



TCS acquires Comicrom

The Statesman (India)
08 November 2005

[What follows is the full text of the news story.]

Statesman News Service MUMBAI, Nov. 8. Tata Consultancy Services today disclosed acquisition of Comicrom of Chile for a consideration of \$23 million. TCS has been in joint venture with Comicrom in an IT business where the Chilean company held 49 per cent of the equity. As a part of today's deal, TCS has bought out Comicrom's stake in the joint venture. Mr S Ramadorai, CEO and MD of TCS said: The deal marks a further step in realising TCS strategy of acquiring leadership in platform-based BPO for the banking and insurance domain. It also expands capability in terms of becoming a full service player. TCS looks ahead to net \$100 million revenue resulting from this deal. It will hire 1,000 employees to back the recently signed deal with ABN Amro. Privately held Comicrom has 1,257 employees and provide services to banks, insurance, pension funds and the government in Chile. It accounts for 70 per cent of Chile's banks and has 57 per cent cheque processing business. Comicrom made a revenue of \$35.5 million in financial year 2005 and its operating margin was 14 per cent.

PTI adds from Tel Aviv: TCS is to bid for two major Israeli government tenders to make smart ID cards and health cards, including comprehensive medical file, of all the citizens of the country. We have received the RFP (request for proposal) and are studying the requirements to bid for it, TCS vice-president, Mr Jayant Pendharkar, said.

We are offering comprehensive record of all the citizens that would enable them to go to any hospital anywhere without any lack of information. This will make health care much more efficient, Mr Pendharkar said. The executive of the leading Indian IT firm, which opened an Israeli office recently appointing a local CEO, said that it will be looking forward to participate in computerisation projects in telecom, banking, the government and the health sector. We will also need Israeli companies to partner with because Hebrew is a must for any IT project, he said. TCS also expects to introduce some of its products in the Israeli market and benefit from some of the local products. Mr Shmuel Blank, the newly appointed CEO of TCS Israel said that he felt like a part of the globalisation process. It will be the first time that a non-American company will be making a big impact here. The Europeans were reluctant to get in, so an Indian company got in, Mr Blank said.

I think we have very good chances of success. Our approach will not only be offshore type but also system integration, competing with the major players in the world, he said. Meanwhile, the competitive edge of the Indian IT industry grabbed a lot of attention at Software 06: The Israeli Summit for Software and System Developers attended by more than 1,500 participants. Amid anxiety expressed over the advantages India has over other countries, the chief scientist of the ministry of industry and trade, Ellie Opper, told the participants that contrary to the popular sentiments expressed at the conference he saw a strong case of cooperation between India and Israel. There is nothing to fear from India or China as their advantages lie in other areas than us, Opper emphasised. In yet another session, Indian Ambassador to Israel, Mr Arun Kumar Singh, said that there were ample opportunities of cooperation between the two countries to work together with an eye on the global market. India is a fast-growing economy with a strong consumer base and manufacturing capabilities. Israel has intrinsic strengths in product development and technological innovations. There are opportunities abound for partnerships and technology joint ventures, Mr Singh said.

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