118,736</b>
Interest and dividend income	3,565	2,929	12,540
Interest expense	(854)	(698)	(3,592)
Gain on sale of investments, net	245	153	6,370
Other income, net	753	1,155	1,706
<b>Income before income taxes</b>	<b>21,035</b>	<b>33,883</b>	<b>135,760</b>
Income taxes	2,929	6,034	21,784
<b>Net Income</b>	<b>18,106</b>	<b>27,849</b>	<b>113,976</b>
<b>Earning per share</b>			
- Basic	\$ 0.13	\$ 0.20	\$ 0.82
- Diluted	\$ 0.13	\$ 0.20	\$ 0.82
Weighted average number of common shares used in computing earnings per share			
- Basic	139,030,296	138,342,512	138,660,785
- Diluted	139,279,675	139,413,330	139,569,933
Total assets	856,594	684,724	848,755
Cash and cash equivalents	38,984	37,607	32,626
Investments	290,485	260,569	301,152

**Notes:**

1 The above summary of consolidated financial results were taken on record by the Board of Directors at its adjourned meeting held on 30 April 2008.

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

3 The subsidiaries considered in the consolidated financial statements as at 31 March 2008 are wholly owned subsidiaries, namely Patni Americas, Inc., Patni Computer Systems (UK) Ltd., 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.

4 In December 2006, the Company received a demand notice from the Indian Income Tax department of approximately Rs 630,166, including an interest demand of approximately Rs 186,850 (US \$15,990 including an interest demand of approximately US \$4,734) for the assessment year 2004-05. The tax demand was mainly on account of disallowance of deduction claimed by the Company under Section 10A of the Income Tax Act, 1961, in respect of profits earned by its various eligible undertakings. Section 10A of Indian Income Tax Act exempts the profits earned by an undertaking for the export of computer software upon the fulfillment of certain conditions. One of the conditions is that the unit should not have been formed by the splitting up of an existing business. The Company had only expanded its software development business whereas the Income Tax department contends that the business of the new units is comprised of business transferred from existing units by splitting them. The Company, in consultation with its tax advisers, filed an appeal in January 2007 challenging the disallowance.

One of the requirements under the Indian Income Tax Rules to proceed with an appeal is to deposit, either immediately or through monthly installments, a sum equivalent to 50% of the amount that is under appeal. Until March 31, 2008, the Company has deposited a sum of Rs 310,280 (US \$7,735). Considering the facts and nature of disallowances and based on the advice given by the Company's legal counsel, management believes that the disallowance is not tenable and management therefore is confident of a favorable outcome in appeal proceedings and hence no provision for such income tax demand is considered necessary.

Subsequently, in February 2008 the Company has received a order from the Commissioner Income Tax (CIT) (Appeals) in favor of the Company by allowing the claim under Section 10A. The Company has received the refund of the taxes paid after adjustment of the new demand for the assessment year 2002-03.

In December 2007, the Company received another demand, of Rs. 261,703 inclusive an interest demand of approximately Rs 139,880 (US \$ 6,524 including an interest demand of approximately US \$ 3,487) for the assessment year 2002-03. The new demand concerns the same issue of disallowance of tax benefits under Section 10A. In the opinion of management, and based on advice received, the demand is not tenable against the Company and the Company has already filed an appeal with the appellate authority.

Subsequently, in March 2008 the Company has received a order from the CIT (Appeals) in favor of the Company by allowing the claim under Section 10A. The total amount paid till March 2008 of Rs 261,703 (US \$ 6,524) is receivable as refund.

5 In February 2008, the Board of Directors the Company approved the proposal to buy back fully paid equity shares to the extent 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. 2,370,000 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 have been made in April 2008.

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

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

	Rs. in thousands except share data		
	Quarter ended 31 March 2008 (Unaudited)	2007 (Unaudited)	Year ended 31 December 2007 (Unaudited)
Exchange Rate (Rs.)	40.02	43.10	39.41
Revenues	7,061,249	6,724,074	26,125,349
Cost of revenues	5,036,597	4,378,960	17,737,855
<b>Gross profit</b>	2,024,652	2,345,114	8,387,494
Selling, general and administrative expenses	1,242,781	1,124,781	4,581,814
Provision for doubtful debts and advances	(560)	25,860	46,573
Foreign exchange (gain) / loss, net	89,045	(113,353)	(920,260)
<b>Operating income</b>	693,386	1,307,826	4,679,367
Interest and dividend income	142,671	126,240	494,208
Interest expense	(34,177)	(30,084)	(141,578)
Gain on sale of investments, net	9,805	6,594	251,042
Other income, net	30,135	49,781	67,242
<b>Income before income taxes</b>	841,820	1,460,357	5,350,281
Income taxes	117,219	260,065	858,506
<b>Net Income</b>	724,601	1,200,292	4,491,775
<b>Earning per share</b>			
- Basic	5.21	8.68	32.39
- Diluted	5.20	8.61	32.18
Total assets	34,280,892	29,511,625	33,449,435
Cash and cash equivalents	1,560,140	1,620,853	