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HP Subsidiary Acquiring AIG's Software Operation in India

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By John Ribeiro

Wed, August 12, 2009 — IDG News Service — Mphasis, the Indian services subsidiary of Hewlett-Packard (HP), said on Wednesday that it reached a definitive agreement to acquire AIG Systems Solutions Pvt. Ltd. (AIGSS), the IT services arm in India of insurer American International Group (AIG).

The move by Mphasis will strengthen its presence and expertise in the insurance and financial services markets, said Ganesh Ayyar, CEO of Mphasis, in a telephone interview on Wednesday.

With operations in Chennai and Kolkata in India, AIGSS has more than 800 employees, and offers services to AIG companies worldwide.

About 40 percent of Mphasis' revenues currently come from the financial services and insurance industries.

The company does work for a number of insurance companies including AIG, and the company plans to use the operation to address new customers, said Gopinathan Padmanabhan, president of the Applications Services Business Unit at Mphasis.

"When the recovery happens, a lot of pent up demand from all the insurance companies will come up, and we will be well positioned to get the business," Padmanabhan added. Even during the crisis, Mphasis' business from the financial services and insurance sectors has been growing, Ayyar said.

AIG's Indian operation will add expertise in areas of insurance such as personal auto insurance, and retirement products in which Mphasis did not have the expertise, Padmanabhan said.

partner of choice in their IT transformation" said Gopinathan Padmanabhan, President Applications Services Business Unit, Mphasis.

The stock was trading at Rs.489.90, down by Rs.10.40 or 2.08%. The stock hit an intraday high of Rs.522 and low of Rs.485.50.

The total traded quantity was 221818 compared to 2 week average of 258240.

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